

COUNCIL OF STATE DEBATES

SATURDAY, 2nd OCTOBER, 1937

Vol. II—No. 9

OFFICIAL REPORT



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COUNCIL OF STATE.

Saturday, 2nd October, 1937.

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

QUESTIONS AND ANSWERS.

MR. KODANDA RAO.

208. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Will Government state whether they had given a general letter of introduction to Mr. P. Kodanda Rao, Secretary, Servants of India Society, during his tour abroad?

(b) Will Government be pleased to state whether the Police Commissioner of Hongkong refused permission to the Chinese Y. M. C. A., Hongkong, to arrange a public lecture by Mr. P. Kodanda Rao when he was in Hongkong in March last?

(c) Do Government propose to enquire and state the reasons for the action of the Police Commissioner in Hongkong?

THE HONOURABLE KUNWAR SIE JAGDISH PRASAD: (a) Yes.

(b) and (c). Government are making enquiries.

CENTRAL ADVISORY COMMITTEE FOR THE INDIAN TERRITORIAL FORCE.

209. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: With reference to the reply given by His Excellency the Commander-in-Chief to question No. 81, on the 18th March, 1937, will Government be pleased to state whether they have appointed a Central Advisory Committee for the Indian Territorial Force?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Central Advisory Committee for the Indian Territorial Force has been reconstituted and the names of the members were published in the Gazette of India issued today.

PAY AND ALLOWANCES OF INDIAN KING'S COMMISSIONED OFFICERS, ETC.

210. THE HONOURABLE MR. G. S. MOTILAL: Will Government be pleased to state the rank, pay and allowances of the 141 Indian officers with the King's commission and the 176 Indian commissioned officers of the forces in India, *vide* page 28 of Defence Services Budget Estimates for 1937-38, or to lay on the table a statement containing the information?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The ranks of all officers in the Indian Army is shown in the *Indian Army List*, a copy of which

is in the Library of the Legislature. As regards their pay and allowances, I refer the Honourable Member to the statement I laid on the table on the 14th September, 1937, showing the pay and allowances admissible in each rank to King's commissioned officers and Indian commissioned officers of the Indian Army.

THE HONOURABLE MR. P. N. SAPRU : Is the *Indian Army List* supplied to Members of this Council, Sir ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It is in the Library.

THE HONOURABLE MR. P. N. SAPRU : Is the *Indian Army List* —

THE HONOURABLE THE PRESIDENT : I do not understand your question !

THE HONOURABLE MR. P. N. SAPRU : Do we get a free copy of the *Indian Army List* ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : No.

THE HONOURABLE MR. P. N. SAPRU : Will His Excellency be pleased to see that we get a free copy of the *Indian Army List* ? (Laughter.)

EXPERIMENTAL DERAILMENT CARRIED OUT AT JAMALPUR, E. I. R.

211. THE HONOURABLE MR. HOSSAIN IMAM : (a) Will Government state whether any experimental derailment has been carried out at Jamalpur ? If so, when ?

(b) Will Government state the amount of expenditure incurred in laying the line, and other items for preparing the stage for the experimental derailment ? Was it sanctioned by Government and the Railway Board ? If so, when, and to what head will the expenditure be charged ?

(c) What was the object of the experiment ? Will the result be placed before Mr. Justice Tom ? If so, was the Judge informed beforehand ? If not, why ?

(d) Will Government state fully the stock involved in this experiment, showing the years of construction or of purchase, the original cost, the average life, the cost of clearing the debris and the breaking up of stock ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) to (d). Yes, an experimental derailment was carried out at Jamalpur, regarding which the Agent's report is awaited. On receipt of this report, a further reply will be laid on the table.

MILITARY ASSISTANCE FOR BURMA FROM INDIA IN CASE OF EXTERNAL AGGRESSION.

212. THE HONOURABLE MR. HOSSAIN IMAM : (a) Will Government state the date of agreement with Burma for military assistance ; and whether India's liability is to help only in case of external aggression or for suppression of internal rebellion as well ?

(b) Has the Government of Burma agreed to pay any contribution to India ? If not, what is the *quid pro quo* ?

(c) Will Government please state what demand they originally made from the Government of Burma? Was the matter referred to the Secretary of State? If so, what was his decision?

(d) Will Government state the amount, if any, that India will receive from Burma for military pensions?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a), (b) and (c). It is not in the public interest to disclose the details of the agreement.

It can, however, be stated that the agreement is reciprocal, and both India and Burma stand to benefit equally by it.

(d) I presume the Honourable Member is referring to the post-separation period. If so, the Government of Burma will pay a contribution of about Rs. 4.5 lakhs per annum towards military pension of officers and personnel of the Indian Services lent for duty with the defence services in Burma. This sum refers, of course, to the numbers of such Indian Services personnel who are at present loaned to the Burma Government and any variation in such numbers from time to time will cause variation in the contribution I have specified.

THE HONOURABLE MR. HOSSAIN IMAM: Do I take it that His Excellency means that there will be no payment towards the pension that we pay in England for the British Army in India?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I cannot answer that question without notice, Sir. I do not see how it arises?

THE HONOURABLE MR. HOSSAIN IMAM: May I explain, Sir?

THE HONOURABLE THE PRESIDENT: It is not necessary to explain. You give notice of that question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will this agreement throw any financial burden on the Indian revenues?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No, none. I have already explained that the arrangement made is entirely reciprocal.

THE HONOURABLE MR. HOSSAIN IMAM: Do we take it that Burma will help India in case of need?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I have already answered. It is not in the public interest to reply to this question.

AMOUNTS TRANSFERRED TO PROVINCIAL GOVERNMENTS ON THE 1ST APRIL, 1937,
FROM GOVERNMENT OF INDIA BALANCES.

213. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the amount of balances transferred to each province on 1st April, 1937, from the Government of India Funds and from Provincial Balances, giving the specific item for which they were earmarked?

THE HONOURABLE MR. A. J. RAISMAN: Two statements are laid on the table.

STATEMENT II.
Provincial Balances funded since 1st April, 1937, showing items for which they were earmarked.

(In thousands of Rs.)

	Madras.	Bombay.	Bengal.	United Pro- vinces.	Punjab.	Bihar.	Central Pro- vinces.	Assam.	North- West Frontier.	Orissa.	Simd.*
	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
(1) Government Account—Balance ..	-10,39,35	-20,67,56	-7,77,12	-31,79,42	-32,16,95	-3,37,98	-7,33,53	-2,01,91	-3,34,16	-2,87,84	-22,86,08
(2) Public Debt—Provincial Loans ..	..	+ 2,47	..	+ 4,63,13	+ 4,03,70	..	..	..	..	..	..
(3) Famine Relief Fund ..	+ 1,37	..	+ 3,31	-13	+ 20,43	+ 13,85	+ 2,73	..	+ 82	..	+ 12,00
(4) Depreciation Reserve Fund—Govern- ment Provinces.	+ 11,46	+ 1,70	+ 3,43	+ 1,64	+ 95	..	+ 1,52	+ 29	+ 50	..	+ 11
(5) Deposits of depreciation and other reserves of Government commercial concerns.	+ 2,44	+ 5,04	..	+ 4,07	..	..	+ 2,68	..	..	..	..
(6) Transfers from Famine Relief Fund ..	..	..	..	..	..	..	..	..	..	..	..
(7) Sinking Fund Deposits for Loans granted to Local Bodies, etc.—Amount paid by the Bishop of Nagpur for re- payment of loan.	..	..	..	..	..	..	+ 2,33	..	..	..	..
(8) Subventions from the Central Road Development Account.	+ 43,39	+ 41,39	+ 43,33	+ 1,56	+ 18,49	+ 12,13	+ 4,44	+ 3,01	+ 1,49	+ 1,71	+ 11,56
(9) Deposit Account of Grants by the Indian Central Cotton Committee.	-9	..	..	..	..	..	..	..	..	..	..
(10) Deposit Account of Grants made by the Imperial Council of Agricultural Research.	-23	+ 15	+ 2	..	+ 6	+ 2	-7	+ 1	-7	..	+ 4

* Figures relating to these provinces are only provisional.

STATEMENT II—contd.

Provincial Balances funded since 1st April, 1937, showing items for which they were earmarked—contd.

(In thousands of Rs.)

	Madras.	Bombay.	Bengal.	United Provinces.	Punjab.	Bihar.	Central Provinces.	Assam.	North-West Frontier.	Orissa.	Sind.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(11) Deposit Account of receipts under the Bombay Public Convenience Act.	..	+ 28	..	..	..	..	..	..	..	..	+ 15
(12) Deposit Account of Grants made by the Central Government for Development of Industries.	+ 63	+ 23	+ 1,48	+ 1,16	+ 45	+ 7	..	+ 6	..	+ 9	+ 14
(13) Deposit Account of Grants made by the Central Government from the Sugar Excise Fund.	..	+ 7	..	+ 8,37	+ 11	+ 1,70	..	..	..	+ 10	..
(14) Deposit Accounts of Grants for Economic Development and Improvement of Rural Areas.	+ 4,06	+ 2,53	+ 2,45	+ 5,03	+ 2,00	+ 5,99	+ 1,03	+ 2,26	+ 1,66	+ 1,72	+ 78
(15) Deposit Account of contributions for Cattle Improvement.	+ 4	..	..	..	..	..	..	..	..	..	..
(16) Deposit Account of the balance of the Fund for the restoration of Earthquake Damage.	..	..	+ 8	..	..	+ 55,57	..	..	..	..	..
(17) Suspense Accounts	+ 9	..	+ 1,47	- 4,00	- 5	+ 71	..	..	- 7	..	..
(18) Provincial Road Fund	..	+ 4,24	..	+ 11,55	..	..	..	..	..	..	..
(19) Loans and Advances by the Provincial Governments.	- 4,57,37	- 19,47,53	- 85,29	- 2,31,70	- 61,69	- 1,66,40	- 1,01,25	- 12,99	- 29,47	- 6,49	- 52,07
(20) Advances from the Provincial Loans Fund and Government of India.	+ 14,28,47	+ 40,59,43	+ 8,99,09	+ 29,48,93	+ 31,73,04	+ 4,71,75	+ 6,17,17	+ 2,09,16	+ 2,76,12	+ 2,08,93	+ 20,94,23
(21) Restoration of Free balances	..	..	+ 32,33	..	..	+ 32,61	..	+ 6,64	..	..	..
Net—Total	+ 1,26,75	+ 1,03,44	+ 64,77	+ 57,09	+ 2,50,56	+ 1,19,13	+ 2,73	+ 6,64	+ 16,41	+ 12,22	+ 1,40,91

* Figures relating to these provisions are only provisional.

NUMBER AND AMOUNT INVOLVED IN OBJECTIONS TO TRANSFER INTERESTS IN FAMILY PENSION FUNDS TO COMMISSIONERS IN ENGLAND.

214. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the number of objections and the approximate amount involved in the objections to transfer to Commissioners in England of Family Pension Funds?

THE HONOURABLE MR. R. M. MAXWELL: So far as information has hitherto been received from the India Office, the details of the subscribers to the various funds, who have objected to transfer, are as follows :—

Indian Military Service Family Pension Fund	..	..	359
Indian Military Widows and Orphans' Fund	..	..	298
Indian Civil Service Family Pension Fund	..	..	242
Superior Services (India) Family Pension Fund	..	..	143
Total			1,042

The above information does not include the number of beneficiaries who may have objected to transfer, about whom information has not hitherto been received. Information about the amounts of the interest of objectors in the various funds is also not yet available, but is being expedited as much as possible. As promised in my reply to the Honourable Member's question No. 144 on the 20th September, 1937, the information will be laid on the table of the House as soon as it is complete.

STATEMENT SHOWING THE AMOUNT OF CASH, BULLION AND SECURITIES HELD ON TREASURY ACCOUNT ON 31ST MARCH, 1937.

215. THE HONOURABLE MR. HOSSAIN IMAM: With reference to the answer to question No. 149, asked in the Council of State on the 20th September, 1937, will Government lay on the table a statement containing the details of Cash, Bullion and Securities held on Treasury account?

THE HONOURABLE MR. A. J. RAISMAN: I place on the table a statement showing the details of the sum of Rs. 19·37 crores under Cash, Bullion and Securities held on Treasury account on the 31st of March, 1937. The statement is based on the revised estimates of the year 1936-37.

Statement showing the amount of Cash, Bullion and Securities held on Treasury account on the 31st of March, 1937.

	Rs.
	(Crores.)
Cash Balance in India	16·16
Cash Balance in England	·72
Cash Balances in the hands of the various Departments in India	2·32
Mint bullion held on Treasury account	·17
	19·37

**AMOUNT CONTRIBUTED BY RAILWAYS TO THE INDIAN RAILWAY CONFERENCE
IN 1935-36.**

216. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the amount contributed by each State-owned Railway to the Railway Conference Association in the year 1935-36 for each specific account?

THE HONOURABLE SIR GUTHRIE RUSSELL : I lay on the table a statement giving a summary of the expenditure of the Indian Railway Conference Association for the year 1935-36, as allocated to Railways. This gives the required information in respect of all Railways party to the Association, including the State-owned Railways.

Summary of total expenditures of the Indian Railway Conference Association for the year 1935-36 as allocated to Railways.

Railways.	Conference Branch.	Wagon Interchange Branch.	N. C. Headquarters.	N. C. Junction including Neutral Umpires.	Total share of actual expenditure borne by each Railway.
	Ra. a. p.	Ra. a. p.	Ra. a. p.	Ra. a. p.	Ra. a. p.
Assam Bengal	2,960 15 0				2,960 15 0
Assam Railways and Trading Company (The D. S. Railway).	987 0 0			..	987 0 0
Barsi Light	987 0 0				987 0 0
Bengal and North-Western	3,947 15 0			..	3,947 15 0
Bengal Dooms	987 0 0	..	..	..	987 0 0
Bengal Nagpur	4,934 14 0	19,383 6 0	6,491 0 0	23,713 15 0	59,423 3 0
Bengal Provincial	493 8 0	..	..		493 8 0
Bhavnagar State	987 0 0	..	..		987 0 0
Bikaner State	1,973 15 0	..	..	..	1,973 15 0
Bombay, Baroda and Central India	4,934 14 0	6,900 0 0	1,056 4 0	3,177 5 6	16,158 7 6
Bombay Port Trust	493 8 0		..		493 8 0
Burma	3,947 15 0	..	..	..	3,947 15 0
Calcutta Port Commissioners	493 8 0		..	..	493 8 0

Summary of total expenditures of the Indian Railway Conference Association for the year 1935-36 as allocated to Railways—contd.

Railways.	Conference Branch.	Wagon Interchange Branch.	N. C. Headquarters.	N. C. Junctions including Neutral Umpires.	Total share of actual expenditure borne by each Railway.
	Ra. a. p.	Ra. a. p.	Ra. a. p.	Ra. a. p.	Ra. a. p.
Derjeeling Himalayan ..	493 8 0		..	..	493 8 0
Dholpur State ..	493 8 0	..	..	..	493 8 0
Eastern Bengal ..	3,247 15 0	8,538 11 0	..	..	12,486 10 0
East Indian ..	4,934 14 9	26,997 12 11	19,285 2 4	43,788 3 6	1,04,916 1 6
Geekwar's Baroda State ..	1,480 8 0	..	..	..	1,480 8 0
Gondal ..	987 0 0	..	..	..	987 0 0
Great Indian Peninsula ..	4,884 14 0	27,092 15 0	12,714 9 0	40,099 7 9	84,841 13 9
Gwalior Light ..	987 0 0	..	..	..	987 0 0
H. E. H. the Nizam's State ..	2,960 15 0	5,812 0 0	..	..	8,772 15 0
Jamnagar and Dwarka ..	987 0 0	..	..	..	987 0 0
Jessore Jhenidah ..	493 8 0	..	..	..	493 8 0
Jodhpur ..	2,467 7 0	..	..	..	2,467 7 0
Junagad State ..	987 0 0	..	..	..	987 0 0
Madras and Southern Mahratta ..	4,934 14 0	10,102 8 0	4,830 14 0	14,569 13 3	34,458 1 3
Madras Port Trust ..	493 8 0	..	..	..	493 8 0
Meera, Meerut and Company (The J. P. Railway) ..	493 8 0	..	..	..	493 8 0

Messrs. McLeod and Company (The A. K., etc., Light Railways).	493 8 0				493 8 0
Messrs. Martin and Company (The H.A., etc., Light Railways).	987 0 0	..	..	..	987 0 0
Messrs. Octavius Steel and Company (The D.R.L. Railway)	493 8 0	..	..	..	493 8 0
Morvi ..	987 0 0	..	..	..	987 0 0
Myore ..	987 0 0	..	..	..	987 0 0
North Western ..	4,934 14 0	17,870 10 0	16,748 5 0	28,186 2 0	67,538 15 0
Porbandar State ..	493 8 0	..	..	..	493 8 0
Rotikund and Kumsan ..	1,974 0 0	..	..	..	1,974 0 0
South Indian ..	3,947 15 0	2,367 3 0	..	..	6,315 2 0
Udaipur Chitorgarh ..	493 8 0	..	..	..	493 8 0
Total ..	75,997 12 9	1,34,785 1 11	61,126 2 4	1,58,569 15 0	4,30,443 0 0

POWER OF RAILWAY BOARD TO COUNTERMAND DECISIONS OF THE INDIAN RAILWAY CONFERENCE ASSOCIATION.

217. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state whether the Railway Board has power to pass orders countermanding the decision of the Railway Conference Association ?

THE HONOURABLE SIR GUTHRIE RUSSELL : As the controlling authority of State-managed Railways, the Railway Board have power to countermand decisions of the Indian Railway Conference Association.

JURISDICTION OF THE RAILWAY BOARD AND THE INDIAN RAILWAY CONFERENCE ASSOCIATION.

218. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state whether the Railway Board and the Railway Conference Association have concurrent jurisdiction or have they separate specified jurisdiction ? If so, what are the details ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The Honourable Member's question is not understood. The Indian Railway Conference Association is a voluntary association of Railways and the decisions of this body are arrived at after discussion and being voted upon. The question of jurisdiction does not arise as any member railway can dissent from the Conference decision.

ASSOCIATIONS SIMILAR TO THE INDIAN RAILWAY CONFERENCE ASSOCIATION IN OTHER PARTS OF THE WORLD.

219. **THE HONOURABLE MR. HOSSAIN IMAM :** Are there any Associations such as the Railway Conference Association in other parts of the world, where Government own most of the railway systems ? Will Government state what statutory basis there is for the Railway Conference Association in the Government of India Act, 1935 ?

THE HONOURABLE SIR GUTHRIE RUSSELL : As regards the first part of this question Government have no information.

As regards the latter part there is no statutory basis for the Indian Railway Conference Association in the Government of India Act, 1935.

AUTHORITY AND HEAD OF ACCOUNT TO WHICH COST OF LANDS PURCHASED FOR RAILWAYS WILL BE DEBITED UNDER THE GOVERNMENT OF INDIA ACT, 1935.

220. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state the authority and the head of account to which the cost of lands purchased for Railways will be debited under the Government of India Act, 1935 ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The information required by the Honourable Member is contained in the publication entitled *Revised Rules relating to the Acquisition of Land for Railway purposes* (Reprinted

1935), the rules in which as amended from time to time, continue in force under the new Act. A copy of these Rules is available in the Library of the House.

NUMBER OF AIRCRAFT PURCHASED DURING THE LAST THREE FINANCIAL YEARS.

221. THE HONOURABLE MR. HOSSAIN IMAM : (1) Will Government state:—

(a) the number of aircraft purchased during the last three financial years; and

(b) the prices paid for aircraft and airplane parts during that period?

(2) Have Government made any arrangement with manufacturing firms to train Indian personnel? If not, do they propose to make arrangements at an early date?

(3) What are the names of firms which supply our requirements?

THE HONOURABLE MR. A. G. CLOW : I assume the Honourable Member's question refers to civil aircraft. The answers are :

(1) (a) One.

(b) The price of the machine was £10,010 (Rs. 1,33,466). The cost of spare parts purchased by Government through the High Commissioner for India during the period amounts to £718 approximately (Rs. 9,573).

(2) Arrangements for the training of Indian scholars with manufacturing firms in England are made from time to time as necessary.

(3) The firms from whom the High Commissioner has obtained our requirements so far are—

Messrs. A. V. Roe and Co., Ltd.,

Armstrong Siddeley, Motors, Ltd.,

Smith's Instruments, Ltd.

THE HONOURABLE MR. HOSSAIN IMAM : Who is responsible for purchasing our Indian Air Force machines?

THE HONOURABLE MR. A. G. CLOW : That is a matter lying within the purview of the Defence authorities.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member get the information from the Defence Department?

THE HONOURABLE MR. A. G. CLOW : No, Sir. I have no responsibilities for the activities of the Defence Department.

CONTRACTS FOR THE SUPPLY OF WAGONS FOR THE YEARS 1938 TO 1940, ETC.

222. THE HONOURABLE MR. HOSSAIN IMAM : Will Government give the following information in respect of the contracts for the supply of wagons for the years 1938 to 1940 :—

(a) the date of the Railway Board's decision to purchase;

(b) the date of signing the contract ; and

(c) the price of *semies* in Calcutta and London on the above two dates and on 30th June, 1937 ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) and (b). The Honourable Member refers presumably to the purchase of B. G. General Service wagons for the years 1937-38, 1938-39 and 1939-40. The Railway Board decided to accept the quotations from Indian wagon building firms for the wagons in question on the 12th February, 1937, and orders were placed the same day. The practice is for Railways to enter into formal contracts with the firms concerned on dates subsequent to the acceptance by the Railway Board.

(c) The English (estimated) prices and Indian prices at the time of placing the orders were as follows :—

	" O " type.	" CR " type.
English	3,533	4,040
Indian	3,268	3,760

Government has no information concerning English and Indian wagon costs on June 30th, 1937.

INDIAN DETENUS AND POLITICAL PRISONERS IN BURMA ON 31ST MARCH, 1937.

223. THE HONOURABLE MR. HOSSAIN IMAM : Will Government lay on the table a detailed list containing the names, the home province and the period of imprisonment of Indian detenus and political prisoners in Burma on 31st March, 1937 ?

THE HONOURABLE MR. R. M. MAXWELL : I am making enquiries and will lay a statement on the table in due course.

ADVISORY COMMITTEES FOR ALL-INDIA RADIO.

224. THE HONOURABLE MR. HOSSAIN IMAM : (a) Will Government state whether there is any Board attached to the All-India Radio ? If so, what is its constitution and who are its present members and for what period the Board is constituted ?

(b) Have Government formed any Standing Committee of the two Houses to advise Government on matters pertaining to the Radio Department. If not, why ?

THE HONOURABLE MR. A. G. CLOW : (a) An Advisory Council has been appointed to assist the Controller of Broadcasting in the working of the Delhi Broadcasting Station. The constitution and names of its members were announced in a Press Note, dated the 21st August, 1936, a copy of which is laid on the table of the House. No term has been fixed for the members.

(b) There is a Standing Advisory Committee attached to the Department of Industries and Labour and important matters pertaining to All-India Radio are referred to it.

THE HONOURABLE MR. HOSSAIN IMAM : Is it proposed to have Advisory Committees at each station, Lahore, Lucknow and others ?

THE HONOURABLE MR. A. G. CLOW : I am afraid I must ask for notice of that question. I do not know.

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR.

PRESS NOTE.

Dated Simla, the 21st August, 1936.

The Government of India have decided to establish an Advisory Council to assist the Controller of Broadcasting in the working of the Delhi Broadcasting Station. The Council will meet at suitable intervals to be determined by the Controller and will advise him on such matters as he may refer to it. The Council will select sub-committees to each of which the Controller will have authority to co-opt not more than two members if and when necessary, to deal with particular subjects, such as music, drama, language and the like. The Council will at present consist of the following :—

President.—Controller of Broadcasting.

Secretary.—Director, Delhi Broadcasting Station (*ex-officio*).

- Members** ..
- (1) Professor B. N. Ganguli, Delhi University.
 - (2) Dr. S. K. Sen, Medical Practitioner, Delhi.
 - (3) Pandit Haksar, Cloth Merchant, Delhi.
 - (4) Mr. Shiv Raj Bahadur, Merchant, Delhi.
 - (5) Mr. Ghulam Mohammed, Posts and Telegraphs Department.
 - (6) Mrs. Asaf Ali, wife of Mr. Asaf Ali, M.L.A., Delhi.
 - (7) Mrs. Krishna Rao, wife of Mr. Krishna Rao, Railway Department.
 - (8) Mirza Mohammed Said, Delhi.
 - (9) The Honourable Raja Charanjit Singh, Member, Council of State.
 - (10) Sir Mohammed Yamin Khan, M.L.A., Meerut.
 - (11) The Educational Commissioner with the Government of India (*ex-officio*).
 - (12) Lala Shri Ram, Banker and Merchant, New Delhi.

(13) Mr. Rahn Kishore, Vice-Chancellor, Delhi University.

(14) Dr. Zakir Hussain.

S. N. ROY,

Joint Secretary to the Government of India.

NOTE PRESENTED TO SIR OTTO NEIMEYER ON THE TRANSFER OF PROVIDENT FUND LIABILITIES TO PROVINCES.

225. THE HONOURABLE MR. HOSSAIN IMAM : Will Government place on the table or in the Library of the House a copy of the note which they presented to Sir Otto Neimeyer on the transfer of Provident Fund liabilities to provinces ?

THE HONOURABLE MR. A. J. RAISMAN : No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : This is a question, Sir,—

THE HONOURABLE THE PRESIDENT : Please do not make a speech.

THE HONOURABLE MR. HOSSAIN IMAM : My point is, is "No" a reply ? He must say something.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Will the Honourable Member give the reasons for his refusal ?

THE HONOURABLE MR. A. J. RAISMAN : I did not expand the answer because the reply is obvious. Any memoranda prepared in the Secretariat preliminary to Sir Otto Neimeyer's Report are obviously of a confidential character.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are not memoranda supplied to conferences and persons specially appointed by Government to conduct enquiries published in numerous cases ?

THE HONOURABLE MR. A. J. RAISMAN : They are in some cases. They are in cases where a Commission is conducting the whole of its proceedings in public. But that was not the case with Sir Otto Neimeyer's enquiry.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : In the case of the Meston Committee which enquired into the financial relations between the provinces and the Government of India, were not many of the documents placed before it, both of Local Governments and the Government of India, published ?

