

Monday, 28th September, 1936

THE  
COUNCIL OF STATE DEBATES

VOLUME II, 1936

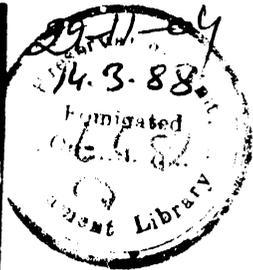
*(21st September to 17th October, 1936)*

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TWELFTH SESSION

OF THE

THIRD COUNCIL OF STATE, 1936



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# COUNCIL OF STATE.

*Monday, 28th September, 1936.*

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

## MEMBER SWORN :

The Honourable Mr. Shavax Ardeshir Lal (Government of India : Nominated Official).

## QUESTIONS AND ANSWERS.

### ANNUAL NUMBER OF VACANCIES AT THE STAFF COLLEGE, QUETTA.

41. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :  
(a) Will Government kindly state how many vacancies occur each year for admission to the Indian Staff Colleges ?

(b) How are these vacancies filled ? Is it on the result of a merely qualifying examination or of a competitive examination ? Since when has this system for admission to the Staff Colleges been introduced ?

(c) How many officers have been admitted to the Staff Colleges from the time competitive examinations have been introduced for admission to these Colleges ?

(d) How many Indian officers have so far appeared in these examinations and how many of them have succeeded in getting admission to the Staff Colleges ?

(e) Have any officers been admitted to the Staff Colleges even without a competitive examination ? If so, what class of officers have been so admitted ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Twenty-six.

(b) All candidates are required to sit for a competitive entrance examination.

The first 18 vacancies are allotted to officers gaining the highest marks ; the remainder are filled by nomination from officers who qualify by gaining a certain minimum number of marks in each subject. The system is the same as that at the Staff College, Camberley, and has been in vogue at Quetta since the College opened in 1905.

(c) From 1905 till 1914 approximately 25 officers were admitted annually. From 1919 to the present time about 26 officers have been admitted annually.

(d) Six King's Commissioned Indian officers have been examined; out of whom four have been admitted to the College, including two by special nomination in excess of the prescribed number. The total number of King's Commissioned Indian officers who have applied to sit for the examination in February, 1937 is six. No Indian Commissioned officers are yet eligible on account of their inadequate length of service.

(e) No, except for a short period after the war when officers who distinguished themselves during the war were nominated by the Commander-in-Chief in accordance with the same procedure as was followed at the Camberley Staff College.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: A supplementary question, Sir. Is it not a fact that the late Commander-in-Chief, Field Marshal Sir Philip Chetwode, issued a circular to all Commands that all Indian King's Commissioned officers who qualify at the staff examination test will be admitted to the Staff College?

THE HONOURABLE THE PRESIDENT: Order, order. I am afraid some Honourable Members are under a misapprehension regarding the right of putting supplementary questions, and I would therefore take this opportunity of enlightening them on that point. The object of a supplementary question is only to clear up any ambiguity in the reply of the Government Member. This power is not meant to be exercised for the purpose of putting several new questions which may have a remote bearing on the question replied to, nor is this power to be exercised for the purpose of heckling Government Members and to extort from them information on certain matters which are wholly irrelevant. This procedure has not been correctly understood. If any point arises out of the actual answer, the Honourable Member is fully entitled to put any number of supplementary questions. The power to put questions by giving notice is amply and adequately provided for by the Standing Orders and I therefore request Honourable Members to bear in mind that this power is not to be widely and loosely exercised but should be exercised only in cases where further information arising from the answer given by the Government Member is necessary. The Honourable Rai Bahadur Lala Ram Saran Das's question can be put by giving a fresh notice and I therefore disallow it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: On a point of personal explanation, Sir. My question arises out of —

THE HONOURABLE THE PRESIDENT: May I request the Honourable Member to bear in mind that I have already given my ruling?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I simply wanted to mention that my question arises from part (b) of my question which runs, "How are these vacancies filled"? and this was one of the circulars which dealt with the admission to the Staff College.

THE HONOURABLE THE PRESIDENT: You could have easily incorporated it in any of clauses (a), (b), (c) and (d).

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Very well, Sir. I will give a fresh notice of that question today.

THE HONOURABLE THE PRESIDENT: Quite right. You are fully entitled to do that.

INDIANS AND STAFF APPOINTMENTS.

42. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :  
(a) Will Government kindly state whether it is their policy to have Indianization in the staff appointments of the Defence Department also ? If so, how far has this Indianization progressed ?

(b) What is the total number of such appointments and how many of them are held by Indians ?

(c) Do Government propose to fix a proportion for Indians in the staff appointments and, if so, what will be that proportion ? Is it the intention of Government to take a larger number of Indians in these staff appointments till such time when the deficiency in the proportion fixed for them is made good ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Staff appointments form a general duty cadre. There is no intention of reserving any portion of this cadre for any special class of officers be they British Army or Indian Army or British officer or Indian officer. The appointment of an officer to the staff depends on his qualifications and his suitability for the appointment in question. The second part of this question does not therefore arise.

(b) For reasons already given this question also does not arise. The total number of staff appointments available are contained in the *Indian Army List*, a copy of which is available in the Library of the Indian Legislature. I may add for the information of the Honourable Member that up to date only one Indian officer has fully qualified himself to hold a staff appointment and is now in fact holding one ; and I may also add that as Indian officers become qualified they will be considered for staff appointments on equal terms with British officers.

(c) In view of the above answers this question does not arise.

THE HONOURABLE MR. P. N. SAPRU : Is efficiency the only test of admission in the army and are there in fact no reservations made for particular races in the Indian Army ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : No. Qualifications are the only test for admission to the Staff College.

COMMUNAL REPRESENTATION AMONG THE INFERIOR STAFF AND LABOURERS OF STATE RAILWAYS.

43. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state the reasons for not introducing communal proportions in those services of State Railways which are technically treated as on daily wages but whose members are actually working for a number of years continuously ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I presume the Honourable Member is referring to the inferior staff and labourers. If so, I would invite his attention to the Railway Board's letter No. E135CM145, dated the 19th September, 1935, a copy of which has been placed in the Library of the House.

### IMPORT DUTIES ON RAW MATERIAL.

44. THE HONOURABLE SIR PHIROZE SETHNA : (a) Are there some industries in which the essential raw materials have to be imported from outside ?

(b) Does the existing duty on such raw materials place a handicap on these industries in their competition with the same foreign industries ?

(c) Did Government remove the cause of complaint in the case of the gold thread industry by increasing the duty on finished products ?

(d) Do Government propose to reconsider their refusal similarly to help the healds and reeds industry ?

THE HONOURABLE MR. H. DOW : (a) Yes, Sir.

(b) The existence of a revenue duty on a raw material does not necessarily place the Indian manufacturer at a disadvantage in the Indian market as compared with a foreign competitor, because the latter also has to pay import duty on the finished article. When, however, there is a complaint that these two duties are not in proper relation, it is open to the interests concerned to complain of tariff inequality. Government are prepared to investigate such complaints and consider measures of redress in suitable instances. In the case of goods manufactured in India for export abroad Government have in certain cases made special rules for the refund of duty on the materials imported, e.g., aluminium.

(c) The gold thread industry was the subject of an enquiry by the Tariff Board in 1930 and in accordance with the Board's recommendation the industry was granted substantive protection for a period of ten years by the Gold Thread Industry (Protection) Act, 1931.

(d) The case referred to in this part is not similar to that of gold thread. Representations from the healds and reeds industry alleging tariff inequality were examined by the Tariff Board in 1934 and the conclusions of the Government of India on the Report were published on the 23rd March, 1935 in the Commerce Department Resolution No. 38-T. (10), copies of which are in the Library. Thereafter the industry applied for the grant of substantive protection, but departmental examination of the case showed that a *prima facie* case did not exist for a reference to the Tariff Board.

### IMPORT DUTY ON BAKELITE MOULDING POWDER AND FINISHED ARTICLES MADE THEREFROM.

45. THE HONOURABLE SIR PHIROZE SETHNA : Are Government aware that the bakelite moulding industry is an industry which depends on bakelite powder as its raw material and that the duty on this powder is 25 per cent. while the duty on finished products made therefrom is at 25 and 30 per cent. ?

THE HONOURABLE MR. H. DOW : The duty on bakelite moulding powder is 25 per cent. *ad valorem*. The import duty on the finished articles made therefrom is 20, 25 or 30 per cent. *ad valorem* according to the nature of the article and the country of origin. *Ad valorem* duties are calculated on the

value of the article as it is at importation, so that bakelite powder, as compared with articles manufactured from it, pays proportionately less duty. Enquiries made by Government go to show that moulded goods are also being manufactured in this country from Indian lac and a reduction of duty on moulding powder (bakelite or other types) would affect prejudicially the prospects of such manufacture from indigenous natural lac.

**RESTRICTIONS PLACED BY PROVINCIAL GOVERNMENTS ON FREE IMPORTS OF INDIAN MEDICINAL PREPARATIONS.**

46. **THE HONOURABLE SIR PHIROZE SETHNA :** (a) Has the attention of Government been drawn to the restrictions placed by some Provincial Governments upon the free imports of Indian medicinal preparations ?

(b) Is it a fact that some of these provinces have no objection to admitting such preparations made in foreign countries ?

**THE HONOURABLE MR J. C. NIXON :** (a) Yes.

(b) The Government of India understand that the fact is as stated in the question, although they are not in possession of full details since Excise is a provincial transferred subject.

**UNIFORM POLICY WITH REGARD TO EXCISE RULES AND REGULATIONS.**

47. **THE HONOURABLE SIR PHIROZE SETHNA :** (a) Will Government be pleased to state whether a suggestion was recently made to them by the Indian Merchants' Chamber of Bombay that a conference of different Provincial Governments and of Indian States be convened in order to arrive at a uniform policy with regard to Excise Rules and Regulations throughout the country ?

(b) Did Government reply that they would send the correspondence to all Provincial Administrations, but that they did not consider it necessary to hold a conference ?

(c) Have not Government called such conferences of Provincial Governments in the past whenever a hitch occurred with regard to inter-provincial relations ?

(d) If Government will not hold a conference, do they contemplate any other method by which a common understanding can be reached between Provincial Governments and Indian States ?

**THE HONOURABLE MR. J. C. NIXON :** (a) Yes.

(b) The reply to the first part is in the affirmative. As regards the second part, the Government replied that as Excise is a provincial transferred subject the matter was within the discretion of the Local Governments and therefore they could not see their way to convene a conference unless requested to do so by Provincial Governments themselves.

(c) and (d). The Government of India have called conferences of provincial representatives in certain circumstances in the past. They are averse however to obtruding spontaneously on the provincial sphere, while, as the Honourable Member is aware, the new Act still more sharply defines the demarcation between Central and Provincial functions. If however the

Government of India found any general desire among the provinces and Indian States for a joint conference in regard to a purely provincial matter, the Government of India would not fail to co-operate.

#### RAILWAY FREIGHT CHARGES.

48. THE HONOURABLE SIR PHIROZE SETHNA : (a) Has the attention of Government been drawn to the recent proposal to increase the railway freight charges on more than 200 articles, many of which relate to agriculture and industries ?

(b) Do Government contemplate a thorough revision of the railway rates relating to the transport of fodder and cattle ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) The freight rates for fodder and cattle were examined some years ago on certain recommendations made by the Royal Commission on Agriculture. A reduction of approximately 25 per cent. was then made in the rates for cattle, but it was not considered that there was any scope for a reduction in the rates for fodder. The present rates for both cattle and fodder are on a fairly low basis, and Government have no reason to believe that a general revision of these rates is called for.

#### NUMBER OF CASES WHICH HAVE COME UP BEFORE THE RAILWAY RATES ADVISORY COMMITTEE SINCE ITS INCEPTION, ETC.

49. THE HONOURABLE MR. P. N. SAPRU : Will Government be pleased to lay on the table a statement showing :

(a) The number of cases which have come up before the Railway Rates Advisory Committee since its inception ?

(b) The number of cases this Committee has disposed of ? and

(c) The number of cases in which its decisions and recommendations have been contrary to the case made out by the Railways ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The information asked for by the Honourable Member is as follows :

(a) and (b). 46.

(c) 20.