THE HONOURABLE MR. A. J. RAISMAN : In the present case memoranda were prepared both on the part of the Central Government and the provinces, and Sir Otto Neimeyer also visited the headquarters of various provinces. The cases on both sides were fully placed before him and this was essentially a matter of public finance. It was a matter in which the Government alone were in a position to furnish material of value, and I do not see how the question of publicity arises.

THE HONOURABLE MR. HOSSAIN IMAM: Was the full figure of the transfer of provincial funds placed before Sir Otto Neimeyer, the amount transferred for which provinces would have to take responsibility?

THE HONOURABLE MR. A. J. RAISMAN: The Government of India placed fully and freely all the material at their disposal before Sir Otto Neimeyer.

THE HONOURABLE MR. HOSSAIN IMAM: Was this information available at that time, the amount involved?

THE HONOURABLE MR. A. J. RAISMAN: They placed before him all the information which was available, and obviously could not place before him anything they had not got.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What would be the harm in publishing the papers so that we might know the grounds on which a decision was reached?

THE HONOURABLE MR. A. J. RAISMAN: I believe I am correct in saying that no separate note on this subject was prepared. The statistics and figures were merely part of the figures which had to be taken into account in the settlement.

THE HONOURABLE MR. HOSSAIN IMAM: No note was presented?

THE HONOURABLE THE PRESIDENT: Question No. 226.

FIRST AND THIRD CLASS FARES CHARGED BY THE B. N. R. BETWEEN HOWRAH TO KALYAN, ETC.

226. THE HONOURABLE MR. HOSSAIN IMAM: Will Government please state the first and third class fares by the B.N.R. between the following stations and the reason for inconsistency, if any:—

Howrah to Kalyan and Howrah to Bombay, Bombay to Kharagpur and Bombay to Howrah?

THE HONOURABLE SIR GUTHRIE RUSSELL: I am laying on the table a statement showing the first and third class fares between the stations referred to. I presume the inconsistency my Honourable friend refers to has reference to the third class fares *between* Howrah and Kalyan and *between* Bombay and Kharagpur, being higher than those between Howrah and Bombay. This is due to the B.N.R. quoting special fares between Howrah and *via* Nagpur for traffic to and from Bombay in adjustment with those applicable by the E.I.R. route *via* Naini.

The matter being within the competence of the B.N.R. Administration, the Honourable Member's question and this reply will be sent to the Agent for his consideration.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member explain the difference between the first class and third class fares? Does the same principle apply in both cases?

THE HONOURABLE SIR GUTHRIE RUSSELL: Actually I believe what the Honourable Member means is, why are the first class fares more favourable than the third class? The reason is that the E.I.R., have a lower basis for
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third class fares than the B.N.R. even although the E.I.R. is a longer route, if they charged their ordinary basis and the B.N.R. their basis, the E.I.R. third class fare would be cheaper than that of the B.N.R. That is the reason, I think. The difference between the first class on the E.I.R. and the first class on the B.N.R. is not as great.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member see that this injustice is removed ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I cannot admit the injustice.

Statement.

The fares are as follows :—

			I.			III.		
			Rs.	a.	p.	Rs.	a.	p.
Between Howrah and Kalyan	..	..	124	11	9	22	8	9
Between Howrah and Bombay	..	..	127	12	9	19	10	9
Between Bombay and Khargpur	..	..	126	11	0	21	11	0

EXTENSION OF THE TELEPHONE TRUNK LINE TO HYDERABAD (DECCAN).

227. THE HONOURABLE MR. G. S. MOTILAL : Will Government be pleased to state the reason of the telephone trunk line not yet being extended to Hyderabad (Deccan) while it is connected to Bolaram, which is about 10 miles away from Hyderabad (Deccan) ?

THE HONOURABLE MR. A. G. CLOW : The Hyderabad Government have not yet expressed their wish that this should be done.

DRAFT CONVENTIONS AND RECOMMENDATIONS OF THE INTERNATIONAL LABOUR CONFERENCE LAID ON THE TABLE.

THE HONOURABLE MR. H. DOW (Commerce Secretary) : Sir, I lay on the table the Draft Conventions and Recommendations adopted by the Twenty-first and Twenty-second (Maritime) Sessions of the International Labour Conference and a statement indicating the course of action which the Government of India propose to take in connection with the Draft Conventions and Recommendations.

STATEMENT.

The following statement gives particulars of the course which the Government of India propose to follow in respect of the Draft Conventions and Recommendations adopted by the Twenty-first and Twenty-second (Maritime) Sessions of the International Labour Conference held at Geneva in October 1936 :—

Twenty-first Session.

The Convention seeks to regulate the maximum hours of work and to prescribe a minimum manning scale for certain classes of ships engaged on international voyages. The hours of work of Indian Seamen are not at present regulated by law and are left to be settled between the ship-owners and seamen at the time of engagement, but it is understood that they work considerably longer hours than European seamen. The Government of India are of the opinion that it will not be practicable to bring down immediately the lascar's hours of work to the scale prescribed in the Convention.

1. (a) 1. Draft Convention concerning Hours of Work on Board Ship and Manning.

(b) Recommendation concerning Hours of Work on Board Ship and Manning.

They, however, feel that some regulation of the hours of work of Indian seamen is necessary, and for this purpose they propose to address the Principal Officers of the Mercantile Marine Department, Chambers of Commerce, Shipping Companies, Seamen's Unions, etc., in India, and to approach the British shipping companies employing lascars to secure their co-operation in the matter.

The Draft Recommendation concerning Hours of Work and Manning is complementary to the Convention on the subject, and recommends the regulation of hours of work and manning in the classes of vessels excluded from the scope of the Convention. It is not proposed to take any separate action on the Recommendation.

II. Draft Convention concerning the liability of the Ship owner in case of sickness, injury or death of seamen.

III. Draft Convention concerning Sickness insurance for Seamen.

IV. Draft Convention concerning the minimum requirement of professional capacity for Masters and Officers of board merchant ships.

V. Draft Convention concerning Annual Holidays with Pay for Seamen.

The question of giving effect to these Conventions is still under examination, and the results of that examination will be placed before the Legislature at a future session. This Convention is designed to grant the concession of holidays with pay to seamen, and its main provision entitles a seaman after one year of continuous service with the same undertaking to a paid holiday according to a prescribed scale. The question as to how far it would be practicable to give effect to its provisions in India was referred to the Principal Officers, Mercantile Marine Department, Chambers of Commerce, Shipping Companies, Seamen's Unions, etc., in this country for their views. The replies received show that practically all the authorities, etc., consulted except the all-India Seamen's Federation, are of the opinion that the provisions are not suited to the conditions prevalent in India. They also indicate the possibility that the adoption of the Convention, far from benefiting Indian seamen, might effect them adversely in more than one way, as for instance, affecting their continuity of service, scale of wages, etc. In the circumstances, the Government of India do not propose to take any action on the Convention.

The Recommendation contains certain suggestions for the provision of welfare measures for the physical and moral well-being of seamen. Some of the measures suggested are already in force at Indian ports, but the Recommendation has been referred to the maritime Provincial Governments, the various Port Authorities, the Principal Officers, Chambers of Commerce, Shipping Companies, Seamen's Unions, etc., for their views as to what further

action would be possible.

Twenty-second Session.

This Convention is only a revise of the Convention adopted by the Conference in 1920 fixing the minimum age of admission of children to employment at sea at 14 years. After a careful examination of the original Convention in consultation with the maritime Local Governments, it was found that the provisions of the Convention could be given effect to in India only subject to the following two reservations:—

- (i) that it should apply only to foreign-going ships and home-trade ships of a burden exceeding 300 tons, i.e., to cases where agreements with seamen were required to be entered into by the Indian Merchant Shipping law, and
- (ii) that nothing in the draft Convention should be deemed to interfere with the Indian custom of sending young boys to sea in charge of their fathers or near relatives.

As, however, it was ruled that the ratification of a Convention cannot be accompanied by reservations, the Government of India were unable to ratify the Convention, but steps were taken to amend the Indian Merchant Shipping Act, 1923, so as to conform to the provisions of the Convention subject to the above reservations.

In the Draft Convention as revised by the 22nd Session, the minimum age of employment has been raised from 14 to 15 years. After consultation with the interests concerned

the Government of India see no objection to this change, but the circumstances which necessitated the making of reservations on the former occasion still exist. It is accordingly proposed to amend the Indian Merchant Shipping Act at the next suitable opportunity so as to raise the minimum age of employment from 14 to 15 years, subject to the existing reservations.

BULLETINS OF INDIAN INDUSTRIES AND LABOUR (NO. 60 OF 1937).

APPENDIX 1.

DRAFT CONVENTION CONCERNING HOURS OF WORK ON BOARD SHIP AND MANNING.

(The formal preamble is omitted).

PART I.—SCOPE AND DEFINITIONS.

Article 1.

1. This Convention applies to every sea-going mechanically-propelled vessel, whether publicly or privately owned, which :

- (a) is registered in a territory for which the Convention is in force ;
- (b) is employed in the transport of cargo or passengers for the purpose of trade ; and
- (c) is engaged on an international voyage, by which is meant any voyage from a port of one country to a port outside such country, every colony, overseas territory, protectorate or territory under suzerainty or mandate being regarded as a separate country.

2. This Convention does not apply to :

- (a) sailing vessels with auxiliary engines ; or
- (b) vessels engaged in fishing, whaling or similar pursuits, or in operations directly connected therewith.

3. Any Member may exempt vessels registered in its territory from the application of this Convention while such vessels are exclusively engaged in voyages upon which they do not proceed further from the country from which they trade than the nearby ports of neighbouring countries within geographical limits which :

- (a) are clearly specified by national laws or regulations ;
- (b) are uniform in respect of the application of all the provisions of this convention ;
- (c) have been notified by the Member when registering its ratification by a declaration annexed thereto ; and
- (d) have been fixed after consultation with the other Members concerned.

Article 2.

For the purpose of this Convention the following expressions have the meanings hereby assigned to them :

- (a) "tons" means gross registered tons ;
- (b) "officer" means a person other than a master ranked as an officer by national laws or regulations, collective agreement or custom.

- (c) "rating" means a member of the crew other than an officer;
- (d) "hours of work" means time during which a member of the crew is required by the orders of a superior to do any work on account of the vessel or the owner, or to be at the disposal of a superior outside the crew's quarters.

PART II.—HOURS OF WORK.

Article 3.

This part of this Convention does not apply to:

- (a) officers in charge of departments who do not keep watch;
- (b) wireless operators and telephonists;
- (c) pilots;
- (d) doctors;
- (e) nursing staff exclusively engaged on nursing duties or hospital staff;
- (f) persons working exclusively on their own account;
- (g) persons remunerated exclusively by a share of profits;
- (h) persons whose duties are connected solely with the cargo carried on board and who are not in fact in the employment either of the owner or of the master;
- (i) travelling dockers;
- (j) crews consisting entirely of members of the family, as defined by national laws or regulations, of the owner of the vessel.

Article 4.

1. In vessels of over 2,000 tons the hours of work at sea and on arrival and sailing days deck rating whose time is divided into watches shall not exceed eight in the day nor shall they exceed fifty-six in the week.

2. In vessels of over 700 tons the hours of work at sea and on arrival and sailing day of deck ratings employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

3. Hours in excess of the limits prescribed in paragraphs 1 and 2 may be worked on arrival and sailing days. Whether or not such hours are to be worked and where such hours are allowed the conditions under which they may be worked shall be determined by national laws or regulations or collective agreements.

Article 5.

1. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of engine-room and stokehold ratings whose time is divided into watches shall not exceed eight in the day nor shall they exceed fifty-six in the week; provided that extra time may be worked for the normal relieving of watches and the hoisting and dumping of ashes.

2. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of engine room and stokehold ratings employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

3. Hours in excess of the limits prescribed in paragraphs 1 and 2 may be worked on arrival and sailing days. Whether or not such hours are to be worked and where such hours are allowed the conditions under which they may be worked shall be determined by national laws or regulations or collective agreements.

Article 6.

1. In vessels of over 2,000 tons the hours of work at sea and on arrival and sailing day of deck officers shall not exceed eight in the day nor shall they exceed fifty-six in the week.

2. Provided that one additional hour per day may be worked at sea and on arrival and sailing days for navigational or clerical purposes.

3. Provided also that additional hours may be worked occasionally when the master deems it necessary to order two officers to keep watch simultaneously, so however that in no case shall any officer be required in virtue of this paragraph to work more than twelve hours in any day.

4. In vessels of over 700 tons the hours of work at sea and on arrival and sailing days of deck officers employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

5. Hours in excess of the limits prescribed in paragraphs 1 and 4 may be worked on arrival and sailing days. Whether or not such hours are to be worked and where such hours are allowed the conditions under which they may be worked shall be determined by national laws or regulations or collective agreements.

6. The provision of this Article apply to apprentices and cadets in the deck department.

Article 7.

1. In vessels required under Article 16 to carry three or more engineer officers, the hours of work of such officers at sea and on arrival and sailing days shall not exceed eight in the day nor shall they exceed fifty-six in the week.

2. In vessels of over 700 tons the hours of work at sea of engineer officers employed as day workers shall not exceed eight in the day nor shall they exceed forty-eight in the week.

3. The provisions of this Article apply to apprentices and cadets in the engine-room department.

Article 8.

1. In vessels to which this Convention applies the following provisions shall apply to deck, engine-room and stokehold ratings and to deck and engineer officers, including apprentices and cadets in the deck and engine-room departments, whenever sea watches are suspended in any port ;

(a) hours of work shall not exceed eight in the day nor shall they exceed forty-eight in the week ;

(b) the weekly rest day shall be observed and on that day no work shall be required except as overtime or for the purpose of ordinary routine and sanitary duties, any work required for the purpose of such duties to be included in the ordinary limit of forty-eight hours ;

(c) exceptions to these provisions may be made in accordance with national laws regulations or collective agreement in the case of ratings required for the safety of the vessel or persons on board or for the preservation of the cargo.

2. Sea watches shall normally be suspended if the vessel is expected to stay in the port for more than twenty-four hours following its arrival unless in the judgment of the master the safety of the vessel would be prejudiced thereby.

3. If sea watches are maintained in port, all time worked in excess of the limits of hours prescribed by or permitted under paragraph 1 of this Article shall, except in the case of :

(a) watches maintained for the safety of the vessel ; and

(b) watches worked within twelve hours after arrival or within twelve hours before sailing,

be regarded as overtime for which the rating or officer shall be entitled to be compensated.

Article 9.

1. In all vessels to which this Convention applies in respect of which there is in force:
 - (a) a safety certificate issued in accordance with the provisions of the International Convention for the Safety of Life at Sea for the time being in force; or
 - (b) a passenger certificate,

the hours of work at sea of ratings in the catering and clerical departments shall be so arranged as to ensure to each such rating not less than twelve hours' rest during any period of twenty-four hours, including a rest period of at least eight consecutive hours.

2. In all vessels to which this Convention applies, other than vessels in respect of which there is in force one of the certificates referred to in the preceding paragraph, the hours of work at sea and on arrival and sailing days of ratings in the catering and clerical departments shall not exceed ten in the day.

3. In all vessels to which this Convention applies the hours of work in port of ratings in the catering and clerical departments shall not exceed eight in the day, subject to such exceptions as may be permitted by national laws or regulations.

Article 10.

1. Ratings and deck and engineer officers including apprentices and cadets may be required to work in excess of the limits of hours prescribed by or permitted under the preceding Articles of this Part of this Convention, subject to the conditions that:

- (a) all such time worked shall be regarded as overtime for which they shall be entitled to be compensated; and
 - (a) there shall be no consistent working of overtime.

2. The manner or rate or rates of such compensation shall be prescribed by national laws or regulations or be fixed by collective agreement.

Article 11.

1. No rating under the age of 16 years shall work at night.

2. For the purpose of this Article the expression "night" means a period of at least nine consecutive hours between times before and after midnight to be prescribed by national laws or regulations.

Article 12.

The provisions of this Part of this Convention do not apply to:—

- (a) work which the master deems to be necessary and urgent for the safety of the vessel, cargo, or persons on board;
 - (b) work required by the master for the purpose of giving assistance to the other vessels or persons;
 - (c) musters, fire, lifeboat and similar drills of the kind prescribed by the International Convention for the Safety of Life at Sea for the time being in force;
 - (d) extra work resulting from the sickness of or from injury to any officer or rating or from any unforeseeable reduction in the number of officers or ratings in the course of the voyage;
 - (e) extra work for the purpose of customs, quarantine or other health formalities;
 - (f) work by officers for the determination of the position of the vessel at noon.

PART III.—MANNING.

Article 13.

Every vessel of over 700 tons shall be sufficiently and efficiently manned for the purposes of:—

- (a) safety of life at sea; and
 - (b) making possible the application of the rules relating to hours set forth in Part II of this Convention,

and more particularly every such vessel shall comply with the minimum requirements as to manning set forth in this Part of this Convention.

Article 14.

1. In vessels of over 700, but not exceeding 2,000 tons there shall be carried at least two certificated deck officers in addition to the master.
2. In vessels of over 2,000 tons there shall be carried at least three certificated deck officers in addition to the master.

Article 15.

1. In vessels of over 700 tons the number of deck ratings carried shall be sufficient to allow of three ratings being available for each navigational watch.
2. In particular, the following minimum numbers of ratings shall be carried :
 - (a) in vessels of over 700 but not exceeding 2,000 tons : 6 ;
 - (b) in vessels of over 2,000 tons : 9 or such larger number as may be prescribed by national laws or regulations or fixed by collective agreement.
3. The following minimum numbers of the ratings required to be carried by paragraph 2 shall comply with the conditions as to physical capacity and efficiency stated in paragraph 4 :—
 - (a) in vessels of over 700 but not exceeding 2,000 tons : 4 ;
 - (b) in vessels of over 2,000 tons : 5 or such larger number as may be prescribed by national laws or regulations or fixed by collective agreement.
4. The conditions as to physical capacity and efficiency to be fulfilled by certain ratings in accordance with paragraph 3 are that each such rating :—
 - (a) is 18 years of age ; and
 - (b) either has had at least three years' sea service in deck or holds a certificate, issued by the competent authority, that his standard of efficiency is equal to that of the average rating who has had three years' sea service on deck.
5. National laws or regulations or collective agreement shall limit the number of ratings with less than one year's sea service on deck who may be counted as deck ratings for the purpose of satisfying the requirements of this Article.
6. No rating signed on in a dual capacity whose services may be required in any department other than the deck department shall be counted as a deck rating for the purpose of satisfying the requirements of this Article.
7. Whether or not a wireless operator or telephonist is to be considered as belonging to the deck department for the purpose of the preceding paragraph shall be determined by national laws or regulations or collective agreement.

Article 16.

1. In vessels to which this Article applies at least three certificated engineer officers shall be carried.
2. This Article applies either :
 - (a) to vessels of over 700 tons ; or
 - (b) to vessels with engines exceeding 800 indicated horse-power,according as a tonnage or horse-power criterion is prescribed by national laws or regulations.
3. Provided that any Member may postpone the application of this Article for a period not exceeding five years from the coming into force of this Convention in the case of existing vessels not exceeding 1,500 tons or with engines not exceeding 1,000 indicated horse-power according as the Member applies the tonnage or horse-power criterion.

Article 17.

If in the course of a voyage as a result of death, accident or any other cause a vessel ceases to have available the number of officers or ratings required by the preceding Articles the master shall make up the deficiency at the first reasonable opportunity.

PART IV.—GENERAL PROVISIONS.

Article 18.

The shipowners', officers' and seamen's organisations concerned shall, so far as is reasonable and practicable, be taken into consultation in the framing of all laws or regulations for giving effect to the provisions of this Convention.

Article 19.

1. Each Member which ratifies this Convention shall be responsible for the application of its provisions to vessels registered in its territory and shall maintain in force national laws or regulations which :—

- (a) determine the respective responsibilities of the shipowner and the master for ensuring compliance therewith ;
- (b) prescribe adequate penalties for any violation thereof ;
- (c) provide for adequate public supervision of compliance with Part III before a vessel leaves a home port on an international voyage ;
- (d) require the keeping of records of all overtime worked in pursuance of Article 10 and of the compensation granted in respect thereof ; and
- (e) ensure to seamen the same remedies for recovering extra payments in respect of overtime as they have for recovering other arrears of wages.

2. In any case in which it comes to the knowledge of the competent authority of a port that a vessel registered in a territory for which this Convention is in force in virtue of ratification by another Member is not carrying the number of officers and ratings required by Part III of this Convention the said authority shall so notify the consul of the said Member.

Article 20.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

Article 21.

1. Vessels existing at the date of the coming into force of this Convention in respect of which the competent authority of the territory of registration is satisfied, after consulting the organisations interested, that the circumstances are such that the provision of fresh accommodation or other permanent equipment necessary for an increased crew is not reasonably possible may be exempted from the application of the Convention.

2 Such exemption shall be granted by the issue of an exemption certificate, which shall be carried on the vessel, exempting the said vessel from such of the requirements of this Convention as are specified in the said certificate.

3. Exemption certificates shall not be issued for a period exceeding four years at a time.

4. Every Member taking advantage of the provisions of this Article shall communicate to the International Labour Office in the annual report upon the application of this Convention :

- (a) the texts of all laws and regulations relating to the grant of exemption under this Article ;
- (b) particulars as to the number of vessels and total tonnage in respect of which exemption certificates are for the time being in force ; and

- (c) any observations as to the grant of exemption made by the ship-owners', officers' and seamen's organisations concerned.

PART V.—FINAL PROVISIONS.

Article 22.

1. In respect of the territories referred to in Article 35 of the Constitution of the International Labour Organisation, each Member of the Organisation which ratifies this Convention shall append to its ratification a declaration stating :

- (a) the territories in respect of which it undertakes to apply the provisions of the Convention without modification ;
- (b) the territories in respect of which it undertakes to apply the provisions of the Convention subject to modifications, together with details of the said modification ;
- (c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable ;
- (d) the territories in respect of which it reserves its decision.

2. The undertakings referred to in sub-paragraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.

3. Any Member may by a subsequent declaration cancel in whole or in part any reservations made in its original declaration in virtue of sub-paragraphs (b), (c) or (d) of paragraph 1 of this Article.

Article 23.

The formal ratification of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 24.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. It shall come into force six months after the date on which there have been registered by the Secretary-General of the League of Nations the ratifications of five Members of the Organisation each of which has a mercantile marine tonnage of not less than one million tons.

3. Thereafter, this Convention shall come into force for any Member six months after the date on which its ratification has been registered.

Article 25.

As soon as the ratifications of five of the Members mentioned in the second paragraph of Article 24 have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 26.

1. A Member which has ratified this Convention may denounce it after the expiration of five years from the date on which the Convention first comes into force by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of five years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for

another period of five years and, thereafter, may denounce this Convention at the expiration of each period of five years under the terms provided for in this Article.

Article 27.

At the expiration of each period of five years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 28.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 26 above, if and when the new revising Convention shall have come into force ;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 29.

The French and English texts of this Convention shall both be authentic.

RECOMMENDATION CONCERNING HOURS OF WORK ON BOARD SHIP AND
MANNING.

(The formal preamble is omitted.)

Having regard to the fact that the Hours of Work and Manning (Sea) Convention, 1936, does not regulate hours of work or manning in vessels engaged only in national coasting trade ;

That it allows each Member to except from the application of its provisions the vessels referred to in Article 1, paragraph 3, of the said Convention, and

That some of its provisions do not apply to vessels below a certain tonnage ;

The Conference recommends that each Member which has not already regulated hours of work and manning in these different classes of vessels should investigate the conditions obtaining in them in the light of the rules laid down in the said Convention ; and

Further recommends that each such Member should take all necessary measures to prevent overwork and insufficient manning on such vessels.

DRAFT CONVENTION CONCERNING THE LIABILITY OF THE SHIPOWNER
IN CASE OF SICKNESS, INJURY OR DEATH OF SEAMEN.

(The preamble is omitted.)

Article 1.

1. This Convention applies to all persons employed on board any vessel, other than a ship of war, registered in a territory for which this Convention is in force and ordinarily engaged in maritime navigation.

2. Provided that any Member of the International Labour Organisation may in its national laws or regulations make such exceptions as it deems necessary in respect of :

- (a) persons employed on board :
 - (i) vessels of public authorities when such vessels are not engaged in trade ;
 - (ii) coastwise fishing boats ;
 - (iii) boats of less than twenty-five tons gross tonnage ;
 - (iv) wooden ships of primitive build such as dhows and junks ;
- (b) persons employed on board by an employer other than the ship-owner ;
- (c) persons employed solely in ports in repairing, cleaning, loading or unloading vessels ;
- (d) members of the shipowners' family ;
- (e) pilots.

Article 2.

1. The shipowner shall be liable in respect of :

- (a) sickness and injury occurring between the date specified in the articles of agreement for reporting for duty and the termination of the engagement ;
- (b) death resulting from such sickness or injury.

2. Provided that national laws or regulations may make exceptions in respect of :

- (a) injury incurred otherwise than in the service of the ship ;
- (b) injury or sickness due to the wilful act, default or misbehaviour of the sick, injured or deceased person ;
- (c) sickness or infirmity intentionally concealed when the engagement is entered into.

3. National laws or regulations may provide that the shipowner shall not be liable in respect of sickness, or death directly attributable to sickness, if at the time of the engagement the person employed refused to be medically examined.

Article 3.

For the purpose of this Convention, medical care and maintenance at the expense of the shipowner comprises :

- (a) medical treatment and the supply of proper and sufficient medicines and therapeutical appliances ; and
- (b) board and lodging.

Article 4.

1. The shipowner shall be liable to defray the expense of medical care and maintenance until the sick or injured person has been cured, or until the sickness or incapacity has been declared of a permanent character.

2. Provided that national laws or regulations may limit the liability of the shipowner to defray the expense of medical care and maintenance to a period which shall not be less than sixteen weeks from the day of the injury or the commencement of the sickness.

3. Provided also that if there is in force in the territory in which the vessel is registered a scheme applying to seamen of compulsory sickness insurance, compulsory accident insurance, or workmen's compensation for accidents, national laws or regulations may provide :

- (a) that a shipowner shall cease to be liable in respect of a sick or injured person from the time at which that person becomes entitled to medical benefits under the insurance or compensation scheme ;

LABOUR CONFERENCE LAID ON THE TABLE.

- (b) that the shipowner shall cease to be liable from the time prescribed by law for the grant of medical benefits under the insurance or compensation scheme to the beneficiaries of such schemes, even when the sick or injured person is not covered by the scheme in question, unless he is excluded from the scheme by reason of any restriction which affects particularly foreign workers or workers not resident in the territory in which the vessel is registered.