#### NUMBER OF CASES IN WHICH THE RECOMMENDATIONS OF THE RAILWAY RATES ADVISORY COMMITTEE HAVE BEEN ACCEPTED, ETC.

50. THE HONOURABLE MR. P. N. SAPRU : Will Government be pleased to state in how many cases the Railway Board have acted upon the recommendations of the Railway Rates Advisory Committee, and in how many cases they have turned down the Committee's recommendations ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The Committee's recommendations were accepted in 34 cases, in two of them with some modification, and rejected in one case.

IMPROVEMENT TRUST FOR DELHI.

51. THE HONOURABLE MR. P. N. SAPRU: (a) Is there any proposal for the establishment of an Improvement Trust at Delhi?

(b) Has the Delhi Municipal Board consented to the proposal?

(c) Is it proposed to have the Delhi Municipality represented on the Trust?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) The question of formation of an Improvement Trust for Delhi is under consideration in connection with Mr. Hume's report on the relief of congestion in Delhi.

(b) No local body has yet been consulted in the matter.

(c) The claims of different interests to representation on such a Trust will be fully considered if it is decided to create one.

DUTY ON DYE-STUFFS:

52. THE HONOURABLE MR. P. N. SAPRU: Has Government received any representation from the Committee of the Bengal Millowners' Association urging the total abolition, or at any rate a reduction, in the duty of dye-stuffs? What action do Government propose to take on it?

THE HONOURABLE MR. J. C. NIXON: Yes. Government are not prepared to accede to the request on account of the loss of revenue involved.

ANNUAL INCOME DERIVED FROM EXCISE DUTY ON PETROL, ETC., ETC.

53. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state the annual income derived from each of the following for the last five years:

(a) Excise on petrol?

(b) Import duty on motor vehicles?

(c) Import duty on tyres and tubes, spare parts and accessories of motor vehicles?

(d) Import duty on lubricants for such vehicles? and

(e) By carriage of these vehicles from ports and distributing centres to their destination by railways?

THE HONOURABLE MR. J. C. NIXON: (a) to (d). A statement showing the information available is laid on the table.

(e) The information is not available and cannot be compiled without a degree of labour and expense which is not considered to be justified.

(In thousands of rupees.)

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
(a) Excise duty on petrol ..	3,46,90	3,95,29	4,42,79	4,90,18	5,32,10
Import on duty—					
(b) Motor vehicles and parts and accessories thereof ..	63,20	68,10	95,02	1,32,81	1,28,05
(c) Rubber tyres and tubes* (including other manufactures of rubber other than rubber tyres and tubes used exclusively for aircrafts) ..	45,53	48,83	43,80	47,72	47,28
(d) Lubricating oils* ..	10,59	11,11	15,41	14,08	14,99

\* Duty figures for these articles used exclusively for motor vehicles are not separately recorded in the revenue returns.

## TOTAL NUMBER OF MOTOR VEHICLES IN INDIA, ETC.

54. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (i) Will Government state the total number of motor vehicles now in India (a) for private use, (b) for hiring or plying for taxi purpose and (c) annual amount of taxes realised by various Provincial Governments on these motor vehicles ?

(ii) Will Government state roughly the number of people employed with their dependants who make their living on hire or plying of motor vehicles ?

THE HONOURABLE MR. A. G. CLOW : (i) The only information which Government have is contained in the provincial reports attached to the Mitchell-Kirkness Report published in 1933, a copy of which is in the Library. This information, however, is not complete and does not relate to any uniform period.

(ii) Government have not the precise information asked for but I would refer the Honourable Member to the 1933 Census Report, Volume I, Part II, Table X, Part I, groups 107 and 142. The figures given there, however, cover a wider range of occupations.

## TOTAL NUMBER AND VALUE OF SLEEPERS PURCHASED FOR STATE RAILWAYS DURING THE LAST FIVE YEARS.

55. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state in detail the total number and value of each kind of sleepers purchased for the State Railways during each of the last five years ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I lay on the table a statement containing such information as is readily available, covering the last five years.

*Statement showing the number and value of timber and metal sleepers purchased by Class I Railways (including Burma and excluding Jodhpur and His Exalted Highness the Nizam's State Railways) during the year 1931-32 to 1935-36.*

Year.	Timber sleepers.			Total value in lakhs of Rs.	Metal sleepers.		Total value in lakhs of Rs.
	Number purchased.				Number paid for		
	B. G.	M. G. (In lakhs).	N. G.		B. G.	M. G. (In lakhs.)	
1931-32	21·23	15·76	1·30	159·48*	9·31†		63·47*
1932-33	12·15	15·45	1·17	126·99*	·96†		11·76*
1933-34	12·33	14·46	2·20	92·49*	3·25†	..	21·91*
1934-35	11·98	17·31	1·51	106·28*	7·93†	·42	48·42*
1935-36	12·21	18·10	1·42	113·92	8·06†	·42	52·25*

\* These amounts relate to the number of sleepers paid for by Class I Railways (except Jodhpur and H. E. H. the Nizam's State Railways).

† These figures indicate the number of sleepers paid for by Class I Railways (except Jodhpur and H. E. H. the Nizam's State Railways).

INCOMPETENT OFFICERS IN THE INDIAN CIVIL SERVICE.

56. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state how many, if any, of the officers recruited for the Indian Civil Service by nomination have proved incompetent? What steps do Government propose to take to ensure the recruitment of the right type of persons?

THE HONOURABLE MR. M. G. HALLETT : I am not aware that any officer appointed to the Indian Civil Service by nomination has proved incompetent.

PROFITS ACCRUED DURING THE LAST FIVE YEARS ON THE WORKING OF STATE TELEPHONE SYSTEMS AND TELEPHONE TRUNK LINES.

57. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state what profits have accrued during each of the last five years :

(a) On the working of various State telephone systems?

(b) On the working of telephone trunk lines?

(c) Are Government considering the lowering of charges on trunk calls? If so, what reduction in such charges is likely to be made and from when?

THE HONOURABLE MR. A. G. CLOW : (a) and (b). Separate profit and loss accounts for the various State telephone systems and for trunk circuits are not maintained. Profits for the Telephone Branch as a whole for the last five years, viz., 1931-32 to 1935-36 were Rs. 1,18,000, Rs. 2,28,000, Rs. 2,73,000, Rs. 23,67,000 and Rs. 13,44,000 respectively. The last figure is provisional as the final accounts for the year 1935-36 have not yet been made up.

(c) Government are not at present contemplating any reduction in trunk call rates. The latter part does not arise.

THE HONOURABLE SIR PHIROZE SETHNA : Is there any reason for the abnormal increase in the second last year of the figures you gave, Rs. 23 lakhs?

THE HONOURABLE MR. A. G. CLOW : There probably is a reason, but I am not in a position to give it to the Honourable Member.

EXCISE DUTY ON VEGETABLE COMPOUNDS.

58. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state whether they intend to put excise duty on vegetable compounds like artificial ghee, etc., produced in India?

THE HONOURABLE MR. J. C. NIXON : In matters of taxation Government do not announce their intentions in advance—whether those intentions are positive or negative.

RAILWAY FREIGHT CHARGES.

59. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will Government state the formula on which State Railways are basing increase in the rates of freights on various articles?

(b) Do Government intend to consult the Indian Legislature before such increases in railway freights are made ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) There is no general formula ; but one of the most important tests that Railways apply in their examination of the question as to whether and what alterations should be made in freight rates is whether an increase in net revenue may be expected without affecting the free movement of traffic.

(b) No. The Honourable Member is no doubt aware that in their examination of the commodities for which freight rates may be altered, Railways are taking fully into their confidence the commercial community and trading interests as represented by recognised commercial organisations such as Chambers of Commerce, etc.

#### UNEMPLOYMENT AND STEPS TAKEN TO RELIEVE SAME.

60. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will Government state what practical steps they have taken to relieve unemployment, particularly amongst the educated classes ? If none, why ?

(b) What is the total number in India of unemployed people (i) literate and (ii) illiterate ?

(c) What practical steps have Government been taking to solve the urgent question of unemployment ?

(d) Do they propose to ask the various Provincial Governments to consider and adopt the recommendations of the Sapru Committee appointed by the United Provinces Government ?

THE HONOURABLE MR. A. G. CLOW : (a) and (c). I am afraid that it is not possible for me to deal in an answer to a question with the various steps which Government have taken in dealing with industries, agriculture and education which have had, or are likely to have, important effects on middle-class unemployment. But if the Honourable Member will refer to speeches delivered by the Honourable the Leader of the House and myself in the course of the debate which we had on 25th March last, he will find some particulars, and other details were given in previous debates in the Legislative Assembly on the same subject. I would add to this that the recommendations of the Sapru Committee have been engaging the close attention of the Government of India.

(b) No reliable statistics are available of the number of persons who may be unemployed from time to time.

(d) No general reference of the character referred to by the Honourable Member has been made to Local Governments but certain questions arising out of the Report of the Sapru Committee have been referred to them for consideration.

#### LOANS TO AGRICULTURISTS BY THE RESERVE BANK OF INDIA.

61. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What decision has been arrived at by the Reserve Bank of India as regards loans

to agriculturists? Will Government lay on the table of this House the details of such decision? If no decision has yet been made, when is it likely to be made?

THE HONOURABLE MR. J. C. NIXON: Presumably the Honourable Member is referring to the Report by the Reserve Bank to the Governor General in Council under section 55(I) of the Reserve Bank of India Act. The Government of India have just received the report and it is at present under consideration.

RURAL INDEBTEDNESS.

62. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What is the total amount of rural indebtedness in India and what is the total sum of working capital of various co-operative banks, societies and institutions in each province for investment in rural areas as loans to agriculturists? What is the average rate of annual interest these co-operative institutions charge from the agriculturists on the money lent?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The total rural indebtedness of India was roughly estimated at Rs. 900 crores by the Indian Central Banking Enquiry Committee in 1931. So much of the other information desired by the Honourable Member as is readily available is published in the Statistical Statements relating to the Co-operative Movement in India, a copy of which will be found in the Library of the Legislature.

FREIGHT WAR IN THE INDIAN COASTAL TRAFFIC.

63. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What steps have Government taken to stop the freight war among the shipping companies engaged on Indian coastal traffic and with what result?

THE HONOURABLE MR. H. DOW: As far as the Government of India are aware, there is at present no freight war in the Indian coastal traffic.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Was there no freight war between the British India and the Scindia Steam Navigation Company?

THE HONOURABLE MR. H. DOW: I am aware that there have been freight wars in the past, but the Honourable Member gave me no indication as to how far he wished me to carry my researches into antiquity in this matter!

SURCHARGE ON FREIGHT OF COAL ON STATE RAILWAYS.

64. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: When is Government likely to abolish the surcharge on freight of coal on State Railways? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: Not till the financial position improves sufficiently to justify such a sacrifice of revenue. For a detailed explanation of the attitude of Government in the matter, I would refer the Honourable Member to the statement made by Mr. P. R. Rau in another place on the 9th August, 1934 on a Resolution moved for the appointment of a committee on the Indian coal industry. Since then, the surcharge

has been reduced to 12½ per cent., with a maximum of one rupee, but this step has not increased the traffic sufficiently to avoid a loss to Railways.

#### HEAVY FLOODS IN INDIA.

65. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What relief does the Government of India intend to give to various provinces where abnormally heavy floods have played havoc ? What steps do they intend to take to enquire into the causes of such floods and to adopt measures for their control ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Abnormally heavy floods occurred in the United Provinces and Bihar and the Local Governments of those provinces have taken adequate steps to meet the situation. Neither has asked the Government of India for any financial assistance.

It is for the Local Governments to enquire into the causes of floods and devise measures for their control, but they have more than once been informed that the Government of India will give them such assistance as is in their power and spheres should they require it.

#### PURCHASE OF THE BENGAL AND NORTH-WESTERN, ROHILKUND AND KUMAON AND MADRAS AND SOUTHERN MAHRATTA RAILWAYS BY GOVERNMENT.

66. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state whether they have decided to purchase the Bengal and North-Western Railway, Rohilkund and Kumaon Railway and the Madras and Southern Mahratta Railway ? If not, why not ?

THE HONOURABLE SIR GUTHRIE RUSSELL : The question is still under the consideration of Government.