Article 5.

1. Where the sickness or injury results in incapacity for work the shipowner shall be liable :

- (a) to pay full wages as long as the sick or injured person remains on board ;
(b) if the sick or injured person has dependants, to pay wages in whole or in part as prescribed by national laws or regulations from the time when he is landed until he has been cured or the sickness or incapacity has been declared of a permanent character.

2. Provided that national laws or regulations may limit the liability of the shipowner to pay wages in whole or in part in respect of a person no longer on board to a period which shall not be less than sixteen weeks from the day of the injury or the commencement of the sickness.

3. Provided also that if there is in force in the territory in which the vessel is registered a scheme applying to seamen of compulsory sickness insurance, compulsory accident insurance, or workmen's compensation for accidents, national laws or regulations may provide :

- (a) that a shipowner shall cease to be liable in respect of a sick or injured person from the time at which that person becomes entitled to cash benefits under the insurance or compensation scheme :
(b) that the shipowner shall cease to be liable from the time prescribed by law for the grant of cash benefits under the insurance or compensation scheme to the beneficiaries of such schemes, even when the sick or injured person is not covered by the scheme in question, unless he is excluded from the scheme by reason of any restriction which affects particularly foreign workers or workers not resident in the territory in which the vessel is registered.

Article 6.

1. The shipowner shall be liable to defray the expense of repatriating every sick or injured person who is landed during the voyage in consequence of sickness or injury.

2. The port to which the sick or injured person is to be returned shall be :

- (a) the port at which he was engaged ; or
(b) the port at which the voyage commenced ; or
(c) a port in his own country or the country to which he belongs ; or
(d) another port agreed upon by him and the master or shipowner, with the approval of the competent authority.

3. The expense of repatriation shall include all charges for the transportation, accommodation and food of the sick or injured person during the journey and his maintenance up to the time fixed for this departure.

4. If the sick or injured person is capable of work, the shipowner may discharge his liability to repatriate him by providing him with suitable employment on board a vessel proceeding to one of the destinations mentioned in paragraph 2 of this Article.

Article 7.

1. The shipowner shall be liable to defray burial expenses in case of death occurring on board, or in case of death occurring on shore if at the time of his death the deceased person was entitled to medical care and maintenance at the shipowner's expense.

2. National laws or regulations may provide that burial expenses paid by the shipowner shall be reimbursed by an insurance institution in cases in which funeral benefit is payable in respect of the deceased person under laws or regulations relating to social insurance or workmen's compensation.

Article 8.

National laws or regulations shall require the shipowner or his representative to take measures for safeguarding property left on board by sick, injured or deceased persons to whom this Convention applies.

Article 9.

National laws or regulations shall make provision for securing the rapid and inexpensive settlement of disputes concerning the liability of the shipowner under this Convention.

Article 10.

The shipowner may be exempted from liability under Articles 4, 6 and 7 of this Convention in so far as such liability is assumed by the public authorities.

Article 11.

This Convention and national laws or regulations relating to benefits under this Convention shall be so interpreted and enforced as to ensure equality of treatment to all seamen irrespective of nationality, domicile or race.

Article 12.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

Article 13.

1. In respect of the territories referred to in Article 35 of the Constitution of the International Labour Organisation, each Member of the Organisation which ratifies this Convention shall append to its ratification a declaration stating:

- (a) the territories in respect of which it undertakes to apply the provisions of the Convention without modification;
- (b) the territories in respect of which it undertakes to apply the provisions of the Convention subject to modifications, together with details of the said modifications;
- (c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable;
- (d) the territories in respect of which it reserves its decision.

2. The undertakings referred to in sub-paragraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.

3. Any Member may by a subsequent declaration cancel in whole or in part any reservations made in its original declaration in virtue of sub-paragraphs (b), (c) or (d) of paragraph 1 of this Article.

Article 14.

The formal ratifications of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 15.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Secretary-General.

3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 16.

As soon as the ratifications of two Members of the International Labour Organisation have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 17.

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 18.

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 19.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 17 above, if and when the new revising Convention shall have come into force;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content or those Members which have ratified it but have not ratified the revising Convention.

Article 20.

The French and English texts of this Convention shall both be authentic.

DRAFT CONVENTION CONCERNING SICKNESS INSURANCE FOR SEAMEN.

(The preamble and formal articles at end are omitted.)

Article 1.

1. Every person employed as master or member of the crew or otherwise in the service of the ship, on board any vessel, other than a ship of war, registered in a territory for which this Convention is in force and engaged in maritime navigation or sea-fishing, shall be insured under a compulsory sickness insurance scheme.

2. Provided that any Member of the International Labour Organisation may in its national laws or regulations make such exceptions as it deems necessary in respect of :

- (a) persons employed on board vessels of public authorities when such vessels are not engaged in trade ;
- (b) persons whose wages or income exceed a prescribed amount ;
- (c) persons who are not paid a money wage ;
- (d) persons not resident in the territory of the Member ;
- (e) persons below or above prescribed age-limits ;
- (f) members of the employer's family ;
- (g) pilots.

Article 2.

1. An insured person who is rendered incapable of work and deprived of his wages by reasons of sickness shall be entitled to a cash benefit for at least the first twenty-six weeks or one hundred and eighty days of incapacity from and including the first day for which benefit is payable.

2. The right to benefit may be made conditional upon the completion of a qualifying period and of a waiting period of a few days to be counted from the beginning of the incapacity.

3. The cash benefit granted to the insured person shall never be fixed at a rate lower than that fixed by the general scheme of compulsory sickness insurance, where such a scheme exists but does not apply to seamen.

4. Cash benefit may be withheld :

- (a) while the insured person is on board or abroad ;
- (b) while the insured person is maintained by the insurance institution or from public funds ; provided that in such case it shall only partially be withheld when the insured person has family responsibilities ;
- (c) while in respect of the same illness the insured person receives compensation from another source to which he is entitled by law, so however that in such case benefit shall only be wholly or partially withheld if and so far as such compensation is equal to or less than the amount of the benefit payable under the sickness insurance scheme.

5. Cash benefit may be reduced or refused in the case of sickness caused by the insured person's wilful misconduct.

Article 3.

1. The insured person shall be entitled free of charge, as from the commencement of his illness and at least until the period prescribed for the grant of sickness benefit expires, to medical treatment by a fully qualified medical practitioner and to the supply of proper and sufficient medicines and appliances.

2. Provided that the insured person may be required to pay such part of the cost of medical benefit as may be prescribed by national laws or regulations.

3. Medical benefit may be withheld while the insured person is on board or abroad.

4. Whenever the circumstances so require, the insurance institution may provide for the treatment of the sick person in hospital and in such case shall grant him full maintenance together with the necessary medical attention and care.

Article 4.

1. When the insured person is abroad and by reason of sickness has lost his right to wages, whether previously payable in whole or in part, the cash benefit to which he would have been entitled had he not been abroad shall be paid in whole or in part to his family until his return to the territory of the Member.

2. National laws or regulations may prescribe or authorise the provision of the following benefits :—

- (a) when the insured person has family responsibilities, a cash benefit additional to that provided for in Article 2 ;
- (b) in case of the sickness of members of the insured person's family living in his home and dependent on him, aid in kind or in cash.

Article 5.

1. National laws or regulations shall prescribe the conditions under which an insured woman, while in the territory of the Member, shall be entitled to maternity benefit.

2. National laws or regulations may prescribe the conditions under which the wife of an insured man, while in the territory of the Member, shall be entitled to maternity benefit.

Article 6.

1. On the death of the insured person, a cash benefit of an amount prescribed by national laws or regulations shall be paid to the members of the family of the deceased or be applied for defraying the funeral expenses.

2. Where there is in force a pension scheme for the survivors of deceased seamen, the grant of the cash benefit provided for in the preceding paragraph shall not be compulsory.

Article 7.

The right to insurance benefit shall continue even in respect of sickness occurring during a definite period after the termination of the last engagement, which period shall be fixed by national laws or regulations in such a way as to cover the normal interval between successive engagements.

Article 8.

1. The insured persons and their employers shall share in providing the financial resources of the sickness insurance scheme.

2. National laws or regulations may provide for a financial contribution by the public authorities.

Article 9.

1. Sickness insurance shall be administered by self-governing institutions, which shall be under the administrative and financial supervision of the public authorities and shall not be carried on with a view to profit.

2. Insured persons, and in the case of insurance institutions set up specially for seamen under laws or regulations the employers also, shall participate in the management of the institutions under such conditions as may be prescribed by national laws or regulations, which may also provide for the participation of other persons concerned.

3. Provided that the administration of sickness insurance may be undertaken directly by the State where and so long as its administration by self-governing institutions is rendered difficult or impossible by reason of national conditions.

Article 10.

1. The insured person shall have a right of appeal in case of dispute concerning his right to benefit.

2. The procedure for dealing with disputes shall be rendered rapid and inexpensive for the insured person by means of special courts or any other method deemed appropriate under national laws or regulations.

Article 11.

Nothing in this Convention shall affect any law, award, custom or agreement between Shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

* * * * *

Article 18.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 16 above, if and when the new revising Convention shall have come into force ;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

* * * * *

NOTE.—Articles 12 to 17 and 19 are identical with Articles 13 to 18 and 20 respectively of the Draft Convention concerning the liability of the shipowner in case of sickness, injury or death of seamen.

RECOMMENDATION CONCERNING THE PROMOTION OF SEAMEN'S WELFARE IN PORTS.

(The preamble is omitted.)

PART I.—GENERAL ORGANISATION.

1. It is desirable to create in every important port an official or officially recognised body, which might comprise representatives of shipowners, seamen, national and local authorities and the chief associations concerned, for the purposes of :

(a) collecting, as far as possible in conjunction with the different authorities or organisations concerned, including the consular authorities of maritime States, all useful information and suggestions on the conditions for seamen in the port ;

(b) advising the competent departments, authorities and associations as to the adoption, adaptation and co-ordination of measures for the improvement of such conditions ; and

(c) collaborating if required with other competent bodies in carrying out such measures.

2. It is desirable, in order to enable the International Labour Office, to inform the Governments of the maritime States and to assist them to co-ordinate their action, that each of them should keep in touch with the Office and furnish it every three years with all useful information on the experience acquired in the promotion of seamen's welfare imports and on the progress made in this field.

PART II.—REGULATION.

3. There should be laws or regulations to protect seamen, by measures including the following, from the dangers to which they are exposed in certain establishments or in the docks as such :—

(a) the regulation of the sale of intoxicating liquor ;

(b) the prohibition of the employment in public houses of young persons of either sex under a certain age ;

- (c) the application of the provisions of international agreements limiting the sale and use of narcotics to all seamen without distinction of nationality ;
 - (d) the prohibition of the entry into the docks and harbour area generally of undesirable persons ;
 - (e) the fencing off of dock areas and the protection of the edges of wharves and quays and other dangerous parts of docks by fixed or movable barriers, wherever such measures are practicable ;
 - (f) the provision of sufficient lighting and, where necessary, of signposts for docks and approaches.
4. In order to ensure the strict enforcement of the measures indicated above and to increase their efficacy, there should be arrangements for supervision, including :
- (a) supervision of establishments where intoxicating liquors are sold and, where necessary and practicable, of hotels, cafes, lodging houses and other similar establishments in the harbour area ;
 - (b) supervision, which might be carried out jointly by masters and the public authorities, of persons visiting ships, including boatmen plying between ships and the shore, with a view to preventing intoxicating liquor or narcotics being wrongfully brought on board or the fulfilment of any other illicit purpose ;
 - (c) the maintenance in the harbour area of adequate police forces, specially trained and equipped, which should keep in touch with the other supervising bodies.
5. For the better protection of foreign seamen, measures should be taken to facilitate :
- (a) their relations with their consuls ; and
 - (b) effective co-operation between consuls and the local or national authorities.

PART III.—HEALTH.

6. Soliciting and enticing, whether directly or indirectly, in the neighbourhood of the harbour and in districts frequented by seamen should be energetically repressed.

7. All suitable measures should be taken to make known to seamen entering the port, irrespective of their nationality :

- (a) the dangers and means of preventing diseases to which they are exposed, including more particularly tuberculosis and tropical and venereal diseases ;
- (b) the necessity for persons suffering from diseases to undergo treatment, and the facilities available for such treatment ; and
- (c) the dangers arising from the habit of using narcotics.

8. The treatment of seamen suffering from disease should be facilitated by suitable measures including :

- (a) as wide extension as possible, especially in the dock area, of free and continued treatment for venereal diseases, as provided, for example, by the Agreement concerning facilities to be given to Merchant Seamen for the Treatment of Venereal Diseases, signed at Brussels, 1 December 1924 ;
- (b) the admission of seamen to clinics and hospitals in ports, without difficulty and irrespective of nationality or religious belief ;
- (c) as wide application as possible to foreign seamen of the provision made for the protection of nationals against tuberculosis ;
- (d) the provision, wherever possible, of arrangements designed to ensure, when necessary, continuation of treatment with a view to supplementing the medical facilities available to seamen.

PART IV.—ACCOMMODATION AND RECREATION.

9. Arrangements should be made, at least in the larger ports, for the material and general assistance of seamen while in the port, and such arrangements should more particularly include :

- (a) the institution or development of seamen's hostels of a satisfactory character and furnishing suitable board and lodging at reasonable prices ;

- (b) the institution or development of institutes—which might be distinct from the seamen's hostels, but should keep as far as possible in touch with them—providing meeting and recreation rooms (canteens, rooms for games, libraries, etc.);
- (c) the organisation, where possible in co-operation with ships' sports clubs, of healthy recreations, such as sports, excursions, etc.;
- (d) the promotion, by every possible means, of the family life of seamen.

PART V.—SAVINGS AND REMITTANCE OF WAGES.

10. In order to help to save and to transmit their savings to their families :

- (a) there should be adopted a simple, rapid and safe system, operating with the assistance of consuls, masters, shipowners' agents or reliable private institutions, for enabling seamen, and more especially those who are in a foreign country, to deposit or remit the whole or part of their wages;
- (b) a system for enabling seamen, at the time of their signing on or during the voyage, to allot, if they so desire, a proportion of their wages for remittance at regular intervals to their families, should be instituted or made of more general application.

PART VI.—INFORMATION FOR SEAMEN.

11. In view of the fact that the success of most of the measures recommended above must depend to a large extent on suitable publicity among seamen, such publicity should be organised and undertaken by the public authorities, the bodies referred to in Part I of this Recommendation, and the competent associations, assisted as far as possible by the ship's officers and doctor and by ships' sports clubs.

12. Such publicity might include :

- (a) the distribution on shore and, subject to the consent of the master, on board ship, of pamphlets in the most appropriate languages giving clear information as to the facilities available for seamen in the port of call or in the next ports for which the ship is bound;
- (b) the creation in the larger ports of information offices, either at shipping offices or elsewhere, easily accessible to seamen and staffed by persons capable of giving directly such explanations or guidance as may be useful;
- (c) the inclusion of some useful information for the physical well-being and general protection of seamen in seamen's books, discharge books or other documents habitually carried by seamen, or in notices posted in a conspicuous place in the crew's quarters;
- (d) the frequent publication of articles of general and educational interest to seamen in periodicals read by seamen, both of specialised and general interest, and also the use of the cinema for this purpose;
- (e) the distribution of information concerning the tariffs of local transport and of local places of interests and entertainment.

PART VII.—EQUALITY OF TREATMENT.

13. Governments, authorities and organisations which may have to administer funds for the welfare of seamen are specially urged not to concern themselves solely with seamen of a particular nationality, but to act as generously as possible in the spirit of international solidarity.

DRAFT CONVENTION CONCERNING THE MINIMUM REQUIREMENT OF PROFESSIONAL CAPACITY FOR MASTERS AND OFFICERS ON BOARD MERCHANT SHIPS.

(The preamble and formal articles at end are omitted.)

Article 1.

1. This Convention applies to all vessels registered in a territory for which this Convention is in force and engaged in maritime navigation with the exception of :

- (a) ships of war ;
- (b) Government vessels, or vessels in the service of a public authority, which are not engaged in trade ;
- (c) wooden ships of primitive build such as dhows and junks.

2. National laws or regulations may grant exemptions or exceptions in respect of vessels of less than 200 tons gross registered tonnage.

Article 2.

For the purpose of this Convention the following expressions have the meanings hereby assigned to them :—

- (a) " master or skipper " means any person having command or charge of a vessel ;
- (b) " navigating officer in charge of a watch " means any person, other than a pilot, who is for the time being actually in charge of the navigation or manœuvring of a vessel ;
- (c) " chief engineer " means any person permanently responsible for the mechanical propulsion of a vessel ;
- (d) " engineer officer in charge of a watch " means any person who is for the time being actually in charge of the running of a vessel's engines.

Article 3.

1. No person shall be engaged to perform or shall perform on board any vessel to which this Convention applies the duties of master or skipper, navigating officer in charge of a watch, chief engineer, or engineer officer in charge of a watch, unless he holds a certificate of competency to perform such duties, issued or approved by the public authority of the territory where the vessel is registered.

2. Exceptions to the provisions of this Article may be made only in cases of *force majeure*.

Article 4.

1. No person shall be granted a certificate of competency unless :

- (a) he has reached the minimum age prescribed for the issue of the certificate in question ;
- (b) his professional experience has been of the minimum duration prescribed for the issue of the certificate in question ; and
- (c) he has passed the examinations organised and supervised by the competent authority for the purpose of testing whether he possesses the qualifications necessary for performing the duties corresponding to the certificate for which he is a candidate.

2. National laws or regulations shall :

- (a) prescribe a minimum age to have been attained by and a minimum period of professional experience to have been completed by candidates for each grade of competency certificate ;

- (b) provide for the organisation and supervision by the competent authority of one or more examinations for the purposes of testing whether candidates for competency certificates possess the qualifications necessary for performing the duties corresponding to the certificates for which they are candidates.

3. Any Member of the Organisation may, during a period of three years from the date of its ratification, issue competency certificates to persons who have not passed the examinations organised in virtue of paragraph 2 (b) of this Article who :

- (a) have in fact had sufficient practical experience of the duties corresponding to the certificate in question ; and
- (b) have no record of any serious technical error against them.

Article 5.

1. Each Member which ratifies this Convention shall ensure its due enforcement by an efficient system of inspection.

2. National laws or regulations shall provide for the cases in which the authorities of a Member may detain vessels registered in its territory on account of a breach of the provisions of this Convention.

3. Where the authorities of a Member which has ratified this Convention find a breach of its provisions on a vessel registered in the territory of another Member which has also ratified the Convention, the said authorities shall communicate with the consul of the Member in the territory of which the vessel is registered.

Article 6.

1. National laws or regulations shall prescribe penalties or disciplinary measures for cases in which the provisions of this Convention are not respected.

2. In particular, such penalties or disciplinary measures shall be prescribed for cases in which :

- (a) a shipowner, shipowners' agent, master, or skipper has engaged a person not certificated as required by this Convention ;
- (b) a master or skipper has allowed any of the duties defined in Article 2 of this Convention to be performed by a person not holding the corresponding or a superior certificate ;
- (c) a person has obtained by fraud or forged documents an engagement to perform any of the duties defined in the said Article 2 without holding the requisite certificate.

* * * * *

Article 13.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

- (a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 11 above, if and when the new revising Convention shall have come into force ;
- (b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

* * * * *

NOTE.—Articles 7 to 12 and 14 are identical with Articles 13 to 18 and 20 respectively of the Draft Convention concerning the liability of the shipowner in case of sickness, injury or death of seamen.

DRAFT CONVENTION CONCERNING ANNUAL HOLIDAYS WITH PAY FOR
SEAMEN.

(The preamble and formal articles at end are omitted.)

Article 1.

1. This Convention applies to the master, officers, and members of the crew, including wireless operators in the service of a wireless telegraphy company, of all sea-going vessels, whether publicly or privately owned, which are registered in a territory for which the Convention is in force and are engaged in the transport of cargo or passengers for the purpose of trade.

2. National laws or regulations shall determine when vessels are to be regarded as sea-going vessels for the purpose of this Convention.

3. This Convention does not apply to :

- (a) persons employed in vessels engaged in fishing, whaling or similar pursuits or in operations directly connected therewith ;
- (b) persons employed in any vessel the crew of which consists entirely of members of the owner's family as defined by national laws or regulations ;
- (c) persons not remunerated for their services, or remunerated only by a nominal salary of wage, or remunerated exclusively by a share of profits ;
- (d) persons working exclusively or mainly on their own account ;
- (e) persons employed in wooden ships of primitive build such as dhows and junks ;
- (f) persons whose duties are connected solely with the cargo carried on board and who are not in fact in the employment either of the owner or of the master ;
- (g) travelling dockers.

Article 2.

1. Every person to whom this Convention applies shall be entitled after one year of continuous service with the same undertaking to an annual holiday with pay the duration of which shall be :

- (a) in the case of masters, officers, and wireless operators, not less than twelve working days ;
- (b) in the case of other members of the crew, not less than nine working days.

2. For the purpose of calculating when a holiday is due :

- (a) service of articles shall be included in the reckoning of continuous service ;
- (b) short interruptions of service not due to the act or fault of the employee, and not exceeding a total of six weeks shall not be deemed to break the continuity of the periods of service which precede and follow them ;
- (c) continuity of service shall not be deemed to be interrupted by any change in the management or ownership of the vessel or vessels in which the person concerned has served.

3. The following shall not be included in the annual holiday with pay :—

- (a) public and customary holidays ;
- (b) interruptions of service due to sickness ;
- (c) any time off allowed in compensation for weekly rest days and public holidays worked at sea.

4. There may be defined by national laws or regulations or by collective agreement special circumstances in which, subject to conditions prescribed by such laws or regulations or fixed by such agreement,

- (a) an annual holiday with pay due in virtue of this Convention may be divided into parts or be accumulated with a subsequent holiday ;
- (b) there may be substituted for such a holiday, when in exceptional circumstances the service so requires, a cash payment at least equivalent to the remuneration provided for in Article 4.

Article 3.

1. The annual holiday shall be given in the territory in which the vessel is registered at one of the following ports :—

- (a) the port from which the vessel trades ;
- (b) the port at which the person entitled to the holiday was engaged ; or
- (c) the port of the vessel's final destination.

2. Provided that the holiday may be given at any other port by mutual consent.

3. When an annual holiday is due it shall be given by mutual agreement at the first opportunity as the requirements of the service allow.

Article 4.

1. Every person taking a holiday in virtue of Article 2 of this Convention shall receive in respect of the full period of the holiday his usual remuneration.

2. The usual remuneration payable in virtue of the preceding paragraph shall include a suitable subsistence allowance and shall be calculated in a manner which shall be prescribed by national laws or regulations or fixed by collective agreement.

Article 5.

Any agreement to relinquish the right to an annual holiday with pay, or to forego such a holiday, shall be void.

Article 6.

National laws or regulations may provide that a person who engages in paid employment during the course of annual holiday may be deprived of his right to payment in respect of the period of the holiday.

Article 7.

A person who leaves or is discharged from the service of his employer before he has taken a holiday due to him shall receive in respect of every day of holiday due to him in virtue of this Convention the remuneration provided for in Article 4.

Article 8.

Each Member which ratifies this Convention shall require employers to keep records for the purpose of facilitating its effective enforcement.

Article 9.

Each Member which ratifies this Convention shall establish a system of penalties to ensure the application of its provisions.

Article 10.

Nothing in this Convention shall affect any law, award, custom or agreement between shipowners and seamen which ensures more favourable conditions than those provided by this Convention.

* * * * *

Article 13.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. It shall come into force six months after the date on which there have been registered by the Secretary-General of the League of Nations the ratifications of five Members of the Organisation each of which has more than one million tons gross of sea-going merchant shipping.

3. Thereafter, this Convention shall come into force for any Member six months after the date on which its ratification has been registered.

Article 14.

As soon as the ratifications of five of the Members mentioned in the second paragraph of Article 13 have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

* * * * *

Article 17.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso facto* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 15 above, if and when the new revising Convention shall have come into force;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

* * * * *

NOTE.—Articles 11, 12, 15, 16 and 18 are identical with Articles 13, 14, 17, 18 and 20 respectively of the Draft Convention concerning the liability of the shipowner in case of sickness, injury or death of seamen.

BULLETINS OF INDIAN INDUSTRIES AND LABOUR.

(No. 60 OF 1937.)

APPENDIX II.

DRAFT CONVENTION FIXING THE MINIMUM AGE FOR THE ADMISSION OF
CHILDREN TO EMPLOYMENT AT SEA (REVISED 1936).

(The formal preamble is omitted.)

Article I.

For the purpose of this Convention, the term "vessel" includes all ships and boats, of any nature whatsoever, engaged in maritime navigation, whether publicly or privately owned; it excludes ships of war.

Article 2.

1. Children under the age of fifteen years shall not be employed or work on vessels, other than vessels upon which only members of the same family are employed.

2. Provided that national laws or regulations may provide for the issue in respect of children of not less than fourteen years of age of certificates permitting them to be employed in cases in which an educational or other appropriate authority designated by such laws or regulations is satisfied, after having due regard to the health and physical condition of the child and to the prospective as well as to the immediate benefit to the child of the employment proposed, that such employment will be beneficial to the child.

Article 3.

The provisions of Article 2 shall not apply to work done by children on school-ships or training-ships, provided that such work is approved and supervised by public authority.

Article 4.

In order to facilitate the enforcement of the provisions of this Convention, every shipmaster shall be required to keep a register of all persons under the age of sixteen years employed on board his vessel, or a list of them in the articles of agreement, and of the dates of their births.

Article 5.

This Convention shall not come into force until after the adoption by the International Labour Conference of a Draft Convention revising the Convention fixing the minimum age for admission of children to industrial employment, 1919, and a Draft Convention revising the Convention concerning the age for admission of children to non-industrial employment, 1932.

Article 6.

The formal ratifications of this Convention shall be communicated to the Secretary-General of the League of Nations for registration.

Article 7.

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Secretary-General.

2. Subject to the provisions of Article 5 above, it shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Secretary-General.

3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 8.

As soon as the ratifications of two Members of the International Labour Organisation have been registered, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 9.

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 10.

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 11.

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

(a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 9 above, if and when the new revising Convention shall have come into force ;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 12.

The French and English texts of this Convention shall both be authentic.

AGREEMENT BETWEEN THE GOVERNOR OF BENGAL AND THE
RESERVE BANK OF INDIA LAID ON THE TABLE.

THE HONOURABLE MR. A. J. RAISMAN (Finance Secretary): Sir,
I lay on the table a copy of the Agreement between the Reserve Bank of India and the Government of Bengal.

Agreement between the Governor of Bengal and the Reserve Bank of India.

AN AGREEMENT made this twentyfifth day of August One thousand nine hundred and thirtyseven BETWEEN THE GOVERNOR OF THE PROVINCE OF BENGAL of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) (hereinafter called "the Act") as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March 1937 cited as the India and Burma (Burma Monetary Arrangements) Order, 1937 with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, viz.,

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent

Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and

(3) by section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the first day of April 1937.

2. The general banking business of the Government of Bengal (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorized by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Government and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt of the Government is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, viz.

- (a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.
- (b) The amount of stock certificates for Rs. 50,000 and upwards held by the Government or by any officer or officers of the Government authorized in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General under the powers conferred upon him by the Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government but issued under the guarantee, of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Bengal Presidency as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, subdivision or cancellation of any Government security shall rest with and be borne by the Bank, provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto, PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realizing money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connexion with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

13. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

15. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

16. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Government.

IN WITNESS WHEREOF Mr. Donald Gladding, C.I.E., I.C.S., Secretary to the Government of Bengal in the Finance Department, by the order and direction of the Governor

of Bengal has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Mr. Donald Gladding,
C.I.E., I.C.S., Secretary to the Government of
Bengal in the Finance Department, for and
on behalf of the Governor of Bengal in the pre-
sence of

(Sd.) D. GLADDING,
*Secretary to the Government of Bengal,
Finance Department.*

(Sd.) D. N. BHATTACHARJEA,
*Deputy Secretary to the Government of Bengal,
Finance Department.*

The Common Seal of the Reserve Bank of India
was affixed hereto in the presence of Sir Badridas
Goenka, Kt., C.I.E., and Manilal Balabhai Nana-
vati two of its Directors and Sir James Braid
Taylor, Kt., C.I.E., its Governor.



(Sd.) BADRIDAS GOENKA,
(Sd.) MANILAL B. NANAVATI,
Directors.
(Sd.) J. B. TAYLOR,
Governor.

CUTCHI MEMONS BILL.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUS SATTAR
(West Bengal: Muhammadan): Sir, I desire to add one more name, with
your permission, to the Select Committee, that of the Honourable Sir
Rahimtoola Chinoy.

THE HONOURABLE THE PRESIDENT: I have no objection; you can
add it as the last name after Mr. Hossain Imam.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUS SATTAR:
Sir, I beg to move:

"That the Bill to make it obligatory for all the Cutchi Memons to be governed in
matters of succession and inheritance by the Muhammadan Law be referred to a Select
Committee consisting of the Honourable Mr. R. M. Maxwell, the Honourable Mr. A. deC.
Williams, the Honourable Sir Suleman Cassum Haji Mitha, the Honourable Saiyed
Mohamed Padshah Sahib Bahadur, the Honourable Mr. P. N. Saprú, the Honourable
Mr. Hossain Imam, the Honourable Sir Rahimtoola Chinoy, and the Mover, and that
the number of members whose presence shall be necessary to constitute a meeting of the
Committee shall be four."

THE HONOURABLE MR. R. M. MAXWELL (Home Member): Sir, I
move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th
January, 1938."

Sir, the amendment of which I originally gave notice specified the date
as the 30th November, 1937, but it has been brought to my notice that that

[Mr. R. M. Maxwell.]

date would not give sufficient time to obtain the opinions of all the persons and associations to be consulted.

It is not necessary, Sir, to give many reasons in support of this amendment, but the position is that this Bill which affects the *Cutchi Memons* has rather a long history and when the 1920 Act was on the anvil the Select Committee found that there were a considerable number of *Kutchi Memons* who did not support the Bill or did not fully understand its implications and it was therefore found at that time that to do justice to the minority who might not wish to bring themselves under *Muhammadian Law*, it was necessary to make the Bill take the form of enabling legislation, by which those who wished to be governed by *Muhammadian Law* could voluntarily place themselves thereunder. The effect of the present Bill would be to go back to the original form of the 1920 Bill. It would make no difference in the case of those who were already willing to come under *Muhammadian Law*, because they can now elect to do so. The effect of this Bill would be to apply compulsion to the minority who might not be willing, and, therefore, as this is an important matter, I move the amendment in order that the House and the Government may have the opinions of those interested, including the opinion of the *Bombay Government*, before they further consider this measure.

THE HONOURABLE THE PRESIDENT: Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th January, 1938."

Does any Honourable Member desire to speak on the original Motion or on the amendment? (No Honourable Member rose.) I will put the amendment to the vote first.

THE HONOURABLE KUNWAR HAJEE ISMAIL ALI KHAN (United Provinces: Nominated Non-Official): I think the Honourable Member will accept the amendment, Sir.

THE HONOURABLE MR. ABDUR RAZZAK HAJEE ABDUS SATTAR: Sir, I accept the amendment.

THE HONOURABLE THE PRESIDENT: The Question is:

"That this amendment be adopted."

The Motion was adopted.

MUSLIM PERSONAL LAW (*SHARIAT*) APPLICATION BILL.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: *Muhammadian*): Sir, I move:

"That the Bill to make provision for the application of the Muslim Personal Law (*Shariat*) to Muslims in British India, as passed by the Legislative Assembly, be taken into consideration."

Sir, when this Bill was first passed by the Assembly there was a great deal of doubt in the minds of *Mussalmans* as well as the Government whether

* Not corrected by the Honourable Member.

the Bill was good enough. Since then the matter has been cleared up. The Bill is good enough. Therefore I am not going to inflict a speech on the House and I move that the Bill be taken into consideration.

The Motion was adopted.

Clauses 2, 3, 4, 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I move:

"That the Bill to make provision for the application of the Muslim Personal Law (*Shariat*) to Muslims in British India, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

RESOLUTION RE RATIFICATION OF THE INTERNATIONAL AGREEMENT FOR THE REGULATION OF PRODUCTION AND MARKETING OF SUGAR.

THE HONOURABLE MR. H. DOW (Commerce Secretary): Sir, I move the following Resolution:—

"This Council recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be ratified by him."

Sir, this Convention has been very much discussed recently, both in the press and in another place, and I propose to make my introductory remarks as briefly as possible. At the same time it does seem quite essential that I should begin by describing as well as I can how the sugar trade of the world has got into the position that it finds itself at present. The troubles of the sugar industry, like the troubles of many people, go back to the days of the Great War. Before the war, half the world production of sugar was beet sugar. During the war the great European nations had something better to do, or rather something a great deal worse to do, than proceed with the manufacture, the uneconomic manufacture, of sugar from beet, and the result was that during the war the production of beet sugar was almost insignificant. The gap in production thus made was filled by a very great expansion of production in the cane-growing countries, particularly Java and Cuba. After the war the beet countries considered it necessary to make efforts to restore their industry, and by 1921 the production of beet sugar was again about 27 per cent. of the world production. Ten years later, the production of beet sugar had risen to 40 per cent. of the world production. The increase of total production during those years was partly absorbed by an expansion in consumption, but at the end of that time came the great post-war depression. Consumption fell and the sugar exporting countries, particularly the cane-growing countries, were in very great difficulties to dispose of their surplus sugar. In 1931, an attempt to solve these difficulties by international co-operation was made, and what is known as the Chadbourne plan was formed. The nations that joined in the Chadbourne plan were Java, Cuba, Czecho-Slovakia, Germany, Poland, Belgium and Hungary. The object of the plan was by restriction

[Mr. H. Dow.]

of exports and production to liquidate the very large stocks which had accumulated, and it was hoped to do this within the five years during which the plan was meant to be in operation. But unfortunately this plan was never fully successful. The main reason was that the countries who joined in it only covered about 40 per cent. of the then world production. Many of the principal countries held aloof from it, and amongst the countries that held aloof were the United States of America, the United Kingdom and its Colonies, and India. The defection of India, I think, was not at the time considered very important, because up to that time India had produced very little sugar, and got its supplies from the free market. But, as you are all aware, that was the time when the Indian industry was beginning to expand very rapidly and, as India became more and more self-supporting, there followed a corresponding reduction in her demands on the free market. So, for various reasons the Chadbourne plan did not work very well; the production of sugar in the countries outside the Chadbourne plan was continuously stimulated, and the free market contracted more and more. By August, 1935, when the Chadbourne plan was finally abandoned, the half of the world's production of sugar which had normally entered into the free market had shrunk to something like 10 per cent.

Now, before the Chadbourne plan had completely broken down, the Government of the United Kingdom had come to realise that some form of international regulation was necessary. And here I should like to point out that this is not the first time which India has been asked to co-operate in an international agreement for regulating the sugar market. The question was discussed at the World Monetary and Economic Conference of 1933, when, so far as the regulation of sugar was concerned, the attitude taken by the Indian delegation was one of the principal things responsible for the failure of the Conference. The demands which were made by other nations at that time included the limitation of factory production, and also the demand that there should be no tariff duties on sugar in excess of 70 per cent. *ad valorem*. It was indicated very clearly that these were not conditions which India, at the time when she was developing her own industry, could possibly accept. Later on, in 1935, we were again asked if we would co-operate in an attempt to solve the difficulties by international co-operation and, while agreeing to do so, we again made it very clear that we could not accept one conclusion which had been reached by His Majesty's Government. His Majesty's Government issued their proposals in the form of a Command Paper printed in 1935 called *Sugar Proposals of His Majesty's Government*. One of the suggestions made was that it was necessary that, as prices improved in the world market, the amount of State assistance to the industry given in whatever form in the various countries should be correspondingly reduced. We pointed out that by the Sugar Protection Act we were committed to the grant of protection to the industry till 1946, although the measure of protection given would come under reconsideration in 1937-38. And we pointed out that it was an essential part of our policy that the sugar industry should know where it stood, and we could not agree to make the amount of protection fluctuate at intermediate stages according as prices went up or down.

I mention these things particularly because I want the Council to see why so much importance was attached at the Conference to a plain and unequivocal declaration of India's intentions. To the breakdown of the Chadbourne plan, as I have pointed out, India had very largely contributed by the development of its own industry and the consequent contraction of the free market. And India had been largely instrumental in the breakdown of the sugar discussions at the World Monetary and Economic Conference. Therefore, it is only natural that very great importance should be attached to a definite declaration of India's attitude.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY: On a point of information, Sir. May I ask—

THE HONOURABLE THE PRESIDENT: You cannot interrupt at this stage.

THE HONOURABLE MR. H. DOW: The Honourable Member will have an opportunity of speaking later, and I shall do my best to reply to any points that he may raise.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY: I want some information, Sir.

THE HONOURABLE THE PRESIDENT: I will call upon all Honourable Members, who desire to speak, at a later stage. Please do not interrupt the Honourable Member now.

THE HONOURABLE MR. H. DOW: The point has been made in the press that Government have apparently formed the opinion that India will in any case not be able to export, and that it should therefore have been quite unnecessary for Government to have made any declaration of its intention not to export. Well, the answer is in the previous history of the case. Other nations cannot be expected to know the details of the position of our industry in a way that we know them ourselves. You may say that the big people in the sugar industry of other countries understand these things very well. I do not think that is so. You will find, at any rate, a lot of people in the sugar industry here know very little about the organisation and future prospects even in their own country and they know certainly very little indeed about the sugar industry of foreign nations. Therefore, there was a very grave danger that unless the Indian Government made a clear and unequivocal statement of their intentions, the whole conference would break down.

Now, Sir, I propose to deal with one or two of the points which have been brought up against Government and its attitude. Firstly, there is the complaint that we did not consult the sugar industry. The invitation to this Conference was not received from the League of Nations until February last, and it was to take place in the beginning of April. That did not leave very much time. But Government did announce in the Assembly on the 12th of March the composition of their delegation; and, later on, at the end of the month, the Honourable the Commerce Member, in reply to a question, gave a fairly clear indication of Government's general line of policy. Although, as I have admitted in another place, I realise that it would have been better if Government had consulted the industry in some more formal fashion than they

[Mr. H. Dow.]

did, I do not want you to go away with the impression that Government were ignorant of what the views of the industry were. Government had received communications from the Indian Sugar Mills' Association and from the Federated Indian Chambers of Commerce and gave careful attention to their views. I will deal later on with some of the points that were raised. I should also like to point out that in spite of the storm and fury of the last two months, and of a full dress debate in another place, I can say that there has not been a single argument produced in the course of these discussions that Government had not very carefully considered before they took the action they did.

I will deal now with some of the arguments which have been adduced by the industry, and for the sake of convenience, I will take them more or less in the order in which they are given in a little booklet which I think I have seen in the hands of some Honourable Members opposite, compiled by a young man who is an assiduous purveyor of potted provender for lethargic legislators. I take them from this booklet not because I attach any particular importance to the gentleman's opinions, but because it is obviously a compilation made from the representations made by various bodies interested in the sugar industry. Now, a suggestion made by the Indian Sugar Mills' Association in its letter to Government was this :—

"It is therefore essential that Indian sugar should be admitted free of duty into the United Kingdom".

I must say it seems to me extraordinary that such a body should show no appreciation whatever of the fact that in practically every country of the world, sugar is regarded as a suitable subject for a very important revenue tax. The suggestion that Indian sugar should be given free entry into the United Kingdom, I think you will all agree, is wildly extravagant. Later on, in the course of the same letter, the Indian Sugar Mills' Association, having first declared that this demand was essential, suggested that at any rate, if Indian sugar could not get free entry, it might be given the benefit of the preferential certificated colonial rate. On this subject a good deal of misapprehension prevails. There seems to be very little knowledge on the part of the people who make this demand as to what exactly is involved by this certificated colonial rate. This preferential rate is given by His Majesty's Government to certain colonies in which the production of sugar is of very great importance. I have taken the trouble to classify these colonies as well as I can, and I will put them into three groups. In the first group there are Mauritius, Barbados, Antigua and St. Kitts, the most important of all of course being Mauritius. These colonies are entirely dependent for their existence on the export of sugar. In the second group there are British Guiana and Fiji, and in these colonies sugar is the largest single item of export. Thirdly, there are Trinidad, Jamaica and St. Lucia in which sugar is at any rate of great actual and still more potential importance. I wonder how many of the Members of this Council realise that in these colonies sugar is as much an Indian industry as it is in India itself. I will only refer to the most typical and most important colony in each of these groups. Mauritius is responsible for about one-third of the total exports of colonial sugar, and in Mauritius 40 per cent. of the

land under sugarcane is cultivated by Indians. In Trinidad, also, 40 per cent. of the land under sugarcane is cultivated by Indians and in Fiji no less than 85 per cent. is cultivated by Indian farmers.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : In Fiji, 85 per cent. of the land is cultivated by Indian farmers ?

THE HONOURABLE MR. H. DOW : Yes.

THE HONOURABLE LT.-COL. SIR S. HISSAM-UD-DIN BAHADUR : It is so. I was there on deputation in 1922.

THE HONOURABLE MR. H. DOW : I take it that the Honourable Members of this House are as keen on the welfare of Indians abroad as they are of that of Indians in this country, and certainly that is the impression which I have gained from recent debates on the subject of Zanzibar. I take it that the fact that in Zanzibar the Indian is interested in cloves which are not in direct competition with anything grown in India, is not going to alter the attitude of Honourable Members with regard to sticking up for the interests of Indians abroad. Some of you may have heard of a body called the Imperial Citizenship Association, of which Sir Purshotamdas Thakurdas is President. I take this quotation from a book called *The Indians Abroad Directory* which is prepared under the auspices of that body. It says :—

“ Though the price of sugar is not bright there is a slight improvement in the economic condition of Indians. Indians who are the real builders of Mauritius today claim that they are entitled to special protection from the Imperial Indian Government to help Indians in Mauritius. The Government of India should give in the way of relief a preference to Mauritius sugar ”.

Now, you may not pay much attention to my views on this subject, but I hope you will pay some to the views of Sir Purshotamdas Thakurdas. If he thinks that colonial sugar deserves to be given a preference to enable it to compete with Indian sugar in this country, where at present it has no market whatever, you will perhaps agree that he would be even more averse to it being threatened in the markets which it already possesses. (*An Honourable Member* : “ When was this said ?) ” This quotation is taken from *The Indians Abroad Directory* for 1934. Well, this is what you are demanding when you ask that the preference over Indian sugar which colonial sugar at present enjoys in the United Kingdom market should be taken away from it.

Another suggestion made is that there should be State aid by reduced rates of railway and ocean freight. The motto in fact is to be “ Sweet and low ”. Now, if you can show that a reduction of freight is going to be a paying concern, I have no doubt you will get reduced rates on the Railways. But I do not think it is a reasonable thing to ask that Government should come forward and pay the ocean freight or any part of it, on Indian sugar in order that it may be dumped into a market which otherwise it could not reach.

The Federation of Indian Chambers say again, that India should be left—
“ free to seek greater markets abroad by adjusting export prices to enable Indian sugar to compete on equal terms with non-Indian sugar ”.

[Mr. H. Dow.]

The author of the little booklet to which I have referred put what perhaps he meant to be the same idea in this way :—

“Several countries adjust their prices for sugar in foreign markets in a manner which would permit them to export sugar to other countries”.

I think he must mean that they adjust their prices in the *home* markets to enable them to export, but I would not like to assert that that is what he does mean, because really so many strange arguments have been put forward that I should not feel safe in altering a word. Now, this seems to me a clear suggestion that India should dump her sugar in the world market. I have been told that it does not mean this, and if any of the Honourable Members opposite will, in the course of debate, tell me what it does mean, if it does not mean that, I shall be grateful.

There appears to be an idea in certain quarters that all India has to do is to go on producing sugar that she cannot consume herself, and then somehow foreign markets will find themselves or will have to be found. In this respect sugar does not differ very materially from other commodities. There must be very few industrial commodities which could not be produced to a very much greater extent than they are produced today if it was not necessary to consider the demand for their consumption. There is my Honourable friend Mr. Parker there. I believe he is interested in telephones, and I have no doubt that he could produce six times as many telephones as he sees any possibility of bringing into use. I submit it would be very wrong and foolish for him to organise his business so as to do this, and then to say that Government must find a way of using up all of his telephones! I really have not been able to get from anybody connected with the sugar industry any practicable plan for entering into the world export market under existing conditions. In another place an amendment was carried against Government which merely said that Government was to explore every avenue. I suppose when Government have finished exploring every avenue, they must then proceed to leave no stone unturned, and when all the stones have been turned up, then we shall be told we ought to wait for something else to turn up! It is really an astonishing thing to me that a great industry such as this has no practical suggestion of its own for getting into the world market. An improvement in world prices is what we hope will be the result of this Convention; and it seems to me that India's only chance of getting into the world market on terms profitable to herself in a reasonable time is to encourage international co-operation and regulation, with a view to the raising of prices of sugar abroad. And I submit to you that unless you join in this Agreement there is little chance of such international co-operation taking place.

If this Agreement is not ratified there are of course two possible results. My own opinion is that if Indian does not ratify, the Convention will fail utterly because of the defection of other countries owing to India's attitude, and if that takes place, the likely result will be continued chaos in the international market and a continual lowering of prices, with the result that India may never be able to get into the market at all. There is, however, the possibility that other countries may carry on in spite of India's defection. Suppose that does take

place. Is it conceivable that all the other countries of the world will look on with equanimity while India proceeds to dump her sugar into the world market? Obviously they will take measures to protect themselves, and India, unable to produce sugar even for her home market without the aid of a high tariff duty, will still be completely unable to enter the world market. What other advantages are there that India may reasonably hope to get from this Agreement, in addition to the raising of the world price of sugar to a figure at

12 NOON. which she may also be able to enter with profit to herself? I imagine that the International Sugar Council will for one thing take defensive measures against substitutes. It will certainly organise international propaganda devoted to an increase in the general consumption of sugar. It will also, I take it, undertake or stimulate research into other uses of sugar, such as for fodder, fuel-alcohol and various other methods of industrial utilisation. Now, India is vitally interested in an expansion of the use of sugar in her home market and it is perhaps doubtful whether she can afford to finance all these things herself. This is an additional reason why it would be unwise for India to cut herself off from such advantages as she may gain by the initiation of these measures under international auspices.

I have very little time left and I do not want to say more at this stage. I would ask you to believe that Government, in taking the action they have, have had very sincerely the interests of the sugar industry in this country at heart. I think to some extent the Indian press and public have looked at this question from the point of view of *amour propre*. They feel that there is something derogatory in India not being allowed to export when other nations have had no such ban placed upon them. Certainly there has been nothing intentionally derogatory to Indians in this matter: it is a business proposition, and I would ask you to look at it from that point of view—the interests of India as a whole and of the sugar industry.

With these words, Sir, I commend my Resolution to the Council.

THE HONOURABLE MR. HOSSAIN IMAM: Has any country refused to ratify the Agreement yet?

THE HONOURABLE MR. H. DOW: Not so far as I am aware.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY: What are the free market countries in the world now?

THE HONOURABLE MR. A. J. RAISMAN: The United Kingdom mainly.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be ratified by him."

To this Motion notices of four amendments have been received. Of these four amendments two are by the Honourable Mr. B. N. Biyani and by the Honourable Mr. Kumarsankar Ray Chaudhury. These two amendments in my opinion are not in order because they only say that instead of being ratified the Agreement be not ratified. That is merely asking for a negative vote only and under Standing Order 32, clause (2), an amendment may not be moved which has merely the effect of a negative vote. Honourable Members can vote against the Motion, but they cannot bring in amendments to that effect.

[Mr. President.]

Then there are two other amendments by the Honourable Mr. Ramadas Pantulu and the Honourable Mr. P. N. Saprú. As regards the first part of Mr. Ramadas Pantulu's amendment, it has to share the same fate and I hold that the first part of his amendment is not in order, but he will be entitled to move the second part of his amendment. Then there is the amendment of the Honourable Mr. P. N. Saprú. Both the amendments of Mr. Saprú and Mr. Ramadas Pantulu, so far as the main or substantive proposition is concerned, are analogous. There is no difference between what they seek to effect. Only Mr. Saprú's amendment is more comprehensive and it also expresses a sort of disapproval or censure on Government for ratifying this Agreement and asks not unlike Mr. Ramadas Pantulu's amendment for the exploration of possible avenues for export. I will allow both these amendments to be moved, but the Chair will decide later on which amendment should be put to the vote. I will perhaps take the sense of the Council on each amendment. Now, the debate will proceed on both these amendments simultaneously. I will ask Mr. Ramadas Pantulu before he moves his amendment to delete the first clause of his amendment.

THE HONOURABLE MR. RAMADAS PANTULU : I bow to your ruling that the first part of my amendment is not in order. In view of the fact that Mr. Saprú's amendment is more comprehensive I do not propose to move the second part of my amendment. I will speak on the Resolution later.

THE HONOURABLE MR. P. N. SAPRÚ (United Provinces Southern : Non-Muhammadan) : Sir, I move :

"That for the original Resolution the following be substituted, namely :—

'This Council recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar signed in London on the 6th May, 1937, be not ratified by him and expresses its strong disapproval of the action of the Central Government in agreeing to prohibit the export of sugar by sea except to Burma for the next five years without the knowledge and consent of the industry. This Council further recommends that the Central Government explore all possible avenues for the export of sugar and take such other steps for the purpose of developing export markets both by land and by sea for sugar as may be necessary'."

Sir, the Honourable Mr. Dow has explained to us why the industry could not be associated with the International Sugar Conference directly. The reply, if I may say so, was unconvincing, and I will just explain why I regard the arguments of Mr. Dow in regard to this matter as unconvincing. Sir, it was on the 5th of February that the world first heard of talks of an International Agreement. Now, the Indian Sugar Mills—

THE HONOURABLE MR. H. DOW : Which year ?

THE HONOURABLE MR. P. N. SAPRÚ : 1937.

THE HONOURABLE MR. H. DOW : You first heard of it then ?

THE HONOURABLE MR. P. N. SAPRÚ : So far as there was going to be a conference, it was on 5th February people here heard that there was going to be such a conference.

Now, Sir, the Indian Sugar Mills' Association addressed three letters to the Government of India, on the 12th February, 4th March and 24th March, respectively. And I am right in saying, Sir, the Honourable Mr. Dow will correct me if I am wrong, that the Government of India did not even condescend to reply to these letters? Those letters were not even acknowledged by the Government of India.

THE HONOURABLE MR. H. DOW : They were.

THE HONOURABLE MR. P. N. SAPRU : Well, Sir, these are the facts as stated by the Federation of Indian Chambers. We have the word of Mr. Dow that they were acknowledged. The Federation says that these letters were not even acknowledged by the Government of India. There was no reply by the Government of India to those letters which were addressed by the Indian Sugar Mills' Association.

Then, Sir, on the 12th March there was a question in the Assembly. That question was an unstarred question. It was put by Seth Govind Das and the reply given was that Dr. Meek would represent India and Mr. Noel D  r would be the technical adviser. Now, Sir, the popular impression—of course, very few people care to read the answers to unstarred questions—the popular impression was that India was not going to be represented at the Sugar Conference. In any case, Sir, the point is that in the appointment of Dr. Meek and Mr. Noel D  r the industry was completely ignored. Now, Sir, it has been usual for some years past to associate the industries concerned in the conferences in regard to those industries. We are having Indo-British trade talks now and we have representatives of Indian industries acting as advisers to Sir Zafrullah Khan and the other members of the Indo-British delegation. I believe, Sir, that in regard to tea and rubber, the industries concerned were consulted before the Government of India took any action to restrict production. So far as this industry is concerned, the position was different. The Indian Sugar Mills' Association was anxious to co-operate with the Government. It had been writing to the Government and there was no reason, Sir, why the Indian Sugar Mills' Association should not have been consulted in regard to the choice of a representative. There was no reason why the Indian Sugar Mills' Association should not have been asked to name a representative.

The House knows, Sir, that we have not got a Government which is responsible to the popular House here and therefore, I think, Sir, that it is a duty of the Government to as far as possible consult public opinion and have representatives who command the confidence of the industries concerned. The position of the Government of India is not identical with that of a responsible Government and therefore, Sir, the point that I want to emphasise is that the industry concerned which is of great importance was ignored so far as this Conference was concerned.

THE HONOURABLE MR. H. DOW : I thought I had made it clear that the industrial bodies concerned had already sent in their representations, and so it was certainly not necessary to ask them to do so again.

THE HONOURABLE MR. P. N. SAPRU : Well, Sir, representation does not mean association. One does not know, Sir, whether the representation will

[Mr. P. N. Saprū.]

ever be considered, but when one has a representative one is certain that one's point of view will be represented.

THE HONOURABLE MR. H. DOW : This was a conference of Governments.