#### PUBLIC DEBT OF INDIA.

67. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state in detail (a) the total amount of public debt (i) in India and (ii) in England which has been converted into cheaper rates of interest ? and (b) by what time the rest of the public debt will be so converted ?

THE HONOURABLE MR. J. C. NIXON : (a) The Honourable Member does not say from what date he desires the information. It is probable that the earlier facts are not now recoverable. For more recent years the information is contained in the Honourable the Finance Member's Annual Budget speeches and the Financial Secretary's explanatory memoranda.

(b) I am not in a position to say.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What efforts are being made by the Government of India to get the conversion of their loans to a cheaper rate of interest ?

THE HONOURABLE MR. J. C. NIXON : Whenever a loan falls due for maturity and only at such times does the question arise, we always attempt, if we wish to renew the loan, to renew it on better terms.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** There are a number of loans without any terms. So their question of maturity does not arise.

**THE HONOURABLE MR. J. C. NIXON :** The Honourable Member, I presume, is referring to the 3½ per cent. rupee loans in regard to which there is no obligation on Government to redeem. Government have considered whether it is advisable to raise money on present terms for the purpose of converting these, and have concluded that at any rate for the present it will not be advisable to do so.

**APPOINTMENT OF JUNIOR OFFICERS OF THE INDIAN CIVIL SERVICE AS DISTRICT AND SESSIONS JUDGES.**

**68. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Is it a fact that Indian Civil Service officers even of a few years' service are appointed as district and sessions judges ? Is Government aware of the public feeling against such appointment of junior officers ? Do Government propose to fix a minimum limit of approved service for Indian Civil Service officers for their appointment as district and sessions judges ?

**THE HONOURABLE MR. M. G. HALLETT :** I would refer the Honourable Member to my reply to the Honourable Sir Phiroze Sethna's question No. 62 on the 11th March, 1936. As I pointed out then, officers of the Indian Civil Service are appointed as district and sessions judges after they have had adequate judicial experience and training. As Government have received no complaints in the matter they have had no occasion to revise the existing orders. Actual appointments of course rest with the Local Governments.

**LOANS BY RURAL POST OFFICES TO AGRICULTURISTS.**

**69. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Will Government state whether they are considering the question of rural Post Offices lending money to approved poor agriculturists on cheap rate of interest, as is done in the Travancore State ?

**THE HONOURABLE MR. A. G. CLOW :** No. Government have no information regarding the practice in Travancore State.

**NEW RAILWAY CONSTRUCTION.**

**70. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** What new railway constructions do Government intend to undertake during the next financial year, and what are the mileage and the estimated cost of such constructions ?

**THE HONOURABLE SIR GUTHRIE RUSSELL :** Up to date no sanction has been given for constructions in the next year.

**PRINCIPLE TO BE ADOPTED WHEN MAKING FURTHER RETRENCHMENT ON RAILWAYS.**

**71. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** What basic principle do Government intend to adopt when making further retrenchment in railway services ? Will posts of railway officers be also reduced in proportion ? If not, why not ?

**THE HONOURABLE SIR GUTHRIE RUSSELL :** I would refer the Honourable Member to the reply given to parts (a) and (b) of question No. 33 asked by

the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra in this House on 22nd September, 1936.

#### COMMUNAL REPRESENTATION IN THE INDIAN CIVIL SERVICE.

72. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Are Government considering the matter of adjusting communal proportion of Indian Civil Service officers by nominating persons of required communities who have passed the Indian Civil Service Competitive Examination but whose position in order of merit has not been high enough for their selection ? If not, why not ?

THE HONOURABLE MR. M. G. HALLETT : I would refer the Honourable Member to paragraph 7 (i) of the Home Department Resolution No. 14/17-B. 33-Ests., dated the 4th July, 1934, a copy of which is available in the Library. The rules prescribed therein are being followed.

#### LOSS OF LIFE AND PROPERTY AMONG THE BRITISH INDIAN COMMUNITY IN ABYSSINIA, SINCE OCTOBER, 1935.

73. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government state the total loss of life and money Indians have suffered in the recent war in Abyssinia and Spain ? What steps do Government intend to take to compensate these unfortunate sufferers ?

THE HONOURABLE SIR BERTRAND GLANCY : So far as Abyssinia is concerned, a statement is laid on the table.

As regards Spain, no loss of Indian life or property has been reported. The Consul General at Tangier, however, has been instructed by His Majesty's Government to furnish a full report on the position as affecting British Indian interests. At the same time Consular Officers in Spain and Spanish Morocco have been instructed by His Majesty's Government to do everything possible to protect property and to take note of particulars which might form basis for possible presentation of claims for compensation.

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So far as is known there was no loss of life among the British Indian community in Abyssinia since the commencement of hostilities in October, 1935.

As regards loss of property during the war the bombing of Jijiga by Italian aircraft on the 23rd and 24th March, 1936 is reported to have resulted in damage, amounting approximately to 150,000 Maria Theresa dollars, to the property of British merchants. (The Maria Theresa dollar was worth about 2 shillings before the war and depreciated to M. T. \$13.50=£1 in August, 1935. Its present value is not known.) During the bombing of Harar on the 29th March it does not appear that any damage was done to the property of British Indian merchants.

So far as the period between the disappearance of Ethiopian control in Addis Ababa and the arrival there of the Italian forces is concerned, serious rioting and looting broke out in the town, and the plan which had previously been prepared for the protection of British subjects and foreigners in Addis Ababa was put into operation. The majority of the British Indian community numbering about 500 persons, were given shelter in the compound of the British Legation. Others, however, preferred to remain in their own premises and these put up a very stout resistance in defence of their property.

During this period of interregnum rioting and looting also broke out at Harar, where His Majesty's Acting Consul rendered valuable service in protecting the lives and property of British Indian subjects.

His Majesty's Charge d'Affaires at Addis Ababa has reported that some 350 statements have now been filed at His Majesty's Legation by British subjects and protected persons in respect of losses suffered during the period of the rioting, valued at approximately M. T. \$2,250,000 in Addis Ababa alone. Similar statements are being prepared under the direction of His Majesty's Acting Consul at Harar. This matter is under consideration by His Majesty's Government in the United Kingdom. In view of the disappearance of the Abyssinian Government and of that fact that it would be difficult to prove Italian liability in respect of losses suffered prior to the Italian occupation of Addis Ababa, the prospects of securing any compensation are remote.

**MEETING OF TRANSPORT CHARGES OF INDIAN MILITARY UNITS IN ABYSSINIA AND ADEN BY HIS MAJESTY'S GOVERNMENT.**

74. **THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS:** Will Government state whether the cost of keeping Indian military units in Abyssinia and additional units at Aden and of their transport will be debited to the War Office? If not, why not?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** The entire cost is borne by His Majesty's Government.

**CONGRATULATIONS TO THE HONOURABLE MR. M. G. HALLETT ON HIS APPOINTMENT AS GOVERNOR OF BIHAR.**

**THE HONOURABLE THE PRESIDENT:** Honourable Members, before we proceed with our business, I feel sure you would like me to offer the Council's congratulations to the Honourable Mr. Hallett on his appointment to the exalted office of Governor of Bihar. (Applause.) Mr. Hallett has been in this House for some years. His whole service has been remarkable not only for his achievements but for the conscientious and highly efficient manner in which he has rendered service to the Local Government as well as to the Government of India. He joined the Civil Service in 1907, first at Bihar and after a few years' work he was translated to Bengal where he also rendered excellent work and on the formation of the new Province of Bihar after the partition of Bengal he rejoined his old province to which he is now shortly to revert in a much more exalted office. Both in Bihar and Bengal his work was very much praised and appreciated and when he left Bengal to join his own province again I remember having seen a notice in the paper at the time of the valuable services he had rendered to that province. However, most of his time has been spent in the Secretariat both in Bihar and in the Government of India. In the Bihar Secretariat he was also a Secretary and Chief Secretary, and subsequently was in charge of a big district, and, on account of his good work and ability he was selected as one of the officers to go to the Government of India in a higher sphere of activity. As Secretary in the Home Department he succeeded another official with a great reputation, Sir Herbert Emerson. You are all aware that the duties of the Secretary in the Home Department are by no means of an easy character. He has held over a three and a half years' tenure as Home

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Secretary. He has been associated throughout with the Council of State and we have not only learned to admire his great grasp of difficult cases, but his marked ability to put all propositions clearly before this House, his suavity of manner, his charm and gentleness and his courtesy even to his opponents when he had the misfortune to differ from them on most important points. We all know, and you all probably remember with a sense of admiration, the many excellent speeches which were made by him when matters connected with terrorism, repressive legislation or other matters came up, and the sympathy he evinced and the sagacity with which he dealt with all important points. We will all miss him from this House where he has been a great figure and a tower of strength to the Government Benches for the last four years, but we derive consolation from the thought that he is going to a much more exalted office and that what will be the loss of the Council of State will be the gain of the Province of Bihar. (Applause.) He will take charge just about the time when provincial autonomy will be inaugurated in that province and we could not conceive of a more capable and sympathetic officer to give autonomy a good start and support the new constitution with his encouraging help. As the new Governor when the new constitution is inaugurated, his duties will be more arduous. The duties of Governors are now-a-days no bed of roses. They have to perform most odious tasks and even when they are conscientiously and justly doing their duties they are abused and reviled and their work depreciated. But I feel confident that though the new constitution will be worked by the Chief Minister there and his Cabinet, the tower of strength will be Mr. Hallett behind them and I have every confidence that he will make a great success of his gubernatorial office as he has done of the many offices which he has held up to now with great distinction. (Applause.)

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, I wish to add my congratulations to yours on the Honourable Mr. Hallett's appointment as Governor of his old Province of Bihar. Our very best wishes go with him in his new office. I hope that during his five years' tenure, nature will be kind to his province and that flood and earthquake will not add to his heavy task. I also hope that there will be no political upheaval and that Mr. Hallett will be able to devote his great abilities to making the new provincial constitution a striking success. I also hope, and perhaps not in vain, that in his new sphere Mr. Hallett will not come to think of some of us as living in cloudland, as being entirely cut off from provincial realities and as being meddlesome and futile. Mr. Hallett is going shortly on leave. We wish him a smooth voyage and a pleasant holiday,—which I think will be the more enjoyable because he will have the consciousness that he at least cannot be accused of interfering in political elections,—and a safe return to his arduous duties.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I on my own behalf and on behalf of my Party offer our hearty congratulations to the Honourable Mr. Hallett, who has been very courteous to all of us in this House, on his appointment as Governor of Bihar. We wish him all success in his new career and we hope

that in his new appointment he will show the public that the special powers which have been conferred upon the Governors will be used only in case of great emergency. We wish him every success and every fame in his new job and peace and prosperity to Bihar under his rule.

**THE HONOURABLE KHAN BAHADUR SHAMS-UD-DIN HAIDAR** (Bihar and Orissa: Nominated Non-Official): Sir, I have much pleasure in associating myself with the sentiments of appreciation and genuine satisfaction expressed by the Honourable the President and the Leader of the House on the appointment of the Honourable Mr. Hallett as Governor of the Province of Bihar. I know the pleasure is shared alike by all the Members of this House. But my position, Sir, is a bit different.

I know the Honourable Mr. Hallett more intimately and for a much longer time than most of the Honourable gentlemen in this House are privileged to claim. I have known him since the year 1909—a period of 27 years. In the early days of our service, we have lived side by side in canvas in the same mango tope, and later on it was my unique good fortune to have been closely associated with him in the work of administration of some of the important districts of the province to which after a break of four years or thereabouts he goes back as its head. It was so ordained that in the charge of some of these districts either he preceded me or I preceded him. These districts were Gaya, Purnea and Patna. In the districts in which he preceded me I found that people of all classes, rank and persuasion had nothing but praise for him, his ability and his great nobility of mind. In spite of being thus overshadowed, I tried to emulate him, though I must confess, with little success. As for his activities in this House, it is not necessary for me to speak at any length after all that has fallen from the lips of the Honourable the President. On all questions relating to his Department he has shown a rare insight and mastery of the subject and the courteous and able manner in which he has marshalled his replies and arguments has evoked the praise of one and all of us. Mr. Hallett is an officer of towering ability, great tact and never-failing courtesy, who in my part of the country is known as the modern “Nowsherwan” for his great sense of justice, equity and fairness. (Applause.) I feel sure his experience of Bihar, his minute knowledge of the details of the administration of that province, his knowledge of men, his great tact and sympathy for the aspirations of all right-minded people will make the working of the autonomy which is to come in April next so smooth and successful as to draw the admiration of both officials and non-officials and the people at large. Sir, I on behalf of myself and the people of Bihar heartily congratulate Mr. Hallett on his appointment as Governor of one of the important provinces of British India and devoutly pray that he may live long to win greater honour and still greater advancement. (Applause.)