THE HONOURABLE MR. P. N. SAPRU : But, Sir, was Mr. Noel Dèer a Government representative ? I do not think he was a member of the Government.

THE HONOURABLE MR. H. DOW : He was an adviser.

THE HONOURABLE MR. P. N. SAPRU : Why could not someone who was directly associated with the industry be appointed as adviser ?

THE HONOURABLE MR. R. H. PARKER : May I ask whether there are any sugar experts in India ?

THE HONOURABLE MR. P. N. SAPRU : I do not deny his qualifications but the point remains that he was not an adviser who was appointed on the advice of the Indian Sugar Mills' Association.

THE HONOURABLE THE PRESIDENT : He was an expert attached to an Indian firm.

THE HONOURABLE MR. P. N. SAPRU : Sir, he has retired from India. He has been away from India for some time.

THE HONOURABLE MR. H. DOW : He was in India at the time when he was appointed.

THE HONOURABLE MR. P. N. SAPRU : Well, Mr. Govindlal Motilal will be able to deal with these points better. He knows the industrial conditions better. But I would again emphasise that, so far as the industry is concerned, it was ignored in these consultations.

Now, Sir, Mr. Dow has given us reasons why on the merits we should be prepared to accept this recommendation that the Agreement should be ratified. Now, Sir, I want just to ask one question. What is going to be the effect of our vote ? So far as another place is concerned, it has said : "Do not ratify this Agreement". Now, Sir, are you going to ratify this Agreement in the face of the verdict of the popular House or are you not going to ratify this Agreement ? If you are going to ratify this Agreement, why consult the Legislature at all ? So far as one part of the Legislature is concerned, it has already said it does not approve of the action of the Government. Then why enact the farce of consulting another House and with the help of the official and nominated Members get a vote in favour of the Motion ?

THE HONOURABLE MR. H. DOW : Sir, is it in order for the Honourable Member to suggest that consulting this House on a matter of this importance is merely a farce ?

THE HONOURABLE THE PRESIDENT : I certainly think that the Honourable Member was very unwise in using this expression and traducing or detracting from the dignity of this Council. Members who sit in this House must support

the dignity of the House when important questions come before it, and not say that any debate in this House is a farce. It is a reflection on this House which I cannot allow to pass unnoticed. Mr. Sapru ought to withdraw it.

THE HONOURABLE MR. P. N. SAPRU: Sir, I gladly withdraw those words. I would be the last to reflect upon this House but what I was going to say was this. If you want this Agreement to be ratified, then abide by the vote of the elected Members of this House. That is, Sir, what I was going to say. It is no use your carrying a measure through this House with the votes of official and nominated Members, who are bound to vote with you.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): No, certainly not. I object to that very strongly. We are not bound to vote with the Government. At least not so far as I am concerned. (*An Honourable Member*: "Have you ever voted against the Government?") That is not the point. So far as I am concerned, I represent a community for the whole of India. I stand on a different footing altogether. I am not a Government Member at all. I vote as I think proper. As you know, Sir, I nearly carried a Resolution against Government in regard to income-tax.

THE HONOURABLE THE PRESIDENT: You should vote according to your conscience.

THE HONOURABLE MR. P. N. SAPRU: All that I was saying, Sir, was that we represent certain constituencies. We represent popular constituencies, and the nominated Members represent Government constituencies.

THE HONOURABLE SIR DAVID DEVADOSS: No, certainly not. There is no such constituency at all!

THE HONOURABLE MR. P. N. SAPRU: If I owe my election to a certain class, I am as a human being likely to press the point of view of that particular class. I did not say more than that.

THE HONOURABLE THE PRESIDENT: Order, order. I am afraid now, for some time past, it has been crystallizing into something like a practice, which is reprehensible, for Members of one Party to accuse the nominated Members, who are appointed by Government, of voting according to Government dictates. Under the Act under which we are working, the Governor General has got the right to nominate Honourable Members to this Council, and they acquire on their appointment equal rights, status and privileges with the other Members of this House, and as such they are entitled to exercise their judgment and vote in any manner they like, as Honourable Members of the other parties are entitled to. I think this reprehensible practice of referring to other Honourable Members as creatures of Government should be avoided in this House for the purpose of keeping up the dignity and harmony of this House, if not for anything else.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I know whether nominated Members, as a matter of course, receive the Government Whip and obey it or not?

THE HONOURABLE THE PRESIDENT: Do they obey the Government Whip?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Do they receive it, first?

THE HONOURABLE THE PRESIDENT: If they obey the Government Whip, you have got your Whip also and you obey it. You also send your Whip for the purpose of collecting votes. It is a Parliamentary practice in England, let me tell Honourable Members, to send out Whips and for Members of the Party to vote according to the Whip of the Party.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Are nominated Members in the Government Party?

THE HONOURABLE SIR DAVID DEVADOSS: No.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Then why do they receive the Government Whip? The Chaur has said that every Party is entitled to send round Whips. The nominated Members receive Whips from Government. The conclusion therefore is obvious that they are Members of the Government Party.

THE HONOURABLE SIR DAVID DEVADOSS: May I correct a mistake? So far as nominated Members are concerned, they are simply asked to be pleased to attend the meeting. There is no Whip at all in the sense that you ought to vote with the Government. There is a difference between servants of Government and nominated Members. The latter receive a different kind of communication. I think I am not disclosing any official secret when I say that we are only asked to come here. We are told, "The Leader will be pleased if you will find it convenient to attend the Council Meeting". That is all—not to vote for Government.

THE HONOURABLE THE PRESIDENT: That has been my personal experience also for the several years that I have been in this House. I only used to receive intimation to be present at meetings.

THE HONOURABLE SIR DAVID DEVADOSS: They only say, "Be pleased to be present".

THE HONOURABLE MR. P. N. SAPRU: All that I was saying was, I have heard many nominated Members say in private to us—

THE HONOURABLE THE PRESIDENT: Order, order. I cannot allow you to refer to anything that has been said to you privately outside this Chamber.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What we are publicly concerned with is that in 99 cases out of 100, they vote in accordance with the wishes of Government.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Might I make one observation in reply to the Honourable Sir David Devadoss? Whenever an election to Standing Committees comes before this House, the Government Whip specifically mentions the names of the people whom nominated and official Members are to support. Is that a fact or not?

THE HONOURABLE SIR DAVID DEVADOSS : No doubt, just as you also send out a list, Government also does. But we are not bound to vote according to it. I can give you a number of instances where I differed from Government.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY : On a point of information, Sir. May I know if nominations made by Provincial Governments have been refused in the case of certain provinces on the ground that these nominated Members refused to vote according to the Whip of the Government ?

THE HONOURABLE THE PRESIDENT : You can put that question to the Provincial Governments !

THE HONOURABLE MR. P. N. SAPRU : All that I wanted to say was that the Honourable Mr. Dow should abide by the verdict of the elected Members of this House in this matter because he will find that there are no elected Members who will vote for the ratification of this Agreement.

THE HONOURABLE THE PRESIDENT : Your request is both unreasonable and illegal. Why should the Honourable Mr. Dow confine the voting to the elected Members ?

THE HONOURABLE SIR DAVID DEVADOSS : He wants the votes to be confined only to the Opposition.

THE HONOURABLE MR. P. N. SAPRU : I do not know, Sir, if it is illegal. There is nothing illegal in my request—

THE HONOURABLE THE PRESIDENT : Very unreasonable, at any rate.

THE HONOURABLE MR. P. N. SAPRU : What is unreasonable is a matter of opinion. However, Sir, I will not dilate on that. I would like to go on with my main speech.

The industry is one of great world importance. The percentage of India's production of sugar is 21·9 per cent. of the total world production. No other country in the world has such a large production. Our consumption too is 22·2 per cent. of the world consumption. With regard to the progress the industry has achieved within the last five years, the latest figures of sugar indicate that our production is sufficient to meet our requirements.

THE HONOURABLE THE PRESIDENT : Your time is up, but I will allow you a few minutes more owing to the interruptions.

THE HONOURABLE MR. P. N. SAPRU : I could not help it, Sir. So much of my time was taken by the interruptions.

THE HONOURABLE THE PRESIDENT : It is your fault, but all the same I will allow you a few minutes more.

THE HONOURABLE MR. P. N. SAPRU : According to the calculation of Indian sugar experts, if the Indian sugar mills work to their full capacity, they will be in a position to produce about 14 lakhs per year, which would be in excess of the present annual consumption which is in the neighbourhood of 11½ lakhs. Any further expansion, therefore would require an external

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outlet. The facts which I have just mentioned justify the view that there will be a surplus production. Cane sugar produced from factories has increased nearly seven times. Cane sugar produced in 1931 was about 1,59,000 tons. In 1937, it was 12 lakhs of tons. More than Rs. 30 crores have been invested in this industry, and India has been making progress in the technique of production also. The acreage under the important varieties has nearly trebled itself during the course of six years. The average cane production in 1931-32 was 14.1 per acre; in 1936-37 it was 16.5 per acre. Java production, I know, is 45. Recently, in Bombay, the United Provinces and Bihar, researches have been made, and in Bombay, 110 tons of cane per acre was produced recently. It should not be difficult, therefore, to produce 50 tons per acre in Bihar with proper facilities.

Now, Sir, by this Agreement, India is precluded from making any further progress in her sugar industry, because it prohibits export to other countries than Burma. Any further production would require new markets. Where are we to get the new markets for any further production? Sir, India, if she were assisted and she had not this Agreement in her way, would certainly find a market for about 2,00,000 tons in Ceylon, Persia, Arabia, Aden, Somaliland, Mesopotamia, British East Africa and Siam. I quite recognise that the price of Indian sugar is high, about Rs. 6 per maund, but the cost of production has been going down and the selling price has been going down. In 1935 the selling price was Rs. 8-13-0 per maund, in 1936, Rs. 7-15-0, in 1937, Rs. 6-6-0 per maund. Therefore, we find that the price has been steadily going down. It will go down further. So we may hope to be in a position to compete with other countries in the world markets.

THE HONOURABLE THE PRESIDENT: Please do not enter on a new point at this stage.

THE HONOURABLE MR. P. N. SAPRU: I was just going to refer to what the Honourable Mr. Dow said.

One result of the Agreement will be that we shall not be able to claim any preference in the United Kingdom for our sugar. Sir, we are giving preferences to the United Kingdom and in any scheme of new preferences sugar will not be taken into consideration. The United Kingdom is receiving preference in regard to textiles and steel in this country and they have a scheme of preferences for colonial sugar. We shall not be able to get the colonial rates.

Sir, we are interested in the question of Indians overseas but we are more interested in ourselves than in Indians overseas, and if it were a choice between Indians overseas and Indians here we would probably choose Indians here, because we have to think of our cultivators and of the effect that an Agreement of this character might have upon our cultivators.

THE HONOURABLE THE PRESIDENT: Will you please close your remarks. I have already given you seven minutes beyond your time.

THE HONOURABLE MR. P. N. SAPRU: Well, Sir, as I have exhausted my time I have nothing more to say except this, that we remain unconvinced by the arguments of the Honourable Mr. Dow. We are not interested in world

prices. What has the world done for us that we should be interested in the stability of world prices? We are more interested in the stability of our prices, and in the development of our own industries. We think that no case has been made out for this restriction. The Agreement will tie us up for the next five years and we do not know what the conditions may be in the industry after a year or two.

There are many other points which I could make, but as my time is up I shall just say, Sir, that I would like the House to give to my amendment the support which it deserves.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern: Non-Muhammadan): My Honourable friend Mr. Dow is known in this House as a fluent and self-confident speaker. He usually puts his case with great ease and lucidity, but today for the first time I found him ill at ease when putting his case before the House. His usual self-confidence had deserted him and he faltered at every step. Perhaps he realised that his case was an unconvincing one. The still small voice within him probably accused him of sinning against the light in defending the Agreement. The Honourable Mr. Dow, well aware of the weakness of his case, talked a great deal about the events leading up to the calling of the International Sugar Conference, and also dealt at great length with the arguments put forward by the Indian sugar manufacturers against the Agreement. But he never said a word with regard to the Agreement itself and I would now direct the attention of the House for a moment to the terms of the Agreement which we are asked to ratify.

The International Sugar Conference was called in order to regulate the production and marketing of sugar. Now, if sugar is to be marketed in a proper way it is necessary that the requirements of what is known as the free market should be properly estimated. I gather from *The Statist* of the 15th May, 1937, which commented at some length on the results of the Sugar Conference, that while the statistical committee of the Conference estimated that the requirements of the free market in 1936-37 would amount to a little under 3,200,000 metric tons, the fixed quotas assigned to various countries amount to a little over 3,600,000 tons. In other words there is a difference of nearly half a million metric tons between the requirements of the free market and the quotas assigned to the various countries. This is a Conference called for a strictly economic purpose, yet it disregards the views of its own experts and leaving facts comfortably aside proceeds to distribute quotas amongst the countries represented at it in order that some kind of agreement might be arrived at, whether it was in actual fact workable or not.

Then several questions arise as to the countries to which this quota has been assigned. Do these countries possess a natural advantage in the production of sugar? Are they better placed than India in this matter? (*An Honourable Member*: "Yes".) I do not know who said "Yes", but he certainly seems to me to possess more valour than discretion. Now, a number of countries have been assigned quotas of varying magnitudes. Among these are Germany and Russia. To them a total of 350,000 tons has been assigned, according to *The Statist* and these countries according to it—

"have hitherto been thought of principally as producers for their own domestic markets".

[Pandit Hirday Nath Kunru.]

Further, I find from the book known as *The World Sugar Statistics* for 1936-37, compiled by the well-known sugar experts Messrs. F. O. Licht, that during the years 1935-36 and 1936-37 Germany exported nothing; I mean that the net exports from Germany were nil. But it is one of the countries to which a fairly large quota has been assigned. Then, take the case of France. France is an importing country. Both France and its Colonies have to import sugar, according to the book to which I have just referred. But France has been given a share in what is described in this International Agreement as the reserve quota. Why has a part of the reserve quota been given to France? Only in order that it might be able to dispose of—

“a possible surplus of production whether home or colonial”.

This is the business-like manner in which this Conference has proceeded. It is not concerned with the requirements of the free market. It is not concerned to find out whether the countries to which quotas were being assigned were actually exporting countries or not. It still remains to be considered whether they can produce sugar more cheaply than India. My Honourable friend the Commerce Member speaking in the Legislative Assembly the other day referred to the costs of production, but he was wise enough to refer in this connection to Java and Cuba only. When he came to deal with other countries he spoke only of the prices at which they sold their sugar in the international market. He did not then refer to costs of production. I venture to say that there was a very good reason why the Honourable the Commerce Member showed this discretion. I understand that of all the sugar-producing countries in the world only Java and Cuba have lower costs of production than India. As regards the other countries, they may sell sugar at a lower price in the international market than the price at which Indian sugar is sold in India, but no inference against India can be drawn from this fact, for it is well known—and the fact was handsomely admitted by the Commerce Member—that a good many countries in the past had subsidised the export of sugar at the expense of the home consumer. Consequently the price of sugar in the international market bore no relation to the cost of production. I find from the issue of April 10th of *The Statist* that Australia to which a quota has been assigned sells sugar internally at the fixed price of £24 per ton. In consequence of this, says *The Statist*, the colonial producers are “undismayed at a price under £8 per ton for the third of their production which is exported”. From what I have said, Sir, I think it is pretty clear that this Conference, to the decisions of which the Government of India have given their adhesion has proceeded on no principles whatsoever. Its decisions are not based on economic consideration. On the other hand, as *The Statist* has pointed out :—

“The Agreement has been reached by the simple process of awarding comparatively full quotas in response to all demands; and as a result the success of the scheme is entirely dependent upon increased absorption”.

So far, Sir, I have dealt with other countries, but I would ask the permission of the House to deal for a moment with the share assigned to the Colonies and Dominions of the British Empire. Australia, South Africa and the colonial

producers together have been assigned a quota of nearly a 1,600,000 tons. Now *The Statist* of the 15th May to which I have repeatedly referred says :—

“ These figures represent in actual fact a very considerable expansion in the scale of exports, particularly among the Colonial Possessions of which the British West Indies are estimated to produce in 1936-37, 435,000 tons, etc.”.

And then it goes on to add :—

“ When the export figures are taken in the aggregate it seems likely that they will permit an increase in supplies which may be conservatively estimated at 250,000 tons ”.

Sir, this Conference which was called by England in order to ask the countries concerned to make sacrifices to regulate the marketing of sugar has assigned a quota to the British Empire far in excess of the amount which is already exported by the Dominions and the Colonies. Britain which wanted to help the Conference to come to a wise decision by accepting restrictions necessary in the interests of all countries has actually got 250,000 tons more for members of the Empire than they already export. Is India, then, the only country the claims of which should have been ignored? Was this the only country which was called upon to make a sacrifice in the interests of the rehabilitation of the sugar industry.

Sir, when one reads the speech delivered in another place by the Honourable the Commerce Member it becomes clear that the Government of India themselves feel that the results of the Conference cannot be justified on economic considerations. The Commerce Member plainly said that economic policy was not determined by economic agreements. In other words, he told us that the agreements arrived at at the economic conference were based not on economic but on political considerations. Every country used its political position in order to extend the rights it already enjoyed. India not being independent and not being supported by Great Britain was left out in the cold and was not merely assigned no quota for a year or two but was asked to refrain from exporting sugar by sea to any country except Burma for not less than five years. Yet, Sir, the Commerce Member tried to justify the Agreement on economic grounds. I will not go over all the arguments he used as I have already referred to his argument regarding the cost of production in Java and Cuba and the prices at which sugar coming from different countries is sold in the international market. The Agreement cannot be justified by economic arguments.

Sir, before I pass on to one or two other points, I should like to deal with an argument used by my Honourable friend Mr. Dow with regard to the production of sugar in the British colonies. He pointed out that in certain colonies the Indians benefited greatly because of sugarcane cultivation. Well, he accidentally omitted to point out that the manufacture of sugar was in entirely non-Indian hands. He did not refer to the treatment of labourers resident on sugarcane estates in British Guiana and other colonies. He did not tell us that a good part of the land cultivated in Fiji by Indians was cultivated on behalf of the Colonial Sugar Refining Company. There may be Indian manufacturing interests in Mauritius but, so far as British Guiana and Fiji, to which he prominently referred, are concerned, Indians have no

[Pandit Hirday Nath Kunzru.]

share in the manufacture of sugar, and the labourers are treated so unsatisfactorily that I had to draw the attention of the House to their condition a few days ago. Besides, Sir, if we mean to benefit India, we must benefit Indians living in this country. When people here have improved their position, politically and economically, they will certainly be able to extend the advantages of their position to their nationals living abroad.

Just one more point, Sir, before I come to the attitude disclosed by the Government of India in this matter.

THE HONOURABLE THE PRESIDENT: Be as brief as possible. You have already exceeded your time.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The point to which I wish to refer is the fact that it is provided by the Agreement that, if any Government which is not at present a signatory to the Agreement subsequently signs it, it will be assigned a quota on accepting the Agreement. The present quotas are large enough and in excess of the requirements of the free market. Countries have been allowed to export which at present have no share in the export trade, yet countries that have not joined the Agreement may subsequently be assigned quotas on signing the Agreement. This will not endanger the success of the Agreement, but the Government of India and the British Government came to the conclusion that, if India was assigned even a small quota or held aloof from the Agreement, there would be chaos in the sugar industry and the responsibility for the continued deterioration of the industry would fall entirely on the shoulders of this poor country.

Sir, I should like in conclusion to draw the attention of the House to two or three important questions that emerge from a consideration of all the facts that I have ventured to place before the House. The Honourable the Commerce Member stated in the Legislative Assembly the other day that the Government of India agreed in March last to prohibit the export of sugar by sea to any country except Burma. Now, Sir, the Government of India have, I believe, accepted the view expressed by the Parliamentary Joint Select Committee of 1919 that a fiscal convention should be developed that, when the Government of India and the Indian Legislature were in agreement, the Secretary of State should not interfere. I think, Sir, that the development of such a convention requires that the Government of India should refrain from arriving at conclusions on important subjects without first consulting the Legislature.

THE HONOURABLE MR. A. J. RAISMAN: No.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I do not know who said "No".

THE HONOURABLE MR. A. J. RAISMAN: I said "No".

THE HONOURABLE THE PRESIDENT: I would like you to show how does this proposition fall under the Convention of 1919? This was a conference elsewhere where all the different States were represented.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, this was a conference undoubtedly elsewhere. It may be said that it was a conference between different States. But when the Indo-Japanese negotiations were going on, they were, formally speaking, carried on between two States, between India on the one side and Japan on the other, yet we had Indian advisers. And today the negotiations are going on with regard to an Indo-British trade pact. They are being conducted constitutionally between India and the United Kingdom but the help of Indian advisers is being taken.

THE HONOURABLE THE PRESIDENT: I am afraid your analogy is far-fetched, Mr. Kunzru.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Well, Sir, I leave it to the House to determine whether the analogy is a relevant one or a far-fetched one. Here is an important thing in regard to which the Government of India might well have known that the Legislature might hold strong views. Yet, without giving the Legislature a single opportunity of expressing its opinions, they pledge themselves in advance to the prohibition of the export of sugar. This is entirely contrary to the spirit which underlies the proposal for a fiscal autonomy convention.

The second important point, Sir, which I would like to venture to draw attention to is the manner in which the economic interests of India should be represented abroad. Here, Sir, the sole representative of the Government of India was Sir David Meek. I do not know what special qualifications he possessed for the task assigned to him but the point that I wish to urge at the present time is that we have repeatedly pressed on the Government of India that our economic representatives abroad should as far as possible be selected from among Indians. Yet, on an important occasion like this, the Government of India sent an European as its representative.

THE HONOURABLE MR. A. J. RAISMAN: He was deputising for the High Commissioner, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I do not care who he was deputising for. What prevented the Government of India from sending an Indian to deputise for the High Commissioner?

THE HONOURABLE MR. A. J. RAISMAN: He is the Indian Trade Commissioner in England.

THE HONOURABLE THE PRESIDENT: What Mr. Raisman means is that he was there by virtue of his office and it was more convenient to appoint him.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, he was not entitled to be there by virtue of his office. He was there because the Government of India sent him. The responsibility for the selection must be borne by the Indian Government. The post that he occupied gave him no special right to represent India at this Conference and if the Government of India chose a non-Indian to represent us they must bear the responsibility for doing so. If my Honourable friend Mr. Raisman says there was a special priority in choosing the Trade Commissioner to represent India at this Conference, I

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would only take my argument a step back and say that it was not India but the Government of India who were responsible for appointing Sir David Meek as the Trade Commissioner for India in England.

THE HONOURABLE THE PRESIDENT: I must ask you to bring your remarks to a close. As your speech was interesting, I have allowed you ten minutes beyond your allotted time.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: And now, Sir, I bring my speech to a close. The last point which I would venture to urge with your permission is—what is the political position of India as it emerges from all the facts that I have placed before the House? I have shown that every country has tried to secure the best terms possible that it could. It used its political powers to its best advantage. Where do we stand in this respect? What is our political position? Is India to be regarded as of no consequence by Britain? Is its position so low that its wishes and interests may be regarded as of smaller consequence than the wishes and interests of even the smallest countries represented at the Conference? These are the three important considerations which are raised by the International Conference and the manner in which the Government of India have dealt with the subject before it. I hope that my Honourable friend

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Mr. Dow will be able to deal with them and tell us what we might expect of the Government of India in the future in these respects. Do the Government of India wish to develop a fiscal convention on the lines laid down by the Joint Select Committee? Do they desire that Indians should be given an important and increasing share in the representations of Indian economic interests abroad? Do they wish to strengthen the political position of India at International Conferences and enable her to hold up her head in the comity of nations? These questions are far more important than even the ratification of the Convention which is regarded as highly objectionable by Indian opinion. I trust that my Honourable friend Mr. Dow, when he rises to speak, will have something to say about these points.

THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA (Bihar: Non-Muhammadan): Sir, I rise to oppose the Motion of the Honourable Mr. Dow regarding the ratification of the International Agreement for the Regulation of Production and Marketing of Sugar and declare that I am in full agreement with the views contained in the amendment of my Honourable friend Mr. P. N. Saprú.

Mr. President, I have always felt that the attitude of the Government towards the sugar industry in this country is anything but sympathetic. It is true that it is one of the protected industries but there the sympathy ends. The House is well aware as to how the excise duty and restrictions imposed on the industry have diluted the advantages of protection. Now, we are asked to agree to a proposal the effect of which is not free from doubt. Sir, it has been stated on behalf of the Government that the Agreement before us is by

no means perfect, but it does offer us a hope, a reasonable hope, that it will lead to some improvement in the condition of the industry, an improvement from which the Indian branch of the industry is bound to benefit.

Every sentence, every word, every syllable of the statement is so halting and hesitative that it seems that even the Government spokesman is not quite sure of the result of the Agreement. The Agreement, Sir, offers us a hope. But "hope is such a bait it covers any hook"! The Government hopes that India will benefit by the Agreement but I feel with Plutus that "things you do not hope happen more frequently than things which you do hope".

What do we find today? There is a surplus of last year's stock, the prices of sugarcane and sugar have gone down and unless a market is found for Indian sugar the prices will go down to a level which will mean a collapse of the industry. At this period of the career of the industry we are asked to bind ourselves by the Agreement, which was made without the knowledge or consent of the industry, to the effect that India shall not for five years export sugar by sea except to Burma.

It is said that the only place where Indian sugar is at present exported is Burma. But was it, and is it not the duty of the Government to help the industry to develop in such a way as it may assume the position which the industry in colonies has? The less we talk of the Ottawa arrangement the better. Why does not the Government create a condition which may admit Indian sugar to the sheltered market of the United Kingdom and other places? Instead of doing so, the Government spokesman complains of the high cost of production of Indian sugar. May I ask is it not the duty of the Government to devise ways to remedy this? He further leads us to believe that the only way of our getting the world market is by our consenting to restrict our overseas market to Burma. I confess I cannot follow this argument.

Sir, as cane-grower and sugar mill-owner I am afraid that the Government is putting this as the last straw on the back of the Indian sugar industry camel. As it is the agriculturists of this country, have taken to the cultivation of this money-fetching crop to a very large extent in order that they may make both their ends meet. The expansion of the industry has given them a great impetus. The industry has of late been subjected to many hardships and no attempt has been made to make it so strong both nationally and internationally, as to hold its own against foreign competition. If, for any reason, the industry breaks down the economic distress will be too great for words.