**THE HONOURABLE MR. M. G. HALLETT** (Home Secretary): Sir, it is embarrassing to have to listen to speeches such as those which have been so kindly delivered by you and other Honourable Members of this House. It is still more embarrassing to have to reply to them. I will therefore be as brief as possible. At the outset, I must correct one mistake of fact which occurred in your speech, Sir. By your remarks you implied that I had spent most of my time in the

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Secretariat. That is not correct. My Honourable friend, Khan Bahadur Shams-ud-Din Haidar, who has known me, as he has said, for 27 years can testify to the fact that I have been District Officer of five districts in Bihar and Commissioner of two divisions, and I claim that to be a great asset and know that that experience will be a great help to me when I go back to my Province to the office of Governor. To be brief, I will merely thank this Council for the very kind way in which they have offered me their congratulations and good wishes and say that I shall always look back with pleasure to these four years and to the very pleasant time I have had as a Member of the Council of State. I have listened with interest to many interesting debates in this House and I have always received the full support of all Honourable Members of this Council to any important proposals which I have had to put before them. We have also been associated together in many social gatherings. In fact, the Council of State is a very pleasant social club. We are all good friends, and even if we differ, we are still good friends. I shall always look back with pleasure to these years of my life in the Council of State. I trust I shall meet many of my friends from this House when I am at Patna or Ranchi. Sir, I thank you and all Honourable Members of this House for their very warm congratulations. (Applause.)

#### RESOLUTION *RE* PREVENTION OF THE GROWTH OF COMMUNISM.

THE HONOURABLE THE PRESIDENT: We will now proceed to the discussion of the Honourable Sir Phiroze Sethna's Resolution. I understand you have a point of order, Mr. Banerjee ?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, I rise to a point of order before the Resolution is moved by my friend the Honourable Sir Phiroze Sethna. I invite your attention first to rule 23 (I) of the Legislative Rules. It reads as follows :

" Every resolution shall be in the form of a recommendation to the Governor General in Council ".

Therefore, Sir, I ask for your ruling whether my friend can move the first part of the Resolution which is not a recommendation to the Governor General in Council but merely requests this Council to disapprove the actions of private bodies and private individuals who might have expressed ideas not in any Legislature nor in the discharge of any duties assigned to them by the Government. The portion reads as follows :

" This Council expresses its strong disapproval of the communistic ideas advocated and propagated by the President of the Indian National Congress and others ".

The second point on which I wish to have your decision is whether this Council has got any *locus standi* to approve or disapprove of the action or of the expressions of views by individuals like the President of the Indian National Congress or by organised bodies like that of the Congress. I do not think, Sir, that it is the business of this House constituted under the Government of India Act, 1919, to pass a Resolution approving or disapproving the views expressed by individuals in their personal capacity and not in the discharge of any duty assigned to them either by the Government or by any

Act of the Legislature. I think if we discuss the first part of the Resolution today in this House it will lead the door wide open in future to bring before this House such resolutions approving or disapproving actions of various leading men and personalities.

The third point I wish to raise is that whether a Resolution admitted by you outside the Chair has got the same sanctity as a decision from you while occupying the Chair. Sir, the Resolution I know has been admitted in its present form by you for discussion in the House but I think the Members of the House are not precluded to ask for a ruling from the Chair as to whether the second part of the Resolution in its present form does not militate against Standing Order 58 (a) as raising two distinct different issues, viz., the adoption of measures for combating unemployment of the lower middle classes and, secondly, the adoption of measures for the reduction of poverty and distress of the agricultural labour population.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA (Assam : Non-Muhammadan) : I would like to raise another point of order.

THE HONOURABLE THE PRESIDENT : I think it will be convenient if I dispose of this point of order first and then hear other Members. The Honourable Mr. Jagadish Chandra Banerjee has raised a very important point of order. I am grateful to him for extending me the courtesy of bringing this matter to my notice at the last hearing. I requested him to supply me with a copy of the speech which he proposed to make, but I was not fortunate in securing a copy.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : I had only one copy.

THE HONOURABLE THE PRESIDENT : That is what I am mentioning, and so if I do not do sufficient justice to his point of order it will not be my fault.

So far as I understand, he has raised three points in his speech. The first is that this is not in the form of a recommended Resolution as provided by rule 23 (I). The second point he raised, if I understood him aright, is whether the Council has got any *locus standi* to approve or disapprove of the action or expression of opinion of individuals like the President of the Indian National Congress or other private bodies. The third point which he raised, and I feel my inability to follow him, is that a Resolution admitted by the President outside the Chair—I do not know what he means by outside the Chair—has got the same sanctity as a decision from the Chair.

As regards the first point that the Resolution has not been drafted in proper form, I am entitled to agree with him that the Resolution as it stands does not comply with the provisions of rule 23 (I) of the rules framed under the Government of India Act, 1919. I shall therefore suggest, after disposing of the other points, a few alterations in this Resolution and I feel sure that the Honourable Sir Phiroze Sethna will accept my recommendation.

As regards the second question, whether the Council has got any *locus standi* to approve or disapprove of the action or expression of views of individuals like the President of the National Congress or private bodies, I say this is a very important question and my answer is in the affirmative and that the Council has a right to discuss propositions affecting public interests. In order that

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you may correctly follow my decision I will first refer you as regards this second point to Standing Order 59. Under that Order the admissibility of all Resolutions rests with the President. That Standing Order says :

“The President shall decide on the admissibility of a resolution and may disallow any resolution when in his opinion it does not comply with the Standing Orders and shall disallow any resolution if it infringes the rules as to the subject-matter of the resolution”.

It is therefore necessary for me to decide whether Sir Phiroze Sethna's Resolution does not comply with the Standing Orders in any way or infringes the rules as to the subject matter of resolutions. Now, the restrictions regarding the admissibility of resolutions have been prescribed within the four corners of the Legislative Rules and the Standing Orders. I do not find that this Resolution of Sir Phiroze Sethna in any way offends against the restrictions imposed under rule 23 (1), (2) and (3) which refer to matters affecting the relations of His Majesty's Government or of the Governor General or the Governor General in Council, with any foreign State ; any matter affecting the relations of any of the foregoing authorities with any Prince or Chief under the suzerainty of His Majesty or relating to the affairs of any such Prince or Chief or to the administration of the territory of any such Prince or Chief ; and any matter which is under adjudication by a Court of Law having jurisdiction in any part of His Majesty's dominions. So under rule 23 this Resolution is perfectly admissible. But we have to consider the Standing Order 58 which states :

“Subject to the restrictions contained in the rules (that is rule 23 to which I have just referred) and to the provisions of these Standing Orders, any member may move a resolution relating to a matter of general public interest :

“Provided that no resolution shall be admissible which does not comply with the following conditions, namely”.

But these conditions do not affect the Resolution. The only question therefore for me now to decide is whether Sir Phiroze Sethna's Resolution relates to a matter of general public interest which could be discussed in the House. As regards the objection as to the *locus standi* of the Council to approve or disapprove, I think the Honourable Mr. Banerjee is labouring under some misapprehension in the matter in thinking that this Resolution refers only to approval or disapproval of the action of a private individual. The President of the Indian National Congress made that statement not in his private capacity but in his capacity as President of a most important political body, and we are not concerned with any private statements which he has made to newspaper editors or others. The President of the Congress made a definite statement about the adoption of communistic ideas and principles and advocated the same publicly and most vehemently and said that such principles should form in future the accepted policy of the people of India. The enunciation of such a revolutionary policy certainly, in my opinion, is a matter of great public interest and it comes within the purview of Standing Order 58, which says that any member is entitled to bring forward a Resolution relating to a matter of general public interest. I therefore hold that this being a matter of general public interest, the Resolution is in order.

As regards the third point I am not quite able to follow, that a Resolution admitted by the President outside the Chair has got the same sanctity as a decision given from the Chair. I do not quite follow the Honourable Member's meaning and argument, but if he means that the President is precluded from admitting a Resolution relating to a matter which has been moved at a public political meeting, then I entirely differ from him. The President has the power of admitting any Resolution subject to the Standing Orders explained above. That power is further subject to the control and final decision of the Governor General. He may disallow any Resolution in the exercise of his prerogative. This Resolution has been on the list of business for nearly two or three weeks. The Governor General has not exercised his prerogative in disallowing this Resolution and I am therefore fortified in my conclusion that I was right in admitting this Resolution of such an important character for debate and discussion in the House.

So far as the Resolution is concerned, as I hold that the first part is not correctly framed, I would request the Honourable Member, Sir Phiroze Sethna, just to slightly alter his Resolution. If the Honourable Member, instead of saying :

"This Council expresses its strong disapproval of the communistic ideas advocated, etc.",

will say as follows, I maintain it will be in order :

"This Council recommends to the Governor General in Council that in order to prevent the growth of communistic ideas advocated and propagated by the President of the Indian National Congress and others well considered measures should be adopted as early as possible for relieving unemployment, particularly among the educated lower middle classes, and for reducing poverty and distress in the vast agricultural and labour population and for promoting their welfare generally."

(To the Honourable Sir Phiroze Sethna) : Do you follow ?

THE HONOURABLE SIR PHIROZE SETHNA : I do, Sir.

THE HONOURABLE THE PRESIDENT : I shall now be glad to hear the other objections.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA : Sir, I was going to ask if a Resolution which contained arguments was in order under Standing Order 58 (b) and whether the first part of the Resolution did not militate against that provision in Standing Order 58 (b).

THE HONOURABLE THE PRESIDENT : I cannot see at all the Honourable Member's point of order. Part (b) of Standing Order 58 says :

"It shall not contain arguments, inferences, ironical expressions or defamatory statements, nor shall it refer to the conduct or character of persons except in their official or public capacity".

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA : Sir, I contend that the first part is rather argumentative ?

THE HONOURABLE THE PRESIDENT : No, I hold it is not.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : On a point of order, Sir. Under Standing Order 69, I submit that a part of the Resolution of Sir Phiroze Sethna is out of order. I had the honour of moving a Resolution on Unemployment on the 25th March, 1936 and, if you, Sir, will look at Standing Order 69, you will find that the

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present Resolution is therefore out of order. That Order says that when a Resolution has been moved, no Resolution or amendment raising substantially the same question shall be moved within one year. I submit, Sir, that the first part of the Resolution is in the nature of a preamble. The substantive part of the Resolution is that measures should be taken to relieve unemployment. I therefore submit that the Resolution of Sir Phiroze Sethna is out of order; at any rate a part of that Resolution is out of order.

THE HONOURABLE THE PRESIDENT: You are referring to a Resolution which you moved in Delhi?

THE HONOURABLE MR. P. N. SAPRU: Yes, Sir.

THE HONOURABLE THE PRESIDENT: Standing Order 69 (1) says:

“When a resolution has been moved, no resolution or amendment raising substantially the same question shall be moved within one year”.

In order to ascertain this, we will see what the Resolution of the Honourable Mr. Sapru was. That Resolution was:

“This Council recommends to the Governor General in Council to give effect to the recommendation of the United Provinces Unemployment Committee, that the Government of India should take steps which would relieve unemployment among the educated classes of India”.

The Resolution which I have just read referred to the Report of your distinguished father and other members of that Committee. That Resolution purported to say that steps may be adopted as recommended in the Report for the purpose of relieving unemployment and nothing more. Though Sir Phiroze Sethna's Resolution refers to unemployment in an indirect manner, it has nothing whatsoever to do with the Resolution moved by the Honourable Mr. Sapru in April last. This Resolution says:

“This Council expresses its strong disapproval of the communistic ideas advocated and propagated by the President of the Indian National Congress and others, and recommends to the Governor General in Council that in order to prevent the growth of such ideas, well-considered measures should be adopted as early as possible for relieving unemployment, particularly among the educated lower middle classes, and for reducing poverty and distress in the vast agricultural and labour population and for promoting their welfare generally”.