Let the Government review the whole position in consultation with the representatives of industry, keeping in view the interest of the cane-growers, forge a way for the development of export market to absorb its expanding production and not come to us with a *fait accompli* as it has done. The manner in which the negotiations were carried on deserves the condemnation of the House. The result achieved cannot receive our approval unless the matter has been thoroughly examined by those who are vitally interested in it, viz. the producers and the industrialists. It was the duty of the Government, if not of the Conference, to be in touch with those affected by the Agreement and give effect to their wishes. If the Government failed in its duty it should not expect us to fail in our duty to those whom we represent.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I wish to oppose this Resolution. I do not see there is any meaning in our ratifying a Convention which entirely bars out Indian production. Why do we wish to ratify an Agreement, which has been made by other sugar-producing countries in the world, who have left us entirely out of account ? To me it appears to be an act of discourtesy, which the Government of India should never have countenanced.

This House would have been in a position to ratify a convention, if the convention had allowed any latitude for a sugar-producing country like India. Indeed, I strongly feel that Indian interests at the Convention were never properly represented and the case for India has gone by default. It is for the Government of India to note, that in these matters of great importance which affect the welfare of millions, it is not proper to have India represented by an official who is never directly affected ; and whatever his knowledge, he never has the strength behind it to represent India with that independence and single-hearted consideration for the interest of India, which a representative Indian would have. India is one of the largest sugar-producing areas. And what is more, sugarcane is the only money crop which our cultivators at present have. Unfortunately the interests of these hundreds of thousands are ignored by the Government of India. I therefore strongly recommend that not only the ratification of the Convention should be rejected, but that the Government of India should take note that in these matters of high importance Indian industries and Indian agriculture should be properly and adequately represented at such conferences.

An Agreement which bars India from the world market and gives nothing in return, is a one-sided arrangement and I am sure the Government of India can never approve of such a one-sided arrangement.

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

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

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Sir, I rise to give my strong support to the amendment moved by my friend the Honourable Mr. Sapru. The amendment expresses its disapproval of the action of the Government of India in agreeing to prohibit the export of sugar by sea except to Burma for the next five years. The main reason it puts forward is that this Agreement was arrived at without the knowledge and consent of the industry. The amendment further recommends that the Central Government should explore all possible avenues for the export of sugar and take such other steps for the purpose of developing export markets both by land and sea for sugar as may be possible. To the latter part of the amendment, Sir, I cannot conceive what possible objection Government can have ? Vigilance must be the accepted policy and duty of any Government worth the name ; be it turning stones or exploring fresh avenues.

Coming now to the first part of the amendment, I hope Government do realise that the International Agreement in question, arrived at on 6th May, 1937, has caused not only grave discontent but consternation in every section of the people of India even distantly connected with the sugar industry! I recognise that the problem is a complicated one, that there are many factors which must be taken into account. The interest of the grower, the miller, and the consumer, have all to be adjusted. The cost of production plays an important part and must be such as to enable Indian sugar to compete with the sugar of other countries in the world free market. But these complications did all the more make it necessary that Government should have consulted the industry and the representations of public opinion before binding India down to an International Agreement of such vital consequence. We feel, Sir, that the industry has been treated indifferently, the Central Legislature has not been accorded the courtesy it deserved, and the country has been let down most unceremoniously by the Government of India in arriving at this Agreement behind the back of all concerned in the false name of smooth international trade relations. We have, Sir, no use for that kind of nationalism which makes room for every nation except our own and particularly Indians living in India. Few people indeed know that India was at all represented at the Conference and fewer suspected that her representative had the authority to bind her down in that manner until in reply to a question in the other House (12th March, by Seth Govind Das) it was stated that Sir David Meek would be India's sole representative and Mr. Noel Déer, the technical adviser. The Indian Sugar Mills' Association, the recognised representative body of the industry was agitating almost ever since the first whisper of the International Sugar Conference was heard that it should be consulted. The plea taken up by Government repeatedly is that the Conference held in London was a conference of the representatives of Governments and not the representatives of industrialists. I put it to them, Sir, was it not all the more necessary to know what was the view of the Central Legislature and what the industrialists thought would rebound best to the interest of the industry? In the last Delhi session, Sir, by the imposition of an enhanced excise duty the industry was stabbed in the face and now by this International Agreement the industry has been stabbed in the back. Until the Agreement was actually signed in London the Government of India kept the Indian public in the dark as to the exact nature of the sacrifice she was to make. It may be that the Conference in London was a conference of Governments but while in other countries the interests of the industry and Government are more or less identical, is it hidden from the Government here that they do not enjoy the same confidence of the people whom they govern which other Governments do? Therefore, it was, I say, all the more obligatory on the part of the Government to consult the industry and the public. If nothing else at last for disregarding this obligation the Government of India deserve our censure.

India, Sir, is the largest single sugar-producing country in the world and it is one of the greatest anomalies that she of all countries should be deprived entry into the markets of other countries. It is urged that Indian sugar on account of its present price cannot compete with the sugar of other countries. To this contention my answer is that it is by removing the incentive to cheapen the production

[Rai Bahadur Sri Narain Mahtha.]

that we can help the process of reducing the price of manufacture ? During the debate in the last Delhi session I had the opportunity of showing how phenomenally the industry had progressed during the brief space of a few years, how it has come to form one of the mainstays of the Indian agriculturist, and how it was today giving employment to a large number of skilled and unskilled labour and bread to thousands of educated men in this country. An industry of such vital importance which feeds with lifeblood the arteries of the nation, did certainly deserve more consideration, thought, and circum-spective examination before the Agreement was signed purely in a spirit of complaisance and obliging tenderness to Governments of other countries in the misleading name of justice and fair play to all. The central pivot round which revolve all the arguments that Government have so far advanced is the price of production. But comparing the cost of production even today with many other countries, I hope Government will not deny that even today India is in a position to export at a cheaper rate sugar to Ceylon, Iran, and several other countries nearer her than any other foreign country. I have before me figures, Sir, for the annual import of sugar into Ceylon, Iran, Arabia, Aden, Somaliland, Mesopotamia, British East Africa and Siam for the years 1934-35 to 1936-37, and it appears that India has an assured market with proper arrangement and encouragement for the export of at least 200,000 tons of sugar. The cost of production of sugar in India, I submit, is going down and it shall continue to do so with rationalization and by making use of bye-products. We fear that the immediate and the net result of the Agreement will be most definitely to the disadvantage of India. To say the least, the chances of her successfully negotiating with the United Kingdom will turn out to be meagre. If the United Kingdom is to have preferences in this country, we could very well ask for reciprocal preferences in the United Kingdom. The annual consumption of sugar in the United Kingdom has been stated to be about 2,000,000 tons. From the heavily protected beet sugar industry the United Kingdom does not produce more than 400,000 tons of sugar. The rest is got from abroad. Why cannot India claim to export a good portion of the sugar that is imported into the United Kingdom at preferential rates ?

I commend, Sir, this amendment for the acceptance of the House. The Members of the Council are aware of the consensus of public opinion behind this amendment. They have seen that the Assembly only the other day voted against ratification of the Agreement. I hope, Sir, the amendment even in this House, will receive large support.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the amendment which has been moved by my Honourable friend Mr. Sapru. As, Sir, most of the Members have traversed a lot of ground, I need not take up much of the time of this Honourable House by repeating them. Sir, I may mention that India is the home of the sugar industry. Before protection was given to this industry in 1932, we had 32 sugar mills in India, the production of which was 1,58,581 tons. During the five years since protection began the number of factories has risen to 152 and the production of sugar, *khandsari* and *gur* has been 12,32,300 tons in the last year, 1936-37. I might also mention that about

Rs. 30 crores stand invested in the Indian sugar mills; two crores of cultivators' interests are indissolubly linked up with this industry. 2,500 University graduates are employed in the sugar mills. The sugar mills this year paid Rs. 8 crores and 46 lakhs to the cane cultivators. The acreage of land under sugar cultivation in 1931-32 was Rs. 30,76,000 acres which rose in 1936-37 to 44,31,000 acres. When factories work at their full capacity their productive capacity is about 14 lakhs of tons. Sir, our annual consumption of sugar in India is about 11½ lakhs of tons and therefore it is evident that if not from this year anyhow from next year we shall certainly have a good surplus of sugar for export. Sir, the question may arise where is there any scope for the development of factories. I know that owing to the discouraging policy of the Government there has been a setback in the sugar industry. That fact has hindered the progress of the factories and has retarded their pace of progress. Even with this discouragement the number of factories during the last year has increased from 146 to 152. Therefore, it seems that from next year we shall have a surplus of not less than one lakh of tons. Sir, how does it affect the poor cultivator? We find that in 1936-37 modern factories crushed only 16 per cent. of the total sugarcane grown in India. The remaining 84 per cent. being used for either manufacture of *gur*, or for chewing or for agricultural purposes. It is therefore clear that there is vast scope yet for the development of the Indian sugar industry. Costs of production are annually going down; acreage is increasing; the percentage recovery is also on the increase.

Sir, I deplore the action of the Government in not giving any consideration to the representations which were made by the Indian Sugar Association. They represented that two of their delegates, Mr. Brijmohan Birla of Birla Bros. and Mr. J. Aitkin of Messrs. James Findlay and Co., who were then in England be appointed as delegates to the Conference. The Government ignored that recommendation too, though these people were then in England and the Government had not to bear much expense.

Sir, in the last season we find that as a matter of fact some difficulty was experienced in the disposal of the entire quantity of cane and that the cultivators were in distress, as a result of which it is reported that the sowing for the next crop has been as much as 20 per cent. less than last year. Sugarcane being a paying and a cash crop a large number of cultivators will thus be deprived of the benefit which they would have got from the sugarcane crop. The total amount paid to the cultivators by the factories during the current season is estimated to be about Rs. 8,46,000.

My two main objections against ratification by India of the International Sugar Agreement are—

- (1) that her representatives entirely ignored the possibility of India securing an export market for her surplus sugar either in her neighbouring markets or in the markets of the United Kingdom; and
- (2) that the Indian delegation did not take full cognizance of the negotiations then pending between India and the United Kingdom for the renewal of a reciprocal trade treaty.

[Rai Bahadur Lala Ram Saran Das.]

As regards the first consideration, it must be mentioned that out of 156 million quintals of cane sugar, India manufactures 36 millions. The position of India in relation to other countries can be seen from the following table which I have taken from the *League of Nations Statistical Year Book, 1935-36*.

I may mention that a quintal is a French measure equal to 220·46 lbs.

India produces	..	..	..	36 million quintals.
Cuba	..	..	..	24 " "
Formosa	..	..	..	11 " "
Phillipines	..	..	..	10 " "
Brazil	..	..	..	8 " "
Hawaii	..	..	..	8 " "
Australia	..	..	..	6 " "
Java	..	..	..	5 " "

From the point of acreage of cane also, India stands first in the whole world, the acreage for 1935-36 being 4 million acres, while for 1936-37, it is 4·4 million acres. Looking at article 11 of the International Agreement relating to distribution of basis quota for export of sugar, one is surprised at the exclusion of India from the list of countries to whom export quotas are given under the said Article, and under Article 37 of the Agreement, India is given a place as one of the importing countries of the world. The Honourable Mr. Kunzru and the Honourable Mr. Sapru have shown how other countries that are also importing countries have been treated, so I need not take up the time of the Council on that point. If the Government of India had the advantage of the advice of the accredited representatives of the manufacturing interests in India, they would not have allowed their delegate to commit India to an Agreement for a period of five years and to agree to the Conference excluding India from the distribution of export quotas of sugar. The Note, dated the 19th August, 1937, prepared by the Indian Sugar Mills' Association, discusses the question of the possible avenues that may in future be utilised by this country for the export of her surplus sugar. Leaving aside countries such as Iran, Arabia and Siam, there is sufficient scope for India to introduce her sugar in the markets of Ceylon, Aden, British East Africa and such other parts of the British Colonial Empire as are in the neighbourhood of this country.

The question of the cost of sugar to which a reference was made by the Commerce Member in March last is not an insurmountable one as there are instances of the various manufacturing countries dumping their products and developing their export trade by selling these articles at rates much cheaper than those at which they are available in the country of production. Even in India, we have the phenomenon of Indian pig-iron being sold at a cheaper rate in Japan and the United Kingdom than that at which it is sold within India. The International Agreement, if ratified by the Indian Legislature, will preclude any possibility of India's exporting her surplus to her neighbouring markets.

The second important consideration which ought to have weighed with the delegate is with regard to negotiations that are still being carried on

between India and the United Kingdom for her reciprocal trade treaty. It must be noted that under the tariff structure of the United Kingdom, Empire sugar is given a definite preference over foreign sugar and colonial sugar secures a further preference as distinct from the one enjoyed by Empire sugar. There is, therefore, a possibility of a proposal being put forward for the consideration of His Majesty's Government for affording special preference to Indian sugar with a view to persuade India to retain the preferences which are accorded to British manufacturers in the Indian market. The Agreement, if ratified, will preclude India from seeking any such preferential treatment in the United Kingdom market, as she will not be entitled to export her sugar except to Burma under the Agreement.

A third consideration, and a constitutional one too, arises out of the attitude of the Government of India with regard to this Agreement. In the first instance, they refused the co-operation, help and advice of the manufacturing interests intimately connected with the deliberations of the Conference; and, in the second instance, they wanted to commit this country by a mere act of administration, to certain International Agreement relating to an important protected industry of the country and without reference to the Central Legislature. This procedure which they desire to adopt is objectionable in itself and the Central Legislature should always insist that all international and bilateral agreements should not be ratified by a mere administrative act but should be subject to the approval of the Central Legislature even if such agreements do not entail any variations in the customs tariff structure of the country, and that in the preliminary stage of the negotiations leading to the conclusion of such agreements the commercial and industrial interests directly affected by these negotiations should have the right of tendering their advice to the Government of India or their representatives during the negotiations of such agreements.

Now, Sir, I come to the point where the Honourable Mr. Dow has observed that the prices in India are such that it will not pay India to export to other countries. Sir, in this connection, I want to give what are c.i.f. prices per cwt. in the United Kingdom of sugar imported from various countries. Most of the imports to the United Kingdom are of raw sugar, i.e., of 96 degrees polarisation. The seller's price of each of the three classes of raw sugar, viz., Foreign, Empire and Colonial (Mauritius) in the United Kingdom ports are according to a recent estimate, as follows :—

—			C. I. F. seller's rate per cwt.	Import duty per cwt.	Seller's prices at port markets after paying im- port duty.
			s. d.	s. d.	s. d.
Foreign	..	..	6 8	8 4·3	15 0·3
Empire	..	..	10 5	4 6·3	14 11·3
Colonial (Mauritius)	..	..	11 1	1 5·3	12 6·3

[Rai Bahadur Lala Ram Saran Das.]

On the present basis the average cost of sugar of 96 degrees polarisation may be taken to be about Rs. 4 per maund at factory without excise duty. The present freight rate from port to port between India and the United Kingdom is about 40s. per ton or 2s. per cwt. To this is to be added the freight from factory stations to Indian ports, plus the port charges, etc., which may be taken to be about 13 annas per maund (12 annas freight and 1 anna port charges, etc.). On this basis, therefore, the c.i.f. prices of Indian raw sugar at the United Kingdom ports will be as follows:—

Cost of production of 96 degrees polarisation sugar at factory (without excise duty)	.. ..	Rs. 4 per maund or Rs. 5-7-6 per cwt.
Freight from factory to port including port charges	.. ..	Annas 13 per maund or Rs. 1-1-8 per cwt.
Freight from Indian port to United Kingdom port	.. ..	Rs. 1-5-4 per cwt.
C.i.f. price of Indian sugar at United Kingdom ports	.. ..	Rs. 7-14-8 per cwt.
		or
		11s. 10-4d. per cwt.

It is thus apparent that the c.i.f. price of Indian sugar at United Kingdom ports, even on the present basis of internal and ocean freight rates, would not be very much higher than the c.i.f. prices of Empire and colonial sugar at these ports. As against 10s. 5d. and 11s. 1d. being c.i.f. prices of Indian sugar at the United Kingdom ports will be 11s. 10-4d. per cwt. The United Kingdom can therefore easily import at least a certain fixed quantity of Indian sugar at competitive prices by allowing it the same preference as is given to certified colonial sugar, i.e., charging the same rate of import duty as on the latter, viz., 1s. 5-3d. per cwt.

THE HONOURABLE SIR SULTAN AHMED (Commerce and Railway Member) Is the Honourable Member suggesting that without any certificated colonial preference, we can get entry into the free market?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: No, Sir, we rather claim that preference. The same import duty be imposed in the United Kingdom on sugar exported from India as is done in the case of certified colonial preference. In the case of Mauritius the import duty is 1s. 5-3d. per cwt. In case the same import duty is imposed, Indian sugar can compete in the United Kingdom ports.

THE HONOURABLE THE PRESIDENT: Your time is up.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: One or two minutes more, Sir.

It has been the policy of the Government of India to consult representative institutions when selecting delegates for Industrial or Labour conferences. In this case, an exception has been made for reasons unknown to us. It looks as if the British Government owing to the present international situation in the Far East does not like India to capture the foreign sugar markets of the Dutch

East Indies (Java). I shall be grateful if the Honourable the Commerce Member or the Honourable Mr. Dow will tell us why there has been a departure in this case from the established policy of the Government?

I do not want to take up more time. I must observe that people are under the impression that the Government of India is not giving due encouragement to Indian industries. On the other hand, efforts are being made to give them a setback. I wish that the claims of the cultivators and the interests of the industrialists who have sunk about Rs. 30 crores in this industry be duly safeguarded.

With these words, Sir, I strongly support the amendment.

THE HONOURABLE MR. A. J. RAISMAN (Finance Secretary): Sir, I should like to begin by saying that if the case which has been made by the speakers on the Opposition side is true, it proves too much because nobody has been able to attribute any reason why either His Majesty's Government or the Government of India should for no obvious purpose wish to inflict this serious economic damage on India. The only theory on which the volume of condemnation which has emerged from the other side can be understood is that both these Governments are merely insane. There has been no suggestion that there was any reasonable, well-founded policy which could lead to the conclusion that India should agree to prohibit the export of sugar from India. I would like to compliment the Honourable Mr. Kunzru on his exceedingly eloquent speech, and I wish I were possessed of a similar degree of eloquence. But unfortunately I have spent the greater part of my life in pursuits which are not usually productive of that particular talent. I would like to say that I thought he made the very best of the case which can be made against this action, that he subjected the Agreement to an exceedingly penetrating and critical examination, and that he advanced certain arguments which might be considered to be exceedingly damaging. But my own criticism of his speech is that he did not follow his line of argument sufficiently far. He did not proceed to draw the conclusions to which he himself was approaching. He said, for instance, that the cost of production in all the other countries except Java and Cuba were higher than in India, and yet these countries had been allotted quotas. He implicitly inferred that the place of these other countries in the world market was due entirely to subsidies. He did not, however, go on to say, "Why should not India subsidise the export of sugar?" and I congratulate him on refraining from that suggestion, because, if we look into the history of the sugar industry in this country, we find that for a country as poor as India, the sacrifices which have already been imposed on the general consumer and on the general taxpayer in order to promote the growth of this industry are stupendous. I remember once, in the course of discussing with somebody the problem of financing the new constitution, it suddenly occurred to us that if we took the amount of revenue which was foregone in the programme of protection to the sugar industry, that alone would have solved many of the problems of constitutional finance which have taken the time of so many committees since the question had to be faced, that it was a matter of something between Rs. 5 and Rs. 10 crores a year which was required at that stage in order to solve both the problems between the Centre and the Provinces and between British India and the Federating States. I only mention that and I remember

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that it was then suggested that it would have been an interesting slogan, "Would you like a new constitution or a sugar industry?" Well, Sir, if the Honourable Mr. Kunzru had gone on a little further to see how action by India corresponding to the action taken, as he suggested, by other countries could have secured what the Indian industry wanted, he would have found that there were three possible courses. The first, which as I say he refrained from formulating, was the frank one of subsidisation, namely, that for every cwt. of sugar which India put on the world market, she should pay to the producer the difference between what he could get in the open market and what it cost him to produce it, and I may say that that difference would have been not a little, I may mention that the difference between the highest revenue which we used to derive from sugar, which was something like Rs. 10½ crores a year, and what we derive now, which is something like Rs. 3½ crores a year, is Rs. 7 crores a year, which is nearly equal to the whole of the yield of the salt tax about which we have heard so much. Whereas that bill amounts to Rs. 7 crores a year, if we went into the business of subsidising Indian sugar, we should probably have something of the same order again to face.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I did not ask for it.

THE HONOURABLE MR. A. J. RAISMAN : I agree that the Honourable Mr. Kunzru did not ask that we should subsidise the export of Indian sugar but I am merely pursuing his argument further. He said, "Look what other countries could do and have done; look how they secured an export position for their sugar". I am only indicating what we could have done. We could, in the first instance, have embarked on a policy of subsidies—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I correct the Honourable Member? What I said was that the other countries had used their political power to secure quotas for themselves in the Conference. I was not approving of their internal policy which enabled them to export their uneconomically produced sugar.

THE HONOURABLE MR. A. J. RAISMAN : I think I perfectly well understood the Honourable Member's argument, but the fact remains, as I pointed out, that the price at which these other countries could produce sugar, as he suggested—I do not accept those figures—but he suggested that the price at which certain countries produce sugar is higher than the price at which India produces sugar and he made a very impressive gesture indicating that other Governments were subsidising the export of sugar. Well, the second possible course, if we did not and could not afford to subsidise the export of sugar, was to make this adjustment, as it has been called, between the export price and the domestic price. Well, Sir, I should like to press that a little further too. What does that mean? It means, as the Honourable Rai Bahadur Lala Ram Saran Das has just pointed out, that you again take from the unfortunate consumer of Indian sugar so many annas or rupees more per cwt. in order that you may dump the rest of your sugar in the foreign market. It means again that the cost of that manoeuvre is borne by the individual who is least able to afford it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The cultivators are the main producers and they benefit by doing this.

THE HONOURABLE MR. A. J. RAISMAN : I was at the moment speaking from the point of view of the person to whom you sell your sugar when you have made it. I agree that the cultivator of sugarcane—and I shall come to him presently—is a very numerous and a very deserving class and that his interest should be borne in mind. At the same time the consumer in India consumes a million tons of refined sugar. Now, if you wanted to sell abroad in the world market in which you are not able to compete normally, if you wanted to sell your sugar at a price which would enable you to obtain any part of that market, you must sell it at a lower price than you are selling your sugar in India. There are no two ways about that. It is quite clear you cannot sell a single ounce in the world market at present at the price you are selling it in India, and I would remind you that at the present moment the industry is complaining throughout the length and breadth of the country that the price they are obtaining for their sugar is an impossible price, that there are no profits, that they cannot possibly continue to exist if the price of sugar remains what it is now. Nevertheless they are going into the world market to sell it roughly at 30 per cent. below that price. They say you must not shut us out. Well, I was indicating that of the three possible courses the second course was this one of the adjustment of price, whereby you take something more out of the pocket of the Indian consumer and make a present to the foreign consumer, all in order to keep up your production and to put profits into the pockets of the Indian industry. I know no answer to that particular argument. I cannot see how you can get away from the fact that if you cannot afford to sell your sugar at that price in India, you cannot sell it abroad without taking money off the Indian consumer.

And as regards the sugarcane producer I would like to digress for a moment in order to take up that point. The unfortunate sugarcane producer is being squeezed between the upper and the nether millstones. The industry now says, there is only one obstacle to our competing with Java or anybody else in the markets of the world. It is this absurd arrangement whereby the Government fixes the price of the sugarcane. How can we compete in the world market if, regardless of the ordinary economic laws of supply and demand, the Government insists that we pay so much for our sugarcane? And the fact is that that pressure is having effect and gradually the statutory protection which was sought to be afforded to the sugarcane producer is being whittled away. If the Indian sugar industry is allowed to, if it concentrates its attention on the world market, I predict that the main obstacle which it will first endeavour to remove will be the statutory price of sugarcane. Because it is quite clear that they cannot possibly sell sugar below the price they are now selling it for in India if they have to pay to the cane producer the prices which it was intended that they should pay.

Well, Sir, there was one third method which was indicated whereby the Indian industry might be enabled to get a part of the free market; and here I refer to the method of certificated colonial preference, a preference for Indian sugar in the United Kingdom market. And here the suggestion is that now there is something which would have cost you nothing at all; why could you

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not get that for the industry and why are you so step-fatherly or step-motherly or so utterly unsympathetic that you could not even do this which it is suggested costs you nothing? Well, Sir, what is the method of negotiating a preference? As Honourable Members are aware, this is a matter of the most assiduous haggling; it is a matter of bargaining. Nobody gives anything for nothing. It is suggested that in order to benefit the unfortunate sugar manufacturer in India we should have gone to the United Kingdom and said, now here is quite a simple thing; we would like nothing very much; we just want you either to admit our sugar free of duty or to admit it at a rate about one-third of the usual Empire rate, or in other words about one-sixth of the rate which is charged on foreign sugar. (*An Honourable Member*: "Why give that concession to Mauritius?") I am at the moment not dealing with Mauritius. What I want to know is what would have been the response of His Majesty's Government to the request of India for a preference of this value? What would they ask in return? I will not endeavour to forecast what their exact answer would be, but I will say this, that here again reciprocal preference would have meant that the cost of this concession to the sugar manufacturer would have come out of the pockets of the unfortunate Indian general taxpayer or consumer. So, by whatever way you approach this problem, it comes back to the same thing, that in addition to all the crores of revenue which Government have already laid down in order to establish this industry—and I admit and am glad to say that they have been productive in the sense that in the last five years the industry has made phenomenal progress—but in addition to all these crores that have been poured out, we are now asked to give some more money, either more public money or to impose a further burden on the Indian consumer in order to produce this effect, namely, that the Indian sugar industry should be able to compete in a market in which it cannot compete by the ordinary economic laws. Sir, I have only one point to add, and that is this. We have been living for the last few years in an extraordinary world, "a mad world my masters" one might well say. We have found ourselves buffeted by the shocks of obscure economic disorders which have come from Heaven knows where. It has taxed the abilities of the most eminent and far-sighted economists even to diagnose retrospectively the reasons why these appalling catastrophes and calamities have fallen on different countries of the world. And out of the misery of the last few years there has arisen all over the world a cry that there should be some economic planning, some attempt to control these enormous forces, that there should be some regularisation, some systematisation, some co-operation, which will leave mankind less at the mercy of these extraordinary, unforeseen, changes. It is a historical fact that it so happens that out of the efforts made in the last few years to achieve any kind of international co-operation in the economic sphere, this Sugar Agreement is the sole outcome and I believe that it is simply because of this fact that His Majesty's Government attached importance to it. From the time of the International World Economic Conference of 1933 countries which were dismayed by the complete failure of that attempt were trying to fix things up and trying to produce something and His Majesty's Government endeavoured to secure one agreement, one scheme of international co-operation, which would command fairly general assent. Well, Sir, I suggest that even if this Agreement were a bad agreement—and I am not prepared to

say that it is a perfect one or even a very good one—I suggest that even if it is a very indifferent agreement, it has a tremendous value as a symbol of international co-operation and that India, which stood to lose nothing, could well afford to make this gesture of sympathy with a scheme of international economic co-operation to which other countries attached such great importance. Applause.)

THE HONOURABLE MR. G. S. MOTILAL (Bombay : Non-Muhammadian) : Sir, my friend the Honourable Mr. Dow prefaced his speech with a remark which I should think in his calmer moments he would wish he had not made. He thought that he was answering the argument which was advanced on this side of the House that a business man should have been associated with these negotiations. We have usually heard that when there is no argument one must abuse the opponent and this is the line of action which was adopted by the Honourable Mr. Dow. He said that business men in India know very little of the industry outside this country, and much less in this country—

THE HONOURABLE MR. H. DOW : I am afraid it was the other way round ! I said the exact opposite of that !

THE HONOURABLE MR. G. S. MOTILAL : I am sorry if I misheard him. Is it that he said that other countries would not know about India and India would not know about other countries ?

THE HONOURABLE THE PRESIDENT : Never mind that. Please express your opinion.

THE HONOURABLE MR. G. S. MOTILAL : I know business men in India and in other parts of the world and I can say that business men in this country can hold their own against business men in any other country and none else but a business man adorns the Chair of this august House today.

Sir, it has been our expectation that we shall soon be able to add a few spoons of sugar to the Englishman's morning tea and make it sweeter ! But unkind fate somehow shadows every step of our economic relationships. We are, however, determined to do our best in our endeavour to make the tea more palatable for John Bull ! And in this effort we eagerly looked for unstinted co-operation from the Government of India. But what we find to our disappointment is that this very Government is taking up an unhelpful attitude. We are asked to ratify an Agreement which prevents us with a heavy hand not only from sending our sugar to Great Britain but also to our neighbouring countries who have been our customers, like Ceylon, Iran and Persia.

With the help of protection, India has, within five years, turned from a sugar-importing country into a leading sugar manufacturing country, thus saving nearly Rs. 15 crores which had to be paid at one time, for the imported sugar. The countryside stands to gain today more than any other interest. Most of our exports are made up of raw materials and in the midst of this dreadful monotony of our economic life, there was a ray of hope that sugar, in a sense, a manufactured article, would form a part of our exports. In view of this background this Agreement came to us like a bolt from the blue. And Government and every one concerned should appreciate the reasons why we

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are stoutly opposed to ratification of this iniquitous Agreement. The right and proper course for India's representative at the International Sugar Conference would have been to follow the example of Canada. But unfortunately that was not to be. There is reason for us to congratulate ourselves in one respect that unless and until this Agreement is ratified, it does not come into force except provisionally. I earnestly appeal to the Honourable House to oppose the Resolution, and lend their unanimous and emphatic support to the amendment moved by my friend the Honourable Mr. Sapru.

If we examine the Agreement dispassionately in a business-like spirit, we do not find any cogent reason to accept it; on the contrary there is every ground why we should turn it down. This Agreement binds us for a period not less than five long years not to export an ounce of sugar to any outside country except Burma, and that too for the purposes of the people of Burma. And what does this country get in return for this self-denying ordinance? Far from gaining the least benefit, India will have to face the gloomy prospect of the world markets closed to her, and on the top of that she will have the privilege of footing a bill of not exceeding Rs. 10,000 a year as her share of the expenses of not the "national" but the "international" Sugar Conference. The Honourable Mr. Dow has very gravely and solemnly warned this Honourable House that if this unholy Agreement is not ratified, a deluge will overtake the world! But he omitted to tell us where will be the place of India in this deluge. If ever his fear comes true, I can assure him that the deluge will not be any the worse than it is today without the Noah's Ark of this Agreement. The Commerce Member is a great legal luminary, and if he will allow me to put it in a language familiar to him, may I ask him respectfully what is the consideration which India receives for entering into this contract? He will agree with me when I say that India, being the biggest sugar-producing country, cannot subscribe to any pact or protocol which encroaches upon her legitimate right of exporting her surplus sugar. Though I am not a lawyer, I maintain that such an arrangement between private individuals would be voidable in law. The argument that the cost of production of Indian sugar at present is such that it does not permit her to export sugar abroad, and for this reason only she must tie herself hand and foot for the next five years is tantamount to condemning her in advance, without giving her a chance to prove her capacity. Will this House agree to sell the country's future rights without any adequate price, much less any price at all?

The Ottawa and Lees-Mody Pacts and other preferential tariffs in respect of British imports granted to Great Britain from time to time have secured for England a handsome present. The formidable list of these articles given preference includes among others the following articles: machinery and motor cars, soaps, leather, rubber, tyres, furniture, paper, cigarettes, base metal articles, iron and steel machinery, fish, milk, coffee, vegetable, confectionery, cocoa, fruit juices, canned or bottled provisions, spirits, cement, lubricating oil, chemical and scientific instruments, etc. In the light of this consideration, England which buys two million tons of sugar from abroad, owes it to this country to reciprocate by giving colonial preference rate to Indian sugar,

and repay in this way a moiety at least of what she has got from these preferences galore, which were and are being accorded to her articles so generously by this country.

During the last seven months ending 31st July, 1937, Britain has purchased 24,512,714 cwts. of unrefined sugar costing something more than £10 million. For the next five months, she may be expected to buy 16 million cwts. of sugar to make up her annual average of import, costing in value nearly £6 million, or calculating for 12 months, we find the total quantity imported would mount up to 40 million cwts. or 2 million tons, costing £16 million, which constitutes her annual average import of sugar. These very figures reveal that Britain has purchased 60 per cent. of the volume of her sugar imports from Empire countries, including the Dominions, and 40 per cent. from other countries. The average price of sugar from Empire countries works out at 9.75s. per cwt. c.i.f. English ports. Cannot India claim that England should purchase this 40 per cent. of British sugar imports from this country?

It has been admitted by the Commerce Member in another place that if the colonial rate of preference is accorded to India, India will be in a position to export her sugar to Great Britain. In my view which is shared by the Indian commercial community, Great Britain had been less kindly towards India in the past in regard to her imports from India compared to her solicitude for other Empire and non-Empire countries. Is it fair or good from the standpoint of the healthy relations between these two countries, I shall not say their partnership, in the future that Great Britain should continue to maintain the same attitude?

I have only to make one request to the Government in this respect and it is that it will take into consideration the opinion of every section of this House, of the nominated Members as well as the elected Members, and give due weight to each that it deserves.

With these words, Sir, I would request the House to reject the Resolution and support the amendment of my Honourable friend Mr. Sapru.

THE HONOURABLE MR. J. REID KAY (Bengal Chamber of Commerce): Sir, we do not wish to stress unduly Government's omission to consult the industrial interests concerned in the matter of this Convention. It would appear, however, that had the question been taken up earlier, we might have succeeded in making an arrangement more suitable to Indian sugarcane interests. And we should like to have an assurance from Government that in similar instances in future earlier consultations might be arranged.

My Honourable friend the Leader of the Progressive Party mentioned Ceylon. We also should like to ask whether there is no possibility of exports of Indian sugar to Ceylon as well as to Burma being arranged for?

It would appear that, following the usual hopeful outlook which most of us take, we visualise a rise of sugar prices, and if such be the actual trend of markets we should be still further from the realisation of exporting on a profitable basis, unless it could be arranged that we receive the special preferential colonial duty into the United Kingdom. Sir, we would submit, on the

[Mr. J. Reid Kay.]

other hand, that sugar prices may not rise as is hoped for and, in such an eventuality, we might find ourselves in a position to export but for the ratification of this Convention. With this possibility before us, we consider that the door might have been kept open and India allowed, if it was at all possible, to reconsider her position say in three years' time instead of tying herself down to the five-year plan.

Sir, we appreciate that, in the event of any such concession being seriously considered for one country, other countries might ask for similar protection and it is a difficult matter to arrange. But, as India has not been an exporter of sugar for very many years, we think this aspect of her case might have received consideration.

The question before the House, as is realised by, I think, all of us, is a very difficult one. If, as pointed out by my Honourable friend Mr. Raisman, with the price of cane linked to the price of sugar, the grower stands to be hit in the event of fall in sugar prices, which would enable India to export at a profit; conversely, if sugar prices rise, the consumer in this country, as he mentioned, has to pay more. It is almost impossible to please everyone. Low prices in the earlier part of this year have, we hope, resulted in increased consumption in this country, but accurate figures are difficult to procure and it cannot be said for certain what quantity may be carried forward into the new season. Enquiries have been made recently to find out, but accurate figures are definitely not available so far as I know. We may be nearer to saturation point than most of us calculated some months ago and if this is so there cannot be surplus for export even if India were not bound by the Convention. Therefore, Sir, we are inclined to take a broad view and, taking that view, we support this Resolution on the assumption that India may not be in a position to export at a profit for say the next five years.

THE HONOURABLE NAWABZADA KHURSHID ALI KHAN (Punjab : Nominated Non-Official) : Sir, it is true that the Agreement is not one which is perfect and there are several defects in it which could be pointed out. But the question is whether it is in the interests of India that it should be ratified? Sir, I submit that the cost of production in India being still 50 per cent. higher than the average cost of production in Java and Cuba, there is not the remotest chance of India being able to export within the next five years. The only chance of India getting a place in the free market is to join in any International Agreement to control prices. This is fully served by India joining in this Convention which means international co-operation. Within the next five years India might well be advised to put her own house in order and regulate her production on an economic basis, which may be in the interests of growers, manufacturers and consumers.

With these few words, Sir, I support the Resolution of my Honourable friend Mr. Dow.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) : Sir, there is very little that I want to add to what has been said by Government and by the Honourable Mr. Reid Kay. There are one or two points that I would

like to mention in respect of which I have particular knowledge. It was suggested that Government ought to have consulted the interests concerned. There I am inclined to agree, but when I did so, I found they were entirely conflicting with regard to their views. Some said they did support the Convention, some said they did not support the Convention, and I must admit that I thought the reasons given by those who wanted to support the Convention were better than the reasons given by those who wanted to oppose it. There was a reference made to one, Mr. Noel Dêr, who was, I understand, advising the delegate in England. Mr. Noel Dêr happened to be brought into this country partially through my instrumentality. I was, about 16 years ago, Secretary of a Company called the Sugar Corporation of India, and on the Board of that Company were, amongst others, Sir Dorabji Tata, Sir Akbar Hydari, Sir Jogendra Singh and other Indian gentlemen equally eminent, whose names I cannot remember now, and they decided to bring this gentleman to advise on sugar matters in India. He was thus originally selected by Indians and non-officials. He was a very excellent expert.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Was Mr. Noel Dêr asked for his advice ?

THE HONOURABLE MR. R. H. PARKER : I have no doubt of that. When sensible people employ an expert they do ask for his advice.

I think I would sum up by saying, that I think every vote against this Resolution is a vote against Indians overseas, it is a vote against consumers in India, it is a vote against the revival of international trade, and it is a vote against the increase in the world price of sugar which everybody wants.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, the Honourable Mr. Sapru complained against the Government of India this morning for not consulting the Indian Legislature and the sugar industry in India before entering into this Agreement.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Rai Bahadur Lala Ram Saran Das.)

My Honourable friend Mr. Sapru knows that the Government of India are only a subordinate branch of the British Government and therefore they had to follow the dictates from Whitehall and they were not constitutionally bound to take the advice of this Legislature. Sir, I am most surprised that the Government of India made this offer not to export sugar to any other country except Burma for the next five years even before the discussion in the Conference started. I am not able to find out any convincing reasons why this was made ? I can understand this position, that they received an order from Whitehall—from His Majesty's Government—to agree to a certain condition and they agreed—

THE HONOURABLE MR. A. J. RAISMAN : What had Whitehall to gain ?

THE HONOURABLE MR. HOSSAIN IMAM : Whitehall is interested in other parts of the British Empire.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Did Whitehall instruct the Government of India to agree to this or not ? That is the first point.

THE HONOURABLE MR. A. J. RAISMAN : No.

THE HONOURABLE MR. V. V. KALIKAR : If Whitehall did not gain anything, if Whitehall did not instruct the Government of India to make this offer, then why should the Government of India make this offer before even taking part in the discussion ? My point is, that they should have taken part in the discussion, and then, if they had thought that this offer was in the interests of India and of the sugar industry in India, then they could have made that offer. But the offer was made even before discussion. So, my point is, that they did not make the offer voluntarily but were forced to make the offer and they acceded to that request.

THE HONOURABLE MR. A. J. RAISMAN : It is not so.

THE HONOURABLE MR. V. V. KALIKAR : Sir, I am sorry I cannot agree with my Honourable friend Mr. Raisman, because certain remarks made by the Honourable the Commerce Member in the other House clearly show that he is not perfectly satisfied with this Agreement.

THE HONOURABLE SIR SULTAN AHMED : That is another matter—satisfaction in respect of the Agreement.

THE HONOURABLE MR. V. V. KALIKAR : He is disappointed with the Agreement.

THE HONOURABLE SIR SULTAN AHMED : Certainly I am.

THE HONOURABLE MR. P. N. SAPRU : If that is so, then why ratify it ?

THE HONOURABLE SIR SULTAN AHMED : That is not a necessary conclusion.

THE HONOURABLE MR. V. V. KALIKAR : The position is, that the industry in India has been unjustly treated. I understand that the Sugar Mills' Association made various communications to the Government of India since they came to know that a Conference was being called in England, and the Government of India did not even care to reply to their communications.

Then, they appointed a gentleman as delegate who was not at all connected with, or who did not know the position of, the sugar industry in India. I quite admit that an adviser was appointed who knew about the industry in India, but we are not told whether that adviser was consulted and, if so, what advice he gave to the delegate, Dr. Meek ? These things clearly show that the Government of India were not free masters themselves, or if they were free masters, they deliberately ignored the interests of the sugar industry in India. Sir, they talk of a free market. I am not an economist, and therefore I do not understand the implication of the phrase "free market". But, as a layman, I submit if there are quotas given to certain countries, if there are restrictions, can you call it free ? As I understand it in the ordinary sense, it means that every country should be entitled to see their goods in other markets without any restriction. Now, India has been restricted not to send her sugar for five years, and yet they say there is a free market for this commodity ? They talk of higher prices in India of Indian sugar. Well, they have ignored the attempts that are being made by the industry in India to lower the prices. The recent researches and investigations that are being made b

the industry and the cultivation of better cane in various provinces go to show that soon India will be in a position to produce sugar at a low rate and thereby she can compete equally with any other country in the free market. Sir, India is the greatest producer of this commodity in the world and I cannot understand the justice of closing her produce when she expects to produce sugar at a low rate within a very short time.

(At this stage the Honourable the President resumed the Chair.)

The experts say that they have a surplus even now and they can export about one lakh of tons to foreign markets.

THE HONOURABLE MR. H. DOW : Why don't they, there is as yet no prohibition ?

THE HONOURABLE MR. V. V. KALIKAR : The question then is, whether India has gained by acceding to this Agreement ; and if India has not gained anything, as I find from the remarks made by various speakers and by some of those who are intimately connected with the industry, why was there haste on the part of the Government in agreeing to this Agreement without taking into consideration the views of the industry as such ?

Sir, the next point that is suggested to me about the Indian States. I have not been able to solve that question but I would ask the Honourable Commerce Member whether this Agreement would be binding on the Indian States also ? If this Agreement is not to be followed by the Indian States, they certainly would be free to export sugar from their own ports. I understand in Mysore a large quantity of sugar is produced. If they take it into their head to export sugar through Cochin will this Agreement come in the way ?

THE HONOURABLE MR. A. J. RAISMAN : If the Honourable Member really desires information on this point, I may say that in the first place I am not aware that there is any appreciable production of sugar in any maritime State, and therefore the question of export from a State does not really arise. In the case of a State like Mysore which has no seaport, it could only export by first exporting the sugar into British India, because the sugar must first pass through British India to pass out, and the prohibition would be effective and it would not be able to get out.

Another point is that all the maritime States practically have agreed to adopt our tariff and in practice although these agreements did not in so many words include uniformity in the matter of prohibition and restrictions, in practice they do also adopt out prohibitions and restrictions. So that, for instance, the arrangements with Japan about export of raw cotton and the import of piecegoods are also effective in the ports of the maritime States.

THE HONOURABLE MR. V. V. KALIKAR : Then, would it be open to any Indian capitalist to take his capital to a maritime State, to Cochin say, and open a factory there and export sugar from there ?

THE HONOURABLE MR. A. J. RAISMAN : Definitely no.

THE HONOURABLE MR. P. N. SAPRU : I understood the Commerce Member to say that this Agreement does not bind the Indian States.

THE HONOURABLE SIR SULTAN AHMED : I have not said one word about it.

THE HONOURABLE MR. A. J. RAISMAN : I did not say it bound the Indian States. What I said was we had agreements for tariff equality with the maritime States and that in practice our prohibitions and restrictions were adopted by them.

THE HONOURABLE MR. HOSSAIN IMAM : Do we take it that there is no statutory power to export from Indian State ports ?

THE HONOURABLE MR. A. J. RAISMAN : These things are regulated by treaty and customary practice. We cannot legislate directly.

THE HONOURABLE MR. P. N. SAPRU : Is there any treaty in regard to this Agreement ?

THE HONOURABLE MR. A. J. RAISMAN : There are treaties about tariffs.

THE HONOURABLE THE PRESIDENT : Will you proceed with your speech ? Your time is nearly up.

THE HONOURABLE MR. V. V. KALIKAR : My friends have taken up seven minutes of my time.

The point I was making was, if the Government of India had co-operated with the industry and helped the industry it would be very easy for the industry to lower the cost of production ; and if the Government on account of the high cost of production have agreed to this Agreement then they have failed in their duty to give proper co-operation to the industry. I understand that Java sugar is exported to Afghanistan and the N.W.R. gives a rebate of 66 per cent. If that information is correct, then the same concession of low freights for cane and sugar would have helped the industry to reduce the price of production.

Sir, the other thing which does not appear to me very convincing is about the position of other countries. It has been stated by several speakers that other countries which have been allowed quotas are producing sugar at a high cost. Still, if those countries have been allotted quotas, why should India be

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debarred from being allotted a quota for exporting her product to the free market ? I submit, Sir, that from the Resolution that has been submitted for discussion before us today, I infer that, India instead of gaining anything is bound to lose and therefore I appeal to all the Members here to support the amendment moved by my Honourable friend Mr. Sapru.

THE HONOURABLE MR. RAMADAS PANTULU (Madras : Non-Muham'madan) : Sir, so much has been said against the Agreement that I have really very little to add by way of fresh argument. It looks to me as though we are engaged this evening in a *post mortem* examination of an international trade privilege of India which has been given away too readily by the Government of India. Some question has been raised in this House as to why an Indian was not appointed to represent India, but only the Trade Commissioner in London was deputed to the Conference ? Another question was raised as to why the industry concerned was not consulted ? To me, both these questions

seem to be irrelevant, in view of what the Honourable Commerce Member has said in the other House. Even at the time of accepting the invitation to join the Conference the Government of India intimated to His Majesty's Government at home that they would agree to India not exporting by sea any sugar, otherwise than to Burma, during the continuance of the Agreement. After that definite commitment, any one who represented the Government of India at the Conference had merely to put his signature both to the Agreement and to the Protocol and that is what Sir David Meek has done and the Government of India have exonerated him from all responsibility in the matter. He was quite innocent of what was done and it is said that he only sent a running commentary on the proceedings of the Conference. Therefore, the Trade Commissioner is in no way responsible and anybody else sent there would have done nothing better than he. We could have spared ourselves the trouble of any comment on those questions.

Sir, I have listened very carefully to the speeches of the Honourable Mr. Dow and Honourable Mr. Raisman. I think there is not much difference of opinion between us on this side and the Government's spokesmen on many points. I think both Mr. Dow and Mr. Raisman have laboured many points which are not really in controversy. So far as India's ability to export any sugar today is concerned, everybody is agreed that India cannot export any sugar today unless special concessions are given. There was no difference of opinion on that matter. What we on this side say about the Agreement is that it is wrong for the Government of India to commit India to such a course for a period of five years unless she had some *quid pro quo*. If we are going to get something in return for it, perhaps there might be some reason for committing India for a period of five years. We get no *quid pro quo*. I shall presently come to what they say is the *quid pro quo*. The second point that we urge is that even though today we may not be able to export sugar from India without concessions, how can the Government of India say that within the next five years India will not be able to export? That is a question on which there is real difference of opinion. The Government of India had a mass of material before them which was furnished by the industry concerned and also by persons interested in the question. There was plenty of material which called for a careful examination. If the Government of India had received representations and had in their possession the opinions of the sugar industry even before they agreed to join the World Conference, that was all the more reason why they should have consulted the industry concerned before committing themselves in the way they did to His Majesty's Government at home. True they may have believed, sincerely believed, that what they did was right. They may have sincerely believed that India could not export any sugar, outside by sea at least for five years. That is not the view which Indian business men took and that was not the view which the Legislative Assembly took. The Honourable Mr. Raisman asked, "Why the Governments in England and India should be deemed to be so pig-headed or so adverse to Indian interests as to agree without some good reason; why do you suspect their action when already you have proof that both these Governments are interested in helping the Indian sugar industry in this country". May I, in reply, put him a counter-question? "If this Agreement has some good features about it and if it is going to benefit India in some manner, why

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do you think all the business men in this country and the Legislative Assembly are so pig-headed as to oppose it ? Is it simply because Government had not consulted the industry that they do so ? We may be credited with some amount of common-sense or at least self-interest. Therefore, such questions may be put to either party. Government might believe that what they did was right. But we believe that the Government was wrong and hasty in what they had done. That is, Sir, so far as the question of intentions and motives is concerned. We need not dispute each other's motives. We find that there is between the Government and us a definite difference of opinion. Government believe they are right and we believe that what they have done is wrong.

Now, what is the *quid pro quo* ? It is said that unless India joined in this International Agreement, there would be chaos in the world market for sugar. Therefore, India's prospect of entering that market even when conditions improve and when she is in a position to export will be less favourable to her if she did not now co-operate with other countries ; if now she co-operates and agrees to the ban on export, then conditions may soon improve, world prices may improve in course of time ; and then her entry into the free markets after five years would be an advantage to her. They also say that, " If you enter into this Agreement you will get some other benefits. You will participate in international propaganda for the general increase of consumption of sugar and you will profit by such increase ". Secondly, they say, " By any international research to put sugar to other uses to which it is not at present put India will also benefit. The other uses may increase both internal consumption and give better chances of export, and if you co-operate, there would be expansion of your home consumption ". These are the things that they say will be gained by India if she joined in the Agreement. But these benefits can be had without ratifying the Agreement.

With regard to the assertion that there would be chaos if India did not ratify the Agreement, we frankly and honestly fail to see how it arises ? If the Government of India is right in its assumption that India for the next five years cannot in any event export any sugar, how is our non-entering into the Agreement going to affect other countries ? The only answer I have found in the speech of the Honourable the Commerce Member in the other House and in the speech of Mr. Dow here is that the other countries are not quite familiar with the conditions in India and if you did not join, they might suspect that you have something up your sleeve and that you might be trying to upset the Agreement between the rest of the parties thereto. Even if the world is so ignorant about India's position and the only body which knew all about India was the Government of India, I think the other countries would have taken on trust what the Government of India told them. There is no reason to believe that the Government of India had not sufficient facilities for propaganda in other countries as to what India's position in sugar export was. A statement by India's accredited representative in an International Conference, " Look here, do not bother about India ; India is not in a position to export any sugar for five years ", would have satisfied the Conference. Therefore, the answer is very very thin to my mind. It does not satisfy me. Absence of information about India's position cannot account for the necessity for India to accept

this International Agreement. There may be other reasons, but we are not let into the secret of those reasons. In regard to not consulting Indian opinion, I think that the main reason for the Government of India keeping this a great secret, till they announced it as an accomplished fact, is that because the Indo-British trade negotiations were proceeding there and they did not like to give any chance for any Indian representatives to make this a bargaining point. So they sent the Trade Commissioner with a mandate.

Then the Honourable Mr. Dow said that any demand by India that the United Kingdom should import her sugar either free of import duty or at the import duty which is given to the certified colonial sugar is widely extravagant. May I humbly ask him why it is extravagant? I do not wish to detain the House by quoting figures but I have figures to show the prices of foreign and Empire sugar in the British market today and prices at which India can sell sugar there. Sir, the position is this. Roughly, the United Kingdom consumes two and a half million tons of sugar a year, of which she makes a little over half a million tons and the other two millions are imported from abroad. Of this, two-thirds is imported from foreign countries and one-third from the Empire. If India were allowed the preference of the certified colonial import duty, she could sell to day her sugar there. Sir, in quoting the price of foreign, Empire and colonial sugar, one fact must not be overlooked. The prices of refined sugar have been quoted. But I submit that what England usually imports is raw sugar of 96 degrees polarisation. She refines it herself in England. The cost of raw sugar is less than that of refined sugar and the import duty per cwt. of colonial certified raw sugar is about 1s. 5d. as against 8s. 4d. for foreign and 4s. 6d. for Empire raw sugar. If that import duty on colonial sugar is given to us, India can now sell her sugar in the United Kingdom market. The colonies concerned would not suffer by giving a quota to India and reducing the quota of non-Empire foreign sugar.

The Honourable Mr. Raisman said that the argument on our side regarding the nature of the quotas given to the other countries, if carried to its legitimate length would amount to this, that the Indian Government also should give subsidies to their sugar industry in order to enable India to dump her sugar in the foreign markets. We are not asking you to do that. Sir, the relevancy of our reference is this. What we say is that it is a very unsatisfactory agreement in so far as it gives quotas to countries in excess of their present export position. It is a bad Agreement in so far as it cuts down the quota of exports of countries which manufacture cane sugar at less cost. It gives large quotas to uneconomic exporters of beet sugar at enormous cost. And it has given quotas to Czecho Slovakia, Germany, Chile, Peru, and other countries, where the import duties are much higher than they are in India today. Again, we say that these quotas which are half a million tons in excess of present requirements the free markets are such as to lead to the inference that your scheme of improving world prices may not be a success because that scheme cannot be a success unless you stimulate consumption for an extra half million tons. This is pure and simple dumping.