It refers only incidentally and in an illustrative manner to the question of unemployment. It says in order to stop communistic propaganda if relieving measures like those stated in the Resolution of a general character are adopted it will prevent the growth of this objectionable propaganda. It is entirely a distinct proposition. It is not substantially the same question which is prohibited under Standing Order 69 and I therefore rule that the Resolution is in perfect order.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab: Muhammadan): On a point of information, Sir. As the Resolution has now been re-drafted, my request is to waive the time limit and allow us to send in any amendment we like with regard to the wording of the Resolution.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras: Non-Muhammadan): I want to place the same point before you, Sir. With your permission, to move an amendment.

**THE HONOURABLE THE PRESIDENT:** It is true that the Resolution has been amended, but I may assure the Council that it does not affect the substance and the contents of the Resolution. The substance and contents of the Resolution remain unaffected. Only the Resolution proceeded with the expression of disapproval without bringing in a recommendation to the Governor General in Council in that particular form which has been prescribed by rule 23. All the same there is only a formal change in the Resolution. I shall allow Honourable Members to move any amendments they desire relating to the wording of the Resolution even though the required notice has not been given, provided I find those amendments are relevant and do not affect the original Resolution.

**THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan):** Mr. President, I thank you for your decision on the points of order that have been raised. I would like to admit that on second thoughts I myself came to the conclusion that a Resolution must not express an opinion but make a recommendation, I therefore certainly accept your ruling, Sir, and will move the Resolution in its amended form as follows :

“ This Council recommends to the Governor General in Council that, in order to prevent the growth of communistic ideas advocated and propagated by the President of the Indian National Congress and others, well-considered measures should be adopted as early as possible for relieving unemployment particularly among the educated lower middle classes, and for reducing poverty and distress in the vast agricultural and labour population and for promoting their welfare generally ”.

This House and the Government must have noticed ominous portents on the political horizon in this country. Recently, socialistic and communistic ideas have received an impetus from the vigorous propaganda carried on by Pandit Jawaharlal Nehru, President of the Indian National Congress. Considerable stir, excitement and alarm have been caused by that propaganda among those who belong to what are called capitalists, propertied classes or classes with vested interests in the country. The rise of socialism or communism is not quite new in this country. There is a distinct socialist party within the Congress organisation which has been carrying on its activities and making a good deal of noise within recent years. Its influence within the Congress and outside is steadily growing, and the leaders of that party seem to be confident that the Congress will become a socialistic organisation in the very near future. Communism also, though perhaps not so active, and going in influence, seems to be capturing the minds and hearts of an increasing number of young men. The House will remember that some years ago a prosecution was instituted by Government against some communists and the result of that trial shows that it would be folly to think that communistic ideas have taken no root at all in this country. Nevertheless, until Pandit Jawaharlal Nehru became the President of the Congress and began his propaganda in favour of what it is difficult to decide, whether it is socialism or communism, socialistic or communistic ideas did not receive widespread or close attention from those who believe and feel that such ideas are extremely harmful and are calculated to retard not only the political but the entire national development of India.

Pandit Jawaharlal Nehru enjoys amongst his countrymen an amount of influence and popularity which cannot be claimed by any other socialistic or

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communistic leader. He is undoubtedly a man of parts. He has played an important role in Congress politics. Ever since the adoption by the Congress of direct action, either in the form of non-co-operation or civil disobedience, he has devoted himself to the interests of India, as he sees them. He is an ardent national worker and leader and has suffered greatly, having gone to jail seven times. Nobody can question his sincerity, his earnestness, his patriotism, his devotion to his cherished ideals, his many qualities of head and heart, his spirit of self-sacrifice. He also enjoys the prestige of being a member of a prominent family. In 1930 he became the President of the Congress for the first time at the age of 40 and this year for the second time, the honour and the responsibility of the Presidentship of the Congress has fallen on him. Such being his abilities, his merits, his influence, and his position in the public life of India, it is not at all a matter of surprise that his advocacy of socialism and communism have strengthened the forces which seek to destroy the existing political, social and economic order, and raise on its ruins a new order, socialistic or communistic. I am using both these words, because it is not quite clear whether he himself makes any distinction between the two. He calls himself a socialist but the ideas which he has propagated and advocated in his presidential address at the Lucknow Congress and in the speeches he has delivered at Bombay and elsewhere, border so closely on communism that it would be no mistake to describe him as a socialist of the communistic brand. There can be no doubt whatever that by whatever name his particular 'ism' may be called, the result of his propaganda has been to give a fillip to both socialistic and communistic ideas, and naturally and inevitably, by way of reaction, to create alarm among large sections of the Indian people and to bring the question of countering and opposing these ideas within the sphere of imperative practical politics.

Till now, all those who are opposed to socialism or communism have not thought it necessary to express their own views and feelings and do anything to combat these views and to protect our people from their ruinous effects. But as I have started by saying, the portents are ominous and it would be criminal and suicidal folly on the part of all those who are convinced that Socialism and Communism are wrong politics which cannot but engulf this country into a revolution, a class warfare, to sit quiet any longer, not to organise and marshall their own forces in order to check, to combat and ultimately to destroy these new-fangled, dangerous ideas imported from the West, particularly from Bolshevik Russia. It is because I realise and realise most keenly the danger that threatens the future of this country by the growth and spread of these ideas, that I have brought forward this Resolution and I am sure that this House will join with me in expressing its strong condemnation of the communistic ideas advocated and propagated by Pandit Jawaharlal Nehru. The House will notice that my Resolution does not content itself with a mere expression of disapproval. It is not a mere negative Resolution. In the second part of the Resolution I make some proposals for which I claim no originality for these proposals are generally regarded not only as a cure but as a preventive against the spread of communistic ideas.

Let us see what views and ideas Pandit Jawaharlal Nehru has been advocating and propagating with his characteristic ardour, vehemence and persistence. In his presidential address at the Lucknow Congress, he said :

"I am convinced that the only key to the solution of the world's problems and of India's problems lies in Socialism.....I see no way of ending the poverty, the vast unemployment, the degradation and the subjection of the Indian people except through socialism. That involves (*mark these words*) vast and revolutionary changes in our political and social structure, the ending of vested interests in land and industry, as well as the feudal and autocratic Indian States system. That means the ending of private property, except in a restricted sense, and the replacement of the present profits system by a higher ideal of co-operative service. In short it means a new civilisation radically different from the present capitalist order. Some glimpse we can have at this new civilisation in the territories of the U. S. S. R. I look upon that great and fascinating unfolding of a new order and a new civilisation as the most promising feature of our dismal age. If the future is full of hope, it is largely because of Soviet Russia and what it has done, and I am convinced that, if some world catastrophe does not intervene this new civilisation will spread to other lands and put an end to the wars and conflicts which capitalism feeds".

Then referring to the question of the forming of a united front against imperialism, he says :

"The essence of a joint popular front must be uncompromising opposition to imperialism and the strength of it must inevitably come from active participation of the peasantry and workers".

This is what he said in his address and he sang the same tune throughout his tour in Bombay and elsewhere. He is reported to have said in reply to a question put to him at a Bombay meeting, that his socialism is virtually indistinguishable from communism. Let us analyse the statements made by him which I have quoted. He speaks about ending private property "except in a restricted sense". The expression "except in a restricted sense" is quite vague, and I wish that for the sake of clarity of thought and definiteness of his own position, he had amplified and elaborated the nature and extent of private property which he is willing to permit. Even in Russia all private property is not completely destroyed under the Soviet system. Again he wants that all anti-imperialist forces should be organised and joined together, but in the same breath he says that the strength of such a united front must inevitably come from the active participation of the peasantry and workers. What is the drift of it all? What does it mean? It can obviously mean nothing else than that all people including those owning property and having vested interests should combine to destroy imperialism, but that when once imperialism is destroyed the peasants and the workers should dominate and turn against those very people who have given their co-operation in destroying imperialism and abolishing private property and vested interests. That means the rule and the inevitable dictatorship of the proletariat. If he is to be taken to mean that the anti-imperialist combination will, from the start, exclude the co-operation of propertied classes and of men with vested interests, on the ground that no genuine or substantial co-operation can ever come from them in fighting imperialism, the conclusion that follows is the same, namely, that the ultimate goal is to establish the domination or dictatorship of the workers and the peasants, and then to use that domination and dictatorship for abolishing private property and vested interests. Pandit Jawaharlal Nehru does not say in so many words that this is communism. He is shrewd

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enough not to do so. But all those who will carefully and critically weigh the language that he has used cannot resist the conclusion that the real and obvious trend of his policy is the establishment of a communistic order fashioned more or less after the Russian model.

I have so far shown the real nature of Pandit Jawaharlal Nehru's views and ideas. He does not seem to be absolutely clear about his own position. Nevertheless, there seems no doubt that his ideology is almost identical with that of communism. He is out for a radically different social and economic order, built upon the ruins of the capitalistic order. And this fundamental change he seeks to bring about by revolutionary methods, and not by a reconciliation of capital and labour. Indeed he thinks that such reconciliation is impossible and that therefore a class warfare is inevitable.

At this stage, the House will, I hope, bear with me if I enter into some theoretical discussion of communism and socialism. I may at once state that the tendency today is to sympathise with and commend the social purpose which socialism has in view and I endorse that view. Every sensible and reasonable man recognises that there is terrible and heartrending poverty in this country. There can be no doubt whatever that Indian society must be so improved and reconstructed that poverty if it cannot be altogether removed it might at least be reduced by human efforts, individual or collective and institutional to such an extent as cannot be avoided. The extreme social and economic inequality must also be removed, and the entire social relationship between class and class based on absolutely fair and equitable principles. The endeavour must be that every person who is willing to work and can fit into a job, might be provided whenever possible with employment and everyone must be in a position to eke out a reasonably comfortable existence. With such a goal of human life, of human endeavour and of human organisations, everybody would have the fullest sympathy. And it is because this ideal is now generally recognised that modern governments and states show an increasing tendency to adopt this really practicable and reasonable part of the professed socialistic programmes. A carefully adjusted socialistic programme without trying to destroy private property, without showing any unfairness and hostility to capitalism, without seeking to foment class struggle and to do away with capitalism altogether may not be open to any objection. In a modern state with its ever increasing and complicated national and international interests and relationships, the old conception of a purely individualistic state with its functions united to those which are quite elementary, has really become out of date. The functions of the state have today necessarily become much wider and include several which if rightly analysed are socialistic. To this extent, therefore, there can be no quarrel with the socialisation of the state and the government. But socialists and communists go very much further than this and they think and maintain that almost all sides and activities of life must be subjected to a severe and complete socialistic regimentations and the whole society must be reduced to a single class or rather that society should be a class-less one. To this, we feel ourselves bound to be opposed, not because vested interests are involved, but because anti-socialists are selfish grabbers after wealth and privilege, not

because they are devoid of any social feeling and aspirations, but because socialism, except to the limited extent to which I have referred will lead to a state of society in which all individual liberty, initiative, sense of responsibility, incentive to improvement and enterprise will become extinct. Socialism in the unqualified and unrestricted form in which it is advocated is impossible without excessive governmental control and regimentation and such control and regimentation is an evil which men cannot or ought not to submit to. These objections apply with greater intensity, greater force to communism. And above all there can be no compromise whatever with a school of thought or party organisation which would seek to impose such a revolutionary transformation of society by force. Capitalism may not be all what it should be. There are undoubtedly bad capitalists as there are good ones. Capitalism might well be improved and liberalised. Capitalists must certainly realise that the wealth they enjoy and the advantages they command are gifts which should be used by them as much as they can for the benefit of those to whom wealth and such advantages are denied. But because capitalism is not yet what it should be and some capitalists are not what they ought to be, it does not follow that capitalism and capitalists must be destroyed root and branch, that they should be given no quarter whatever and that the masses must become the real masters of the destinies of human society.

There is one further consideration, though not of a purely theoretic character to which I wish to draw the attention of all those who so recklessly preach the gospel of socialism and communism. Do they think that the ancient culture, the ancient thought, the ancient traditions of this land can be so completely wiped out as to give place to such an utterly alien ideology and mode of thinking and manner of social life as socialism or communism. There is not a single text or statement in the vast and varied Hindu or Muhammadan literature in which anything like communism or socialism is advocated. You can improve the past but you can never cut yourselves entirely adrift from it. If this can be said of India it is equally true of some Western countries. For example, communism is foreign to the whole French temperament. The French people have a far too highly developed sense of property to fall an easy prey to the doctrines of Karl Marx. Thrift has always been one of the French virtues which accounts for France having the strongest middle class of any country in the world. Years of depression have only accentuated it. The French working man counts his sous far more assiduously than his English prototype counts his half pennies. His consuming passion is to have a secret hoard. Notwithstanding we have to recognise that communism is forging ahead even in France of late years, yet it is generally believed it cannot ultimately thrive in that country as it has done in Soviet Russia. I am hoping it will not only never thrive but that it will be nipped in the bud in this land. After the overthrow of the Kaiser, Germany was for a while in the grip of communism. She has however now changed her outlook in political matters in regard to the doctrines of communism. Communism is today regarded in the whole of Germany as its public enemy No. 1 and so must we in India. The very recent history of Spain is a lesson to the world as to the horrors that follow in the train of communism, and that is the least that can be said about it.

**THE HONOURABLE MR. P. N. SAPRU :** The Spanish Government is not a Communist Government, it is a Liberal Government.

**THE HONOURABLE SIR PHIROZE SETHNA :** I beg to differ.

**THE HONOURABLE THE PRESIDENT :** Order, order. Don't argue, go on with your speech.

**THE HONOURABLE SIR PHIROZE SETHNA :** I now come to the second and constructive part of my Resolution. My recommendation is that proper measures should be taken to arrest the growth of these communistic and socialistic ideas. It is a universal and undeniable truth that no revolutionary ideas ever grow except in favourable circumstances. The history of the socialist and the communist movement in the West clearly shows that they would not have taken root there, but for certain predisposing causes. The rise and growth of these ideas in our own country is no doubt partly due to the impact of Western thoughts and influences. Many feel a great fascination for Western history, Western thought, Western culture and Western institutions. They are so much divorced from their own culture, thought and traditions, that they seem to think that whatever is Western is universally true and applicable to their own country. Some of them are so much intellectually and emotionally enslaved by communistic and socialistic ideas that their sense of historical perspective is almost lost. They have no sense of reality and are utterly ignorant of the vital principle of their own historical growth and development. They live in a mental life of their own and think that such ideas, superficially glamorous as they are, can be easily adopted in this country and bring about a millenium.

When two countries are brought together and have such close associations as those between England and this country, it is but natural that mutual actions and reaction of thought should take place between them. But this accounts only partially for the genesis and growth of the socialistic and communistic ideas in India. The vital causes must be sought elsewhere. They are to be found in increasing unemployment, particularly among the educated middle classes and in the dire poverty and distress among the vast bulk of the population. If there had been no such unemployment and if the British Government had long ago taken measures to reduce the poverty of the people and raise their standard of living, I have no doubt whatever that this problem of meeting socialism and communism would not have arisen at all ; at any rate it would not have reached any serious proportions and such gravity as perhaps is the case today. More than two generations have passed since that Grand Old Man of India, the late Dadabhai Nowroji drew the pointed attention of Government to the poverty of India and constantly impressed upon them the duty of removing it. But his voice and the voice of those who joined him or followed him in urging that this poverty is a canker eating into the vitals of India and undermining the foundations of British rule, has been a cry in the wilderness.

It is only recently that Government seems to have been awakened to the vast and deep seriousness of the problem of Indian poverty. The situation however is not yet hopeless and can be brought under control by the adoption of proper measures. These measures must be taken promptly. Any further

delay will make the situation so hopeless as to be beyond improvement. It is the apathy—the culpable apathy—of Government in this respect that is really responsible for the growing hold of socialistic and communistic ideas upon the people, in particular upon the youth of this country. The immediate problem before Government is to concentrate their resources and attention for relieving unemployment, reducing poverty and in general improving the economic condition of the people. With regard to unemployment, the United Provinces Government is entitled to gratitude for appointing a Committee to consider the question of unemployment. This Committee under the Chairmanship of the Right Honourable Sir Tej Bahadur Sapru have gone into the question with a thoroughness and in a practical spirit which does them credit. What is wanted is to implement their recommendations. Again, the Punjab Government has set out about creating an unemployment bureau as a step towards the relief of unemployment which is a step in the right direction and the Governments of other provinces should follow suit.

Fortunately we have at the head of Indian affairs a Viceroy who takes a keen interest in the material welfare of India and whose one ambition seems to be to raise their standard of life of the people. His report on agriculture, when he presided over the Agricultural Commission, is a monumental document. If measures are taken in accordance with the recommendations in that report; with regard to the improvement of the condition of the agricultural population; and in accordance with the Sapru Committee's recommendations, as regards unemployment and further if the recommendations of the Labour Commission are also carried out, the country feels confident that within a short time socialistic and communistic ideas will die an inevitable death, for want of sustenance but not until and unless such measures are taken. In this connection it is gratifying to note from a reply given by the Honourable Sir Frank Noyce in the other place on the 7th of this month that Sir Tej Bahadur's Report on Unemployment is being examined from an all-India point of view and that the Government of India would do everything in their power to expedite its consideration. This is hopeful and assuring.

The new constitution will soon be functioning. As it has given no satisfaction, the political and constitutional problem will remain and continue to give a lot of trouble. But the constitutional and political problem by itself will not promote the growth of socialistic and communistic ideas, if it is not aided by social and economic discontents. Let Government remove these discontents and remove them quickly and then it will be found that the socialistic and communistic ideas have lost all the hold that they have obtained at the present moment. Repression will not succeed in destroying these ideas, without a proper constructive programme for removing unemployment and reducing poverty as much as it is humanly possible to do so. Repression by and in itself will simply result in bringing more recruits to the ranks of the communists and socialists. My Resolution gives a friendly but a serious warning to Government that if they neglect these questions any longer they will do so at their own peril and with dire consequences upon the future of this country.

Sir, I beg to move my Resolution.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Sir, in discussing the subject of communism—

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : I wish to move an amendment—

THE HONOURABLE THE PRESIDENT : You can move an amendment when I call upon you to speak. Meanwhile, I thank you for sending me a copy of your proposed amendment.

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON : In discussing the subject of communism, it will be well to bear in mind that communism embodies a certain ideal of society and also a method of achieving it. However repugnant to our ideas the communistic conception of society may be, we cannot help recognising the fact that a communist society actually exists now in a very large country, a country which in area covers a sixth of the habitable surface of the globe and in population contains 160 millions. That country has established international relations with other nations and is a member of the League of Nations. I think that fact must be fully recognised and it is certainly a great achievement for communism. But notwithstanding this achievement of communism, the opposition which is shown by other nations to the introduction of communistic ideas into their territories is a fair measure of the dangers that are inherent in communism. The dangers which are generally associated with communism arise not so much from the ideals of communism as from the revolutionary methods, with their inevitable accompaniments of suppression of individual liberty, massacre, cruelty and persecution, by which the communist seeks to impose his system on society. That these dangers are real enough is clearly shown by the experience of Russia. The view is sometimes expressed—I think the Honourable mover himself referred to it—that communism is an exotic growth alien to the culture and traditions of this country and is not likely to take root in it. I have not been able to follow whether the Honourable mover accepts this view or not. In any case, the example of China should be a sufficient warning to us not to accept this doctrine at its full face value. I think there will be general agreement with the contention advanced by the Honourable mover that no effort should be spared either by the Government or by the citizens in counteracting the menace of communism. The remedial measures proposed in the Resolution are no doubt in the right direction and I do not wish to say anything which will detract from their value. But I am bound to point out in fairness to the Government that at least in regard to the problem of unemployment among the educated classes the Governments, both Central and Provincial, have already shown their concern and have declared their intention to solve it to the best of their ability. The application of this and the other remedial measures will certainly be an expensive process and it is not quite clear to my mind how the enormous sums of money which will be required for this purpose are to be found. But quite apart from this consideration, I should like to point out that the measures proposed are at the best mere palliatives. To my mind the only effective cure for communism is a thorough change in our present-day outlook, social, economical and political. The only effective antidote is a thorough-going readjustment, social and

economical, based upon a democratic political foundation. Now, it will be perfectly clear to anybody who thinks on this subject that in the process of this readjustment the possessing classes will have to make much greater sacrifices than they have made in the past. That fact must be thoroughly recognised. It is also clear that the process of readjustment can only be a slow, gradual and evolutionary process; but if we are convinced that the remedy lies in the direction that I have indicated, I think we can all help in the process by utilising every opportunity that may occur to us, however small or insignificant it may appear to be. I think the Council will have opportunities of showing its concern for the masses. It has had opportunities in the past, it will have opportunities in the future. For example, it may very well happen that the Council will have opportunities of facilitating the enactment of beneficent social legislation. There is one other point which I should like to refer to. I have often noticed—it is not necessary to be in this Council to notice that—that whenever the budget is presented one of the most insistent demands made is for the reduction of the income-tax and the removal of the surcharge. These are taxes which bear on the comparatively richer classes of the population. If such a demand is made in the future, say, at the time of the next budget, the Council will have an opportunity of showing its concern for the masses by coming to a proper judgment on this question. It can consider and decide how far a demand of this kind is consistent with the legitimate claims of the poorer classes. In any case I am convinced that it is by the promotion of measures which are calculated to reduce or remove the social and economic inequalities which now exist in the country that the salvation of India from communism will be achieved. I therefore in a general way support the Motion brought forward by the Honourable mover, however imperfect its scope may be.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, while supporting the Resolution which my Honourable friend Sir Phiroze Sethna has moved, I should like to envisage the fate of India if communistic ideas prevail and are adopted in this country. What will be the fate of India? How will India be governed and what would be the state of the population, our rights and privileges. In the first place, India will be governed not by governors, not by councils, but by secret cliques. There will be no gazettes, and no orders passed, for the information of the public. Only those within that small clique would know the secret edict. To assist it there will be a most ruthless organisation that the world has ever known, namely, the secret police, which is known in Russia by the name of Ogpu. No man dare defy it, no man dare disobey its orders. Whoever has the temerity to do so would be at once hauled up for a secret trial or perhaps put out of existence without any trial at all. That is the state at present in Russia. Then, Sir, it has been said that a communist state will be the paradise of workers and peasants. It is nothing of the kind. Every able-bodied man or woman will have to serve the state. There will be no personal liberty, no choice of any profession, no kind of privileges. Everybody will have to work as dictated. Refusal will entail imprisonment. In Russia at the present day there are enormously large factories of all kinds where men and women are employed. It was once said that in a communist state wages

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will be equal for all. This has been found to be impractical as at the present day the workers who are intelligent and who turn out excellent work are being paid at a higher rate than the ordinary workman. They are however mulcted in income-tax to the extent of 60 per cent. ! They go up a step higher in rank in the hierarchy and are looked upon as persons of importance. If a worker is slack, his name is boarded up, not only in the factory, but in prominent public places where people resort for amusement.

Then, Sir, with regard to the peasantry, what will be its fate ? All landlords, zemindars and peasants with property will have to give up all they possess to be absorbed by the State. They will become common labourers. Most of the big landowners called "Kuluks" refused to submit to this tyranny ; they were consequently sent out to work in the mines of Siberia or to construct roads, and their lands expropriated. All the property of the large and small peasantry was confiscated by the State. The owners were made to cultivate their lands for the State and to accept what the State chose to give them. The result was that there were some terrific outrages and open rebellion that were savagely put down. Then famines and epidemics followed. And in a burst of excitement the peasants slaughtered horses, bullocks, pigs, and even poultry. Up to this day Russia is suffering from great shortage of meat and meat products. Such, Sir, will be India's paradise of peasants ! Then the eyes of the Soviet were opened and out of the communal farms that it had established, it gave up small pieces of land to each family to cultivate and rear animals and thus to become once again a small peasant proprietor.

Then, Sir, coming to the intelligentsia and the bourgeoisie, they were ruthlessly destroyed. Does India want its lawyers, merchants, doctors and scientists and others to be wiped off the face of the earth ? And now Russia has to regret the great loss and is now recreating the very classes that it destroyed. It has to pay a heavy price for this regeneration.