These are some of the features of the Agreement to which we have drawn attention. We say that the prospective benefit which you expect India to

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get by signing this Agreement is unreal. We do not believe that any benefit will accrue under an Agreement like this.

Sir, there is only one word more I wish to say. The Honourable Mr. Raisman said that the adjustment of home prices to world prices will affect the consumer and the taxpayer adversely. That may be correct. As a general proposition I am not saying anything about it; my economics may be a little out of date. But if you say that internal prices and cost of production have always a necessary relation to the world prices, I dispute the proposition. There are many instances of articles whose internal prices are much higher than their world prices. Today, Sir, India sells pig-iron both in the United Kingdom and Japan and other countries at less prices than it is sold in India. There are other articles like this. Therefore, sometimes the cost of production and the internal price may be more than the world price. Therefore, we are not prepared to admit that, simply because the cost of production of sugar in India is high and the internal price is high and because of the protection sugar enjoys in India, that she cannot develop an export market. That is an economic fallacy. Sir, I think that, whatever doubts there might have been about this economic position some years ago, now with regulation of international trade by subsidies and preferences and quotas you cannot always co-relate internal with external prices. Internal prices can be high; still we can export and have a market for our sugar. It is the case with many countries to which export quotas are allotted under the Agreement which we are discussing.

Sir, in conclusion, I must say that we on this side cannot accept the Resolution to ratify this Convention. I associate myself with what Mr. Reid Kay has said that, if India had been given an opportunity to review the position after two or three years according to world conditions, probably we would have received the Resolution more favourably.

Sir, I know that we will be defeated. We on this side of the House know that before we speak we are defeated. But I only want the Government Benches to know that no sense of impotence to defeat the Government has destroyed the virility of the Opposition. Nor have we developed a defeatist complex. Sir, they have the nominated Members to vote for the Government. I quite agree that on the question of legal right we all stand on the same footing. But there is such a thing, Sir, as a legal victory and a moral victory. I claim that if all the elected Members of the House reject this Agreement the moral victory is on our side. The Government can have the technical legal victory.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Resolution which has been moved today in this House was also moved in the other place, and we are grateful to the Honourable the Commerce Member for having made a frank declaration of all the things that led up to this Agreement being signed. First and foremost of everything, Sir, the Honourable Member confessed that, even before the Conference was held, His Majesty's Government expected from the Government of India the generous sacrifice that India would not export sugar to any country. Before

the Conference sat, the Government of India gave an undertaking that they would agree to this one-sided and most cruel bargain. I say this, Sir, because the Government have themselves given the go-by to their case. They say in one breath that India cannot export, and again they cry that if we do not ratify there may be chaos. How to reconcile these two statements? If India is unable to export, India will remain unable to export even though we may not ratify. The world knows that India, which was producing less than 5 per cent. of the sugar production of the world seven years before is now able to produce more sugar than any other country in the world. We are producing nearly 21 per cent. of the world production and manufacturing cost is much lower now than 1929.

THE HONOURABLE MR. A. J. RAISMAN : With 200 per cent. protection !

THE HONOURABLE MR. HOSSAIN IMAM : My Honourable friend Mr. Raisman talks about protection as if he has forgotten that a Tariff Board is at the moment entering into the question and that the quantum of duty is no longer sacrosanct.

THE HONOURABLE MR. A. J. RAISMAN : It is still being levied.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : There is the excise duty.

THE HONOURABLE MR. HOSSAIN IMAM : The 200 per cent. is not required, it is not based on present-day prices. The present-day prices are very much below what they were in 1929. I think it is about 50 per cent. less. It is half the price which prevailed in 1929.

THE HONOURABLE MR. H. DOW : You are talking about the present day.

THE HONOURABLE MR. HOSSAIN IMAM : What guarantee have we that this same price will prevail? The Honourable Member himself has stated that he hopes to see an increase in the world price of sugar. If his prophecy is fulfilled, and if world prices rise, will we still remain unable to export? The Honourable Mr. Raisman indulged in a very clever method of bringing before us three measures by which he could help this industry, and he conveniently forgot the fourth method. He brushes aside the method of subsidy saying his exchequer would not allow it. Then he refers to the adjustment in which the price in the internal market is increased and the price of the exported goods is reduced, and says that this will place a burden on the consumer. The third suggestion was a special pleading for the Government of Great Britain, that His Majesty's Government cannot give us certified colonial rates. Sir, we all know that the Government of India is a subservient Government to His Majesty's Government. We do not like that that status should always be prominently brought before our eyes.

THE HONOURABLE MR. A. J. RAISMAN : I said you could not get it without a *quid pro quo*.

THE HONOURABLE MR. HOSSAIN IMAM : There are so many things for which we do not get a *quid pro quo*. Will the Honourable Mr. Dow inform us what the *quid pro quo* for this Agreement is? I pause for an answer, Sir.

THE HONOURABLE THE PRESIDENT: If you wait for an answer, you will have to stop altogether. Will you please go on?

THE HONOURABLE MR. HOSSAIN IMAM: This question of mine is unanswerable, Sir. The Honourable the Commerce Member said in the other place that His Majesty's Government expected it from us that we will abstain from exporting. He gave that assurance also. He said in the other House that he was disappointed with this Agreement. May we ask what was the thing on which he was disappointed? On the fact that before the Conference we agreed not to enter the export market, or else, on the fact that we agreed to it, on the presumption that others will also restrict exports. Our representative at the Conference has agreed only to this much. This we knew from the beginning. Then, what was the disappointment for and what was the necessity of having an adviser? That was a farce, because already your man was there to sign your death warrant as you had agreed to get a death warrant, and in the end we got it. It is just like this. In the household we keep some cattle and men as well. We feed both. But in the end, when the cattle have been fed and fattened, they are sacrificed. So, India is the sacrificial goat which is being slaughtered for the good of the British Empire. The Honourable Mr. Raisman asked the question, "What does His Majesty's Government gain by making this sacrifice of the goat?" The gain to His Majesty's Government is that the quota fixed for the Empire countries is greater than was their export in the last year.

THE HONOURABLE MR. A. J. RAISMAN: Less than the United Kingdom free market.

THE HONOURABLE MR. HOSSAIN IMAM: The United Kingdom free market has never been supplied wholly and solely by the British Empire.

THE HONOURABLE MR. A. J. RAISMAN: They could have done it.

THE HONOURABLE MR. HOSSAIN IMAM: For the last seven years—I have seen the figures—it has not been so supplied. The actual export figures of the British Empire countries were not so much as the quota which has now been fixed. As a matter of fact, the Conference or the Convention, as my Honourable friend Pandit Kunzru pointed out, has already increased the free market available from the figures of the actual trade. The actual figure of import of this free market was less than 3,200,000 tons, but it has been fixed at 3,600,000 tons. That was one reason why His Majesty's Government was anxious that India should be debarred from exporting sugar. I will suggest to the Honourable Mr. Raisman a fourth way in which it is possible to help the industry. Perhaps he knows better than me that there is a method of reducing your cost by utilisation of the bye-products. The Government of India stand condemned by their inaction and positive hostility to the utilisation of the bye-products of this industry.

THE HONOURABLE MR. A. J. RAISMAN: We cannot afford to give more revenue away.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, the Indian industries have been anxious to be allowed to manufacture power alcohol, but the step-motherly treatment of the Government of India in order to support the Burma Shell Company's interests has not escaped our attention.

THE HONOURABLE MR. A. J. RAISMAN : It is to support Government revenue, at the rate of 10 annas a gallon.

THE HONOURABLE MR. HOSSAIN IMAM : Power alcohol is prepared to pay to the exchequer the same amount, but, simply in order to support the Burma Shell interests, you have not allowed power alcohol to be manufactured. Then you can reduce costs if you allocate overhead cost on normal production alone, and excess over a norm will be cheaper.

Another point. One of the important countries in the world at the present moment, in the industrial movement at least, is Japan. It has upset the apple cart of many countries. Japan is out of this Agreement, and who knows what will be the effect of Japan remaining out of it ? I do not know why so much importance is attached to ratification by India. Either India would have been able to export or she would not have been able to export. If it was not possible for her to export, there is no reason for there being any chaos if India keeps out of the Agreement and does not ratify. But if India would have been able to export and is forcibly prevented from exporting, then I claim that India has a perfectly justifiable right to demand a price for this concession. This concession has not been made to the Conference. This concession has been made to His Majesty's Government because they were the first to ask the Government of India to volunteer not to export sugar. If we had demanded from His Majesty's Government a quota in Great Britain on colonial rates in consideration of our prohibiting export to other countries, we would have been justified. The Honourable Mr. Dow said that we cannot export sugar without subsidising or in other ways helping the industry, and we have ratified this Agreement in order to secure an increase in sugar world prices and to establish the sugar industry on a good footing. The question is, whether this Agreement has done these two desirable things or not ? The action of the countries who are subsidising their sugar industry had not so far received the sanction of the world. By means of this Convention we are giving the sanction of the world to this improper action. The subsidising and dumping of sugar by producing countries has now been sanctified and the only people chosen to represent the correct attitude are the unfortunate people of India who have no voice in their own Government. And this voluntary Agreement to sacrifice itself has been given by the Government of India without consulting anybody. The Honourable Mr. Kunzru made a very important point as to the meaning of the fiscal convention. If it means anything, the fiscal convention means that the Government of India should make up its mind at least after knowing the opinion of the people of India. Otherwise, what is the good of saying that the Government of India can go against the Secretary of State in fiscal matters if it is always going to act as a minor administration under him ? The constitutional aspect of the matter is far more important than the present restricted question, and I am glad that our colleague, Mr. Reid Kay, has endorsed our contention that the Government should live and learn and they should not remain under the false impression that they know everything and have nothing to learn. All who are interested in India, be they white or brown, their interests are the same and we must all sink or swim together. The interests of India have to be safeguarded and they can only be safeguarded if the Government comes

[Mr. Hoasain Imam.]

into the open and consults the people of India. Was there any bar to the Government of India saying publicly that His Majesty's Government wanted this assurance from us? Why did not the Government do this? The Honourable Mr. Dow has said that statements were made in the other place on the 12th March and 30th March last. But was this significant fact which was in the possession of the Government of India ever brought before the public? It would have remained in the archives of the Government of India if we had not had this statement from the Honourable the Commerce Member. Mr. President, this Convention is the most one-sided one it has ever been the misfortune of India to enter. We are not promised any gain either in the present or in the future. There is a reserve quota for countries who are not even exporters at the present moment. They have been given a reserve quota. There is a promise that if the world market increases there will be a *pro rata* rise in the quota of each country. How was it that India was not found fit for a share even in that? There could not be a more mismanaged case in the world. The Government of India or their representatives have simply muddled it, and after doing that they come before us and say, "You ratify it, you condone and indemnify the Government of India for their mistakes". It may appear a just demand to them, but to us this is not a justifiable claim they make on us. The Government of India at the present moment are in a very difficult position. They are neither responsible to us nor responsible to themselves. They are responsible to a third party living 6,000 miles away from here, and they have no business to carry out his orders. Under this handicap the Government of India has been compelled to sign a thing which in their own better judgment they know is not proper.

Sir, I oppose the Resolution.

THE HONOURABLE MR. H. DOW: Sir, I shall be as brief as I can at this late hour in running through as many as possible of the points which have been raised by Honourable Members opposite. The Honourable Mr. Sapru who moved the amendment had very little in the way of sound argument to bring forward which I need deal with. He is a very facile speaker, and I must say that I grow more and more to admire the way in which he never allows his complete ignorance of a subject to import even an air of hesitation into his oracular pronouncements on it. The gem of his speech was, I think, the statement, "We are not interested in world prices"! Well, Sir, if we are not interested in world prices I do not really know what all the fuss is about! The Honourable Mr. Sapru seems to think that if India has a surplus of sugar she ought to be allowed to export it, and that presumably she can export it at whatever price she likes, whatever the world price may be.

THE HONOURABLE MR. P. N. SAPRU: I never suggested that.

THE HONOURABLE MR. H. DOW: Well, that was the general impression that you created.

Now, I think it will be more profitable, Sir, if I devote the greater part of what I have to say to dealing with the points raised by the Honourable Mr. Kunzru and the Honourable Mr. Pantulu, who covered to some extent the

same ground, and I think made the best and most reasoned speeches on the other side, and with them I include Mr. Hossain Imam's occasional deviations into sound argument. The Honourable Mr. Kunzru began by being so kind as to refer to me as a fluent and self-confident speaker. Well, Sir, I have at least sufficient experience in matters of public controversy to mistrust the Greeks even when they come with gifts in their hands; and I felt quite sure that Mr. Kunzru's next sentence was going to begin with the word 'but'; and in fact he then went on to attribute my somewhat halting delivery and utterance on this occasion to the fact that I had a bad case! I am afraid it was rather due to a bad cold than a bad case, and he attributed to the badness of my case what was really due to the vagaries of the Simla climate!

This may be a convenient place to make just a passing reference to the speech of the Maharajadhiraja of Darbhanga especially as there is no reason why I should make any further reference to it. He also found that every sentence, every word, every syllable, of what I said was halting. Since the Honourable Member was obviously reading a speech which was written before my speech was delivered (Laughter), I cannot understand how he arrived at that conclusion; certainly his own speech was very much otherwise, for not even commas and fullstops in it made any halt in the flow of his manuscript eloquence!

Now, to return to the Honourable Mr. Kunzru. He made an analysis of the clauses of the Agreement itself and referred to the fact that I had been careful not to do so. I should have liked to have done so, but I only had half an hour in which to speak; I had a good deal to say, and something had to go. With a great deal of what he said I am very largely in agreement. We have never regarded this as a wholly satisfactory Agreement. Very few agreements, I imagine, that are come to between 22 different countries can be regarded as entirely satisfactory from the point of view of all those countries, and there are things in this Agreement to which we might take a certain amount of exception. In the first place, it appears that the total of the export quotas which have been allotted to various participating countries show some tendency to over-estimate the demands of the free market, and the Conference seems indeed to have embarked on a rather wider discussion than they had at first intended, the result showing that they do recognise the necessity of measures to encourage consumption if the figures they have taken to represent the demands of the free market are to be reached. Well, this means that the curtailment of exports which we had hoped would result from this Conference is not as drastic as we had hoped it would be, and, indeed, the prospects of an improvement in world prices must to some extent depend on the success to which the free market can be stimulated to consume the additional figure over the average demands of the world market of the last few years. Secondly, I have another admission to make. I am quite prepared to agree that some countries have been allotted quotas which are in excess of what is justified by their present exports. Now, we were of course aware long before we entered this Conference that if any measure of international co-operation was to be secured, it would be necessary to assign quotas to certain countries whose production costs were very high, and who were only able to maintain their position in the world market by means of subsidies. This was made quite clear in the Memorandum issued by the United Kingdom on their own sugar policy in 1935 and they made it

[Mr. H. Dow.]

clear that they accepted that position. I have no doubt that if these quotas could have been distributed on grounds of abstract economic theory, the list would have presented a very different aspect, but, as you all know, economic policy today is not only determined by economic arguments. To that extent the criticism of the Honourable Mr. Kunzru is perfectly justified ; but we are satisfied that some of these countries which attended the Conference, and particularly the United Kingdom and the British Colonies, have offered very real guarantees which involve a considerable reduction from their previous production or exports, and which certainly involve an abstention from further uneconomic competition of which they might have been capable.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Will the Honourable Member allow me to put a question to him ? The Honourable Member has just said that the British Empire has made a real sacrifice by agreeing to reduce its exports below the present figure. *The Statist*, however, categorically says that the figures now assigned to the British Empire represent an increase of nearly 250,000 tons over the present export figures.

THE HONOURABLE MR. H. DOW : I referred to the United Kingdom and its Colonies. I presume that the figures in *The Statist* are including the whole of the British Empire, including the Self-Governing Dominions.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Australia, South Africa and the Colonies.

THE HONOURABLE MR. H. DOW : There has been at any rate a very considerable attempt made at economic co-operation and, although as I say we might have hoped for something better, yet we are persuaded that this measure of international co-operation could only have been secured on certain terms. For example, the Honourable Member referred particularly to the case of Germany, which has not exported sugar for a considerable time, yet has been given a quota. Germany before the war was a very considerable producer and exporter of beet sugar, and Germany is determined at any rate to get in some way back some of her old trade ; other nations are also determined to get back into the world market, whether it pays or not, and this determination, of course, is not altogether based, as you are aware, on economic considerations. But the Agreement does mean a considerable advance ; we are at any rate getting away from the era of completely unrestricted competition, and the price which India has been asked to pay for this seems to me to be a very small one indeed.

Now, the Honourable Mr. Kunzru asked me particularly to deal with certain remarks which he made on the political and constitutional position. It seems to me that a certain air of unreality always attaches to debates on commercial subjects, with which the Commerce Department is more concerned than any other, by this fact that Honourable Members opposite make half of their speeches not on the merits but with a view to alter what is the present constitutional position. I do not blame them in the very least because they keep hammering away at this matter in an attempt to increase their powers ;

but at the same time the constitutional position is that Government have certain powers and duties entrusted to them. As an Englishman I can hardly reprobate Honourable gentlemen opposite for attempting to extend their powers at the expense of the Executive in this way. At the same time, I feel that it means that subjects such as this are apt not to be treated so much on the merits of the particular question, as from the more general point of view of the Opposition's wish to extend their powers. The Honourable Member also asked me to say something on the subject of the fiscal convention. The fiscal convention, as I understand it, is this. When the Government of India finds itself in agreement with the Legislature on a particular fiscal matter, the Convention is that the Secretary of State does not interfere. Now, it seems to me that the Honourable Member opposite tends to regard this Convention in rather a different way. He says that we ought to bring such matters before the Legislature to ask their advice. When we have taken their advice, then we ought to accept their advice, and so we should always be in accord with the Legislature and the Secretary of State will not be able to interfere. Well, I have no doubt that that is a very desirable interpretation of it from his point of view, but it is not really the constitutional position. We are not bound to accept the advice of the Legislature on these matters.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But you have not asked the Legislature in this case for their advice at all.

THE HONOURABLE MR. H. DOW : We are taking their advice now.

THE HONOURABLE MR. HOSSAIN IMAM : But you made up your mind without giving the Legislature an opportunity of considering the matter, although the Legislature was in session.

THE HONOURABLE MR. A. J. RAISMAN : Dealing with details like the Budget.

THE HONOURABLE MR. H. DOW : There is one further point which was made, I think, first by the Honourable Mr. Motilal and was taken up by the Honourable Mr. Ramadas Pantulu. That was that, if after all our abstention from this Convention leads to its breakdown, and there is chaos in the international market, then "this deluge will not affect India". I think those are the words used by the Honourable Mr. Motilal. Now, I am not quite sure what he meant by that. Presumably he meant that, as India is not exporting at present, and as India will not be able to export, India can afford to be indifferent to the course of prices in the world at large. It does not matter to India, as long as she is out of the market and as long as her industries are protected, it does not matter to her whether the price in the world goes up or goes down. Well, if that is the Honourable Mr. Motilal's opinion, I cannot see why he is complaining because merely for a matter of five years we propose that India should keep out of the world market. Because it is quite obvious that, if this deluge occurs, India will never be able to get into the world market.

THE HONOURABLE MR. G. S. MOTILAL : We cannot agree to that.

THE HONOURABLE MR. H. DOW : No, I did not think you would.

[Mr. H. Dow.]

Well, I do not think there is any other point with which I need deal now. In conclusion I would urge Honourable Members to look at this in a dispassionate manner and from the standpoint of the future of the Indian industry.

THE HONOURABLE MR. G. S. MOTILAL: May I interrupt for one moment?

THE HONOURABLE THE PRESIDENT: Is it a personal explanation? You are not entitled to speak a second time.

THE HONOURABLE MR. G. S. MOTILAL: On a point of personal explanation, Sir. The Honourable Mr. Dow interpreted my remarks as meaning that merely because we may not be able to export. First of all, I do not subscribe to that view, and, secondly, if we enter any agreement—

THE HONOURABLE THE PRESIDENT: That is not a personal explanation.

THE HONOURABLE MR. G. S. MOTILAL: Sir, this is a personal explanation, if you will allow me to say so. This is how he interpreted my speech but it is not what I said. What I asked is, what does India get in return for this Agreement?

THE HONOURABLE MR. H. DOW: What India stands to gain by this is a better and higher price in the world market, an improvement of conditions over the next five years so that eventually when India is free from this undertaking she may be able to enter the world market on terms that will be profitable to herself.

Now, there are 22 nations who joined in this Agreement, and it is obvious that there is a very general feeling that it is only by international co-operation that this problem of the world sugar market can be solved. And for that reason we recommend that India should not stand out of this effort. I hope, therefore, that the House will accept my Resolution.

THE HONOURABLE THE PRESIDENT: I will now take the sense of the Council on the amendment proposed by the Honourable

S P. M.

Mr. P. N. Saprú. It is rather in the nature of a substituted Resolution and not an amendment, so I will put it as a substituted Resolution.

The Question is that the following substituted Resolution be adopted:

"This Council recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar signed in London on the 6th May, 1937, be not ratified by him and expresses its strong disapproval of the action of the Central Government in agreeing to prohibit the export of sugar by sea except to Burma for the next five years without the knowledge and consent of the industry. This Council further recommends that the Central Government explore all possible avenues for the export of sugar and take such other steps for the purpose of developing export markets both by land and by sea for sugar as may be necessary".

The Council divided :

AYES—12.

Abdus Sattar, The Honourable Mr. Abdur Razzak Hajee.	Motilal, The Honourable Mr. G. S.
Biyani, The Honourable Mr. B. N.	Pantulu, The Honourable Mr. Ramadas.
Hossain Imam, The Honourable Mr.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Kaliker, The Honourable Mr. V. V.	Ray Chaudhury, The Honourable Mr. Kumarsankar.
Kunzru, The Honourable Pandit Hirday Nath.	Roy Chowdhury, The Honourable Mr. Susil Kumar.
Mahtha, The Honourable Rai Bahadur Sri Narain.	Sapru, The Honourable Mr. P. N.

NOES—22.

Akram Husain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.	Jagdish Prasad, The Honourable Kunwar Sir.
Charanjit Singh, The Honourable Raja.	Khurshid Ali Khan, The Honourable Nawabzada.
Chetty, The Honourable Diwan Bahadur G. N.	Maxwell, The Honourable Mr. R. M.
Clow, The Honourable Mr. A. G.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Devadoss, The Honourable Sir David.	Mitra, The Honourable Mr. D. N.
Dow, The Honourable Mr. H.	Mukherjee, The Honourable Rai Bahadur Sir Satya Charan.
Ghosal, The Honourable Sir Josna.	Parker, The Honourable Mr. R. H.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.	Raisman, The Honourable Mr. A. J.
Hissam-ud-Din Bahadur, The Honourable Lt.-Col. Sir S.	Reid Kay, The Honourable Mr. J.
Hydari, The Honourable Mr. M. S. A.	Russell, The Honourable Sir Guthrie.
Ismail Ali Khan, The Honourable Kunwar Hajee.	Williams, The Honourable Mr. A. deC.

The Motion was negatived.

THE HONOURABLE THE PRESIDENT: I will now put the original Resolution to the vote of the Council.

The Question is :

"This Council recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be ratified by him."

The Council divided :

AYES—22.

Akram Hussain Bahadur, The Honourable
Prince Afsar-ul-Mulk Mirza Muhammad.
Charanjit Singh, The Honourable Raja.
Chetty, The Honourable Diwan Bahadur
G. N.

Clow, The Honourable Mr. A. G.

Devadoss, The Honourable Sir David.

Dow, The Honourable Mr. H.

Griffiths, The Honourable Sir Josua.

Haidar, The Honourable Khan Bahadur
Shams-ud-Din.

Hissam-ud-Din Bahadur, The Honourable
Lt.-Col. Sir S.

Hydari, The Honourable Mr. M. S. A.

Ismail Ali Khan, The Honourable Kunwar
Hajee.

Jagdish Prasad, The Honourable Kunwar
Sir.

Khurshid Ali Khan, The Honourable
Nawabzada.

Maxwell, The Honourable Mr. R. M.

Menon, The Honourable Diwan Bahadur
Sir Ramunni.

Mitra, The Honourable Mr. D. N.

Mukherjee, The Honourable Rai Bahadur
Sir Satsya Charan.

Parker, The Honourable Mr. R. H.

Raisman, The Honourable Mr. A. J.

Reid Kay, The Honourable Mr. J.

Russell, The Honourable Sir Guthrie.

Williams, The Honourable Mr. A. deC.

NOES—12.

Abdus Sattar, The Honourable Mr. Abdur
Razzak Hajee.

Biyani, The Honourable Mr. B. N.

Hossain Imam, The Honourable Mr.

Kaliker, The Honourable Mr. V. V.

Kunzru, The Honourable Pandit Hirday
Nath.

Mahtha, The Honourable Rai Bahadur Sri
Narain.

Motilal, The Honourable Mr. G. S.

Pantulu, The Honourable Mr. Ramadas.

Ram Saran Das, The Honourable Rai
Bahadur Lal.

Ray Chaudhury, The Honourable Mr.
Kumarsankar.

Roy Chowdhury, The Honourable Mr.
Sushil Kumar.

Sapru, The Honourable Mr. P. N.

The Motion was adopted.

**BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE
TABLE.**

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 2nd October, 1937, namely :—

1. A Bill further to amend the Indian Tariff Act, 1934, for a certain purpose ; and
2. A Bill further to amend the Indian Securities Act, 1920, for a certain purpose.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, copies of the two Bills, the Tariff (Amendment) Bill and the Securities (Amendment) Bill, which have just been laid on the table will be made available to Honourable Members this evening. If you, Sir, are willing to shorten the usual period of three days by one day, I propose that the Council should dispose of these Bills on Tuesday, the 5th. On that day I hope it will be possible to lay on the table the Insurance Bill, and as I think these two Bills are of a non-contentious nature, we hope to finish the business of Council on Tuesday, and it will probably not be necessary to meet on Wednesday or on any other day next week.

THE HONOURABLE THE PRESIDENT: In compliance with what the Leader of the House has stated, I suspend rule 27 of the Indian Legislative Rules. Both these Bills will be taken up on Tuesday, the 5th October.

The Council then adjourned till Eleven of the Clock on Tuesday, the 5th October, 1937.