Then, again, we come to another very important factor, namely, religion. In India's communist state there will be no religion. Its temples, churches, mosques, fire temples, etc., will be ruthlessly destroyed or put to other uses. Priests, Brahmins and Mullahs and Maulanas will be no more. Can any one, Sir, envisage such a state of affairs ? The rising generation in India will thus know nothing of religion as the present generation in Russia. It has never heard of Christianity, or Muhammadanism, or Hinduism. That is the condition that is prevailing there at present. And I ask, Sir, whether those who favour communism wish India to come to such a pass ? If there be no religion, what would be the state of morality and of the sacredness of marriage ? Any couple can go today to a registrar to be married as man and wife and within 24 hours obtain a divorce as well ! Will our Hindu or Muhammadan or Parsi or European friends submit to such rule ? I hope not.

Thus, Sir, the moral code is extremely lax. People are not by any means happy. They are being driven like slaves ; to oppose the slave mentality would mean to invite punishment. Is there any leader in this country who wishes that India should sink to such a level ? And what then will be the condition of

India ? The number of men and women who have been ruthlessly massacred in Russia without inquiry has been enormous. Are we prepared to pay such a price for a communist state ? All the old civilisation of India will disappear. We shall be put back into the dark ages, without happiness and without liberty. I certainly believe, Sir, that anybody who urges or provokes such ideas among the immature or half-educated youths is not a lover of India. He may be a worshipper of other gods and believe in other cults.

That, Sir, I think will be the condition of India if these communistic doctrines are allowed to pervade and were adopted. May this country which we all love be spared such a calamity.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution. India is a country in which the doctrines of socialism and communism are not as acceptable, either on religious or social grounds, as they are followed in the other countries to which the Honourable mover has referred. It would amount to breaking up the caste system, the social system and the national system, which have a deep root and have stood fast from time immemorial. We have the Varnashrama system, the Ruling Princes, and so forth, and by moving this kind of Resolution it is possible to destroy communistic doctrines. My friend, the Honourable Sir Phiroze Sethna in moving his Resolution has argued so ably and exhaustively in its support that there is little left for me to say. Even now, Sir, we find that those who have adopted super-democratic forms of government are going from bad to worse. That is what I felt while I was in Germany and in Italy. Of course, present-day doctrines of communism and socialism are much more advanced than those of democracy. But what do we find there ? I might cite an example which will prove how extreme democracy is working in some of the European countries. While I was in Hamburg, I bought some toys from a merchant whom I found in a very depressed mood. I asked him whether he was a Jew to which he replied in the affirmative. I put him a question as to how he liked the regime which he apparently found it embarrassing to reply to in the street. So in order to give him a chance to talk I asked him to bring some of the toys to my hotel. That very night he came to my hotel and said that as we were now behind closed doors he could tell me candidly that he was fed up with the Government and that Jews were being persecuted in a manner which is now well known to all the world. In the end he told me that he was leaving Germany in another three or four weeks, and was migrating to Palestine. He told me that I must have taken him amiss for not having replied to my question. But he observed that if we had been seen taking the matter over in detail he and I would have been arrested. That is an example of how extreme democracy is practically working. In Russia we have seen that even the friends and supporters of M. Stalin have lately been shot. Nobody knows there what their fate will be, and to treat everybody at par is a thing which cannot be well understood by us in India. I therefore wish that Government should take up the question of unemployment seriously. Sir, people, particularly in the villages, who cannot support themselves, are easily misled. We have a proverb amongst us (*Marta*

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*kiya na karta*) which means that a man who is hungry and cannot make two ends meet will either become a thief or will take up some line which the general public will disapprove of. I understand that even on the Sapru Report there is going to be a further inquiry. If I am mistaken in my information, I hope that the Honourable Member from the Government side will put me right. I understand that even on the Sapru Report Government contemplate asking some other expert to examine and report upon the recommendations of that Committee. The public impression is that the Government are not serious in the matter and that instead of directly shelving the report, they are doing so indirectly. I therefore wish that this question should be soon solved, and if this question is solved satisfactorily, the people who aim at communism and socialism will fail in its aim. It will be a good thing if in India the question of unemployment receives the very careful and sympathetic consideration of the Government. Why should not the people who are unemployed get some subsistence allowance from the Government? I do not know why Government are not adopting the same policy as has been adopted by the Government in Britain.

Another point, Sir. The present taxation in the country is so heavy that it is very nearly creating discontent. The taxation should be lightened so that people will be enabled to lead a comfortable life.

With these words, Sir, I support the Resolution.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras : Non-Muhammadan) : Mr. President, with your permission, I beg to move :

“ That after the words ‘ the growth of ’ the words ‘ novel socialistic ’ should be added and that the words ‘ advocated and propagated by the President of the Indian National Congress and others ’ should be omitted.”

THE HONOURABLE THE PRESIDENT : When I informed Honourable Members that though notice has not been given, I will admit amendments, I meant those amendments which are in the nature of a formal character—changing words and expression. Your amendment seeks to delete the most important part of Sir Phiroze Sethna’s Resolution in connection with the speech made by the President of the Congress. I cannot allow such an amendment without notice. If your intention was to move this amendment, you could have given notice long ago as this Resolution has been known to you for nearly three weeks. If your amendment was only meant to change the wording, I would have given you permission. I have also given my ruling on the point of order raised by the Honourable Mr. Banerjee that this Resolution and the words which you now propose to delete are in perfect order and that such a Resolution could be moved in the public interest. You want now to circumvent in a way the effect of my ruling given on the most important point that a Resolution of this character is permissible. I therefore disallow your amendment. But you are entitled to speak on the main Resolution.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : Sir, although I agree with the Honourable Sir Phiroze Sethna in the object which underlies this Resolution, I am unable to support the Resolution for the following grounds. Sir, the first part of this Resolution is, in my opinion, an unnecessary

irritant to the atmosphere already created. If the object of Sir Phiroze Sethna's Resolution is to relieve unemployment and distress in the country today, it will be served by the omission of the first part which purports to be a preamble. This is absolutely redundant and merely contains an argument which the mover could incorporate in his speech if he so desires. Sir, if a preamble is permitted in a Resolution, this will place endless obstacles in the way of those who desire to work on a better understanding between Government and the best organised political party in the country. Government themselves ought not to encourage such attempts. In the case of similar Resolutions moved by Members, certain statements are generally added as argument in support of the Resolution. I have noticed that the arguments in certain Resolutions are omitted by the Government. And yet I observe that it is very strange that a preamble of this nature should be permitted in this Resolution.

Sir, I therefore strongly oppose the Resolution.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary): Sir, this is a very comprehensive Resolution and in the short time at my disposal I cannot deal with more than one or two aspects of it. I would begin by referring to the part I like least and that is perhaps the most important part, which refers to communistic ideas, for in the form in which the Resolution is expressed and particularly after the amendments which my Honourable friend Sir Phiroze Sethna has made in it, it tends to suggest to my mind that the main reason for pursuing social welfare and social justice is to prevent the spread of communism. Now, I am sure Sir Phiroze Sethna would be the first to recognise that we started on this task in earnest long before communism was heard of and that we should go on with it even if communism had never appeared above the surface. In other words, there are much better reasons for pursuing the aims he has in view than the danger of communism. Of course I do not deny, I should be the last to deny, that one result of redressing the great social inequalities that confront us on every side and of securing better justice for those who work sometimes under intolerable conditions of life will be to make less likely that revolution for which some in this country are working. Justice, pursued for its own ends, affords a valuable insurance against the spread of subversive ideas. I am sure that is what is behind Sir Phiroze Sethna's Motion, as he showed from his speech, and I would only wish it was universally recognised, particularly by those in positions of power in industry. I have heard complaints, for example, about labour legislation, as if it was something that was bound to do injury to the employer. But the more far-seeing employers have co-operated in this legislation and have recognised that in the long run it is as much in their interests as in that of labour.

There are two points in the main part of the Resolution with which I have some concern, unemployment and the welfare of labour. On the first I do not propose to say much. We had, as the Honourable Mr. Sapru reminded us, a full debate on this only a few months ago, and as the House is aware, the recommendations of the Sapru Committee are receiving very earnest and

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sincere examination. I was not at all clear what my Honourable friend Lala Ram Saran Das was referring to in his reference to some other Committee. But perhaps he will elucidate the point later.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I was referring to the Sapru Committee and to no other.

THE HONOURABLE MR. A. G. CLOW: I am sorry, I misunderstood the Honourable Member to say that some other Committee was contemplated.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What I said was that some other expert is being invited to examine the Report of the Sapru Committee.

THE HONOURABLE MR. A. G. CLOW: My Honourable friend the Leader of the House did refer to certain experts who are being brought out for certain purposes in his speech in March, and he will doubtless deal with that when he gets an opportunity of dealing with this Resolution.

What I would like to deal with is the question of labour welfare. As the Honourable mover knows, that is a provincial subject and under the new constitution it will remain so. But we have in the Central Government a responsibility which to some extent we shall retain for labour legislation, and I should like to remind the House of the progress that has been made in recent years in this matter. Sixteen years ago I sat in that gallery and saw the last session of the Imperial Legislative Council in this Chamber, and I ask Honourable Members to cast their minds back to the position in labour matters at that time. We had a Factories Act which allowed a 12 hours day; we employed children in large numbers from nine years of age upwards in the factories; we had no regulation of hours in the mines; there was no prohibition, as there is today, of child labour in the mines. Child labour is now completely excluded from mines and very largely excluded from factories, partly by legislation and partly by employers. We had no such thing as workmen's compensation; we had no law of trade unions; we had nothing dealing with trade disputes, and we were not within sight of that important charter in the matter of wages that passed through this House last session, the Payment of Wages Act. I think, Sir, for the period of the Montagu-Chelmsford Reforms, that is a very creditable record and I hope and believe that, under the new reforms, when the Provincial Councils will be strengthened by labour members and members of the depressed classes, matters will not remain stagnant in that field.

But I would try to impress on the House that the power of legislation is very limited. It is a weapon by which you can achieve much less than some of its ardent advocates imagine; and it is to employers and labour, and particularly to co-operation between them, that we must look largely for labour welfare. I do not believe that that co-operation will ever be secured so long as employers act, and there are some in India today who want to act, simply as dictators, and so long as our labour is to a large extent illiterate and unorganised. There is among some employers an attitude in which they do not want to deal with outsiders in trade unionism; and if workers from within

the factory or mill start to act as leaders, sometimes they are victimised. Now there is, in India particularly, a tremendous need for the collective expression of labour's needs and for its consideration, and if a healthy trade unionism could be developed it would be, as it is in England today, one of the strongest bulwarks against communism. (Applause.) I know perfectly well that, as many employers urge, the trade unions we have in India today are poor things compared with the British trade unions. But I do not believe they are going to grow to strength by a process of discouragement and repulse, and I am convinced that this need for collective expression is there and must be met. We must recognise that labour must state its case somehow and we must recognise more than that; we must recognise that it is not merely a commodity hired for the purpose of carrying on an enterprise, but that it is a living part of the enterprise and that it is contributing to that every bit as much—some would say much more than the shareholders; it contributes today not merely its purse, which often it does not have, but its living and working days. And I am sure that readiness on the part of those in positions of influence and authority in industry to recognise this need and to admit this claim will do more to defeat communism than any labour laws that we can pass. (Applause.)

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

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

**THE HONOURABLE THE PRESIDENT :** The debate will now resume on Sir Phiroze Sethna's Resolution. As there are other Resolutions lower down in the list and as I am anxious that no disappointment should be caused to other Honourable Members, I would request Honourable Members to be as brief as possible.

**THE HONOURABLE MR. P. N. SAPRU** (United Provinces Southern : Non-Muhammadian) : Mr. President, may I first, with your permission, congratulate the Honourable Mr. Clow on the admirable speech which he made this morning. (Applause.) We know that Mr. Clow has a good heart and has a human outlook. Sir, his speech shows that the British official can on occasions take a broader view of social and economic problems than the Indian politician. I am sorry that Sir Phiroze Sethna has based his case for a more human and constructive economic policy merely on the ground of opposition to communist ideas. For me, Sir, the social and economic question is fundamentally an ethical question. No one who has a heart can fail to sympathise with the demand for greater equality, with the demand for equality of opportunity, on the part of the common man, and therefore as one who thinks that economic freedom is necessary in order that the individual might be able to express his highest self, I find myself in disagreement with Sir Phiroze Sethna and the point of view which he has represented to the Council this morning. Sir, reference has been made by Sir Phiroze Sethna to the respected leader of the Congress organisation. Now, Pandit Jawaharlal Nehru's politics is not my politics; his ideology is not my ideology. I am free to confess that with much of what he has said in recent months I am not in agreement. While I have great respect and admiration for his intellectual and literary gifts, for

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his high personal character, I feel that he has by his utterances not made it easier for parties of the left and the left centre to unite and work together. Sir, we find that in the modern world the forces of the right are gathering strength everywhere and talk of the character in which some of our more ardent socialist friends indulge only helps to strengthen those forces. We cannot be indifferent to what is happening in the world around us. Democracy, free speech, free right of association, free press, all these have disappeared in Germany and Italy and other large parts of the world. Democracy is fighting for its existence in Spain against the barbaric forces of fascism. It is a democratic administration which is fighting in Spain against these barbaric forces and certainly as one who values liberal principles, my sympathies are entirely with the Spanish Government. We have to work, Sir, for the establishment of the liberal democratic state at a difficult period in the history of democracy in the world. Extreme revolutionary movements produce extreme reactionary movements and in a straight fight between reaction and revolution, there is no guarantee that reaction will not triumph. It is therefore in my humble judgment incumbent on those who believe in the left and the policies of the left to say or do nothing which would strengthen the forces of reaction and fascism. Now, Sir, it is from that point of view that I would attack Pandit Jawaharlal's ideology. It is fashionable to decry the reformist mentality, but I am rather old-fashioned enough to believe that there is no alternative to it. I believe that provided the step taken is a step in the direction of the goal, we should not spurn it, because it does not go far enough. It is not easy to change human nature and successfully attack inherited prejudices and those of us who believe in the policies of the left, do no good to progressive causes by belittling what little can be achieved and indulging in language which is unnecessarily calculated to disturb the equanimity of classes and interests which are in an effective position in this country to block all progress. Talk of this character, Sir, makes practical reform at any given moment difficult. Therefore, Sir, I as one who believes and believes earnestly that our objective must be to secure a greater measure of social justice, a greater measure of economic justice, disapprove of the line which the respected head of the Congress organisation has taken. The precise grounds on which I am opposed to communism may or may not be the same as those which appeal to Sir Nasarvanji Choksy. I am quite sure they are not the same. I reject communism because I do not believe in the materialistic interpretation of history. I reject communism because I do not believe in class-war world revolution or the Dictatorship of the Proletariat. But there are certain fundamental ideas which underlie socialism with which as a good sound Liberal one has to have some sympathy. I was reading the other day a report of the proceedings of the Liberal Summer School and I came across a remarkable sentence there. Sir Walter Layton in the course of his address said :

"If I had to choose between communism and fascism I would not hesitate to choose communism, but fortunately I have no such choice to make because there is liberalism still in the field".

These are not my words; these are the words of a distinguished Liberal whose title to speak for liberalism cannot be disputed. Sir, the Resolution of Sir Phiroze

Sethna does not stop with the disapproval of communism but talks of communistic ideas. Now, Sir, the term "communistic ideas" is very vague. The Resolution is not happily phrased. There are many ideas which would appear communistic to my friend the Leader of the Opposition and to my friend Sir Nasarvanji Choksy but which would not appear communistic to me. For example, take this question of a juster distribution of the national wealth. We want certainly to have a more equitable distribution of the national wealth. Now, Sir, my friend the Honourable Lala Ram Saran Das and the Honourable Sir Phiroze Sethna would look at the economic question from the purely productive side. Communists would look at it from the purely distributive side. But I think that the economic question has to be viewed from both the productive and the distributive sides. We want both greater production and a juster distribution of what we produce. Therefore, Sir, I feel that the language of this Resolution is not very happy.

Besides, Sir, I think we are not justified in condemning an individual who is not present to defend himself. I do not know whether, strictly speaking, from the point of view of ideology Pandit Jawaharlal Nehru can be described as a communist. I have read his autobiography. Parts of it I do not approve but I think, Sir, there are passages in that autobiography which indicate that he is not prepared to reject the fundamentals of the Liberal state. That is to say he wants to preserve the liberal and democratic tradition, and in so far as he wants to do that he cannot be called a communist.

THE HONOURABLE THE PRESIDENT : But he has communistic ideas.

THE HONOURABLE MR. P. N. SAPRU : Not necessarily, Sir. He believes in the elimination of the profit incentive from life but his ideas on the question as to how that profit motive in life is to be eliminated are in rather a nebulous state.

Now, Sir, there is another reason why we must oppose this Resolution. It is not the business of this Council to condemn individuals, however eminent they might be. The principle of the Resolution is wrong. I have a great dislike for Dr. Ambedkar's politics. I think, Sir, he is doing a great deal of mischief. I also think, Sir, that Hindu integrity is worth preserving. Therefore, if you pass this Resolution I could bring forward a Resolution next day condemning Dr. Ambedkar.

THE HONOURABLE THE PRESIDENT : But the Resolution refers to policy.

THE HONOURABLE MR. P. N. SAPRU : I can also refer to policy. What is there in future to prevent me from condemning certain communal organisations with which I do not agree? We can discuss communism as a social fact. We can discuss socialism as a social fact. But I think it is not right for us to discuss individuals who are not present to defend themselves and whose ideology we may perhaps not be representing very accurately. Sir Phiroze Sethna, for whom I have great respect, will forgive me if I cannot approve of the fascist mentality which would deny to individuals the right of free expression of views. The Liberal state—and that is the basic difference between it and the totalitarian state—stands for a free expression of views. And I suggest to Sir Phiroze Sethna that we are not showing a Liberal mentality

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by this kind of talk. The Council is not a Socialist League, a Liberal Federation or a Conservative Association. It is for these organisations to fight or defend Pandit Jawaharlal Nehru. I therefore think, Sir, that the principle of this Resolution is wrong and I should be sorry if it were accepted because it would set a bad precedent. Sir, I feel I cannot be a party to a Resolution which is personal in its character and which will create endless troubles for us in the future.

Sir, in the second part of his Resolution Sir Phiroze Sethna recognises that there is a social problem. I congratulate him on his conversion to this point of view. Sir, there was a debate on unemployment a year and six months back in this Council. The Honourable Lala Jagdish Prasad had moved a Resolution on unemployment and the line that Sir Phiroze Sethna took was that this question of unemployment had been exaggerated, that Government could do very little to solve this problem of unemployment, that it was for private agencies to help in the solution of this question, that the Government of India at all events were not in a position to contribute anything to the solution of this question of unemployment. He voted against that Resolution on unemployment. Now, Sir, he has evidently changed his views. Why has he changed his views? Is it because of the Saprú Report or is it because of economic unrest? Well, Sir, if it is because of economic unrest, then I am rather glad because it shows that all this collectivist talk in this country has had some effect upon Sir Phiroze Sethna who was at that time an extreme individualist. Well, Sir, I was not an extreme individualist then. I took the line that I believed with Sir Walter Salter in an ordered society and he and I differed. Sir Phiroze Sethna has grown wiser during these last 18 months and now that there is this talk of communism he says to Government: "Well, you must do something, otherwise we capitalists of Bombay will be nowhere". Well, Sir, I suggest in all seriousness that these social and economic questions ought to be debated in a different spirit altogether. They raise some fundamental questions,—questions of social justice, ethical questions. They raise questions which challenge one's creed and I suggest, therefore, Sir, that if we want to do social justice in this world it is not because we are frightened by communism but because we are men who believe that there must be justice in this world. Sir, personally I believe in the moral government of the universe and as one who values certain ethical principles I cannot be a party to a Resolution the phraseology of which I cannot regard as happy. There are many grounds on which I am prepared to attack communism. I reject, as I have said, the basic theory underlying communism. But the precise grounds on which Sir Phiroze Sethna would base his attacks do not appeal to me. Therefore, Sir, I would consider it my duty to oppose this Resolution. But while doing so, Sir, I would also urge that we have a special responsibility in regard to these economic matters. Indian poverty is a terrible fact and we shall never have in this country a healthy society, we shall never have in this country a stable society, until we are able to give to the individual what he lacks today, namely, real economic freedom. That is the fundamental problem before Government; that is the fundamental problem before liberal

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democracy everywhere—to give to the individual a reasonable assurance that provided he is prepared to work, he will have a living wage.

Sir, with these words, I oppose the Resolution of Sir Phiroze Sethna.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians): Sir, I had no intention of intervening in this debate when I came here, but as I find that the discussions are taking a very narrow course, I think it my duty to say a few words. Sir, if one wants to know what communism means, I would ask him to have a cursory study of Sherwood Eddy's book, *Russia Today*. Communism took a firm hold in Russia for the simple reason that most of the people were ground down by poverty. The rich and well-to-do took no interest in the poor people who were in a very large majority, and when the revolution came, naturally those people who were down-trodden got the upper hand and they ill-treated the well-to-do people. The well-to-do peasantry, called "Kuluks", were completely done away with in the most atrocious manner. In India we have about 60 million people called the Untouchables. I would call them the labour of India. Unless we do justice to these people, these communistic ideas might spread among them, and what would be the result? The remedy asked for by Sir Phiroze Sethna is to provide some appointments for the unemployed. Will that cure the evil? Sir, if you want to get rid of the trouble that may arise in India probably in the course of years, you would have to do away with this untouchability altogether. Raise the people, level them up, not level them down. Communism means levelling everybody to a dead level. Everybody has to go and work in the fields. No zemindars, no capitalists, no professional people, would be left; everybody must go and work in the fields as ordinary workmen. Even Russia is now recognising the value of intellect, of professions and so on. But that is after a very hard struggle. The real remedy then lies in our doing justice to these depressed classes. First of all, they must be treated as men, not as worse than dogs. Secondly, they must be given something with which they can live. They have not got a living wage. Most of them hardly get one meal a day. I am not exaggerating the real state of things when I say that most of these people probably have only one meal a day. Give them two meals a day; let them have something to live in. Most of them have no houses. Most of these people sleep under banyan trees or somewhere in the forests. It is our duty, not merely of the Government's. It is all very well to blame the Government for not doing this and that. What can the Government do? Even if Government wants to do this, who is to find the money? After all, other people will have to find the money. My submission is that all the well-to-do people should do as much as possible to elevate the depressed classes from the state in which they are to a better standard of living, to better comfort, and give them hygienic conditions. Sir, in my own province, I may say that people want water. The well-to-do people have all the wells to themselves. The untouchables cannot take water from these wells. I am sure the Honourable Diwan Bahadur Gopalaswami Ayyangar, the first Member of the Board of Revenue, will bear me out when I say that a good deal of agitation has been going on for drinking water. They have to go to small ponds to get water. Wells are denied to them, tanks are denied to them, and conveniences which would make life worth

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living for them are denied to them. Under such circumstances, how can we expect these people to be good citizens and to be loyal to others? Some education is now spreading amongst them. Till now they were kept down on account of ignorance. When education is spreading and light is dawning, if communistic ideas spread among them, what would be the state of India? There are about 60 millions of them, and unless you improve their condition, the state of India would be very unhappy indeed. Therefore, my submission is this, that all well-to-do people, zemindars, capitalists and others, should do their very best to improve the condition of these poor people—the depressed classes. Untouchability must be taken away; these people must be allowed to go along roads. They must be treated much better than dogs. Dogs are allowed to go along public streets. In some towns in the Madras Presidency, human beings cannot go along the streets. (*An Honourable Member*: “Shame!”) I can even go further, but I should be taking up the time of the Council. I can mention a case where a Judge of the High Court, who unfortunately belonged to one of these classes, was not allowed—at least he did not do so—to go through one of the streets in Calicut which is a municipal town of some importance simply because he had the misfortune to belong to a particular class though he was a Judge of the Madras High Court. With such a state of things, how can you expect things to be all right? Therefore, though I am prepared to support this Resolution, yet I consider it a very narrow one. Conditions must be changed if you want communism not to spread in India.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan): Sir, I have not had the opportunity of studying communistic literature myself, but I understand communism aims at complete abrogation of the system of individual property and of the prevalent system of family and religion. It thus aims at a fundamental change in the structure of human society and considers force as a legitimate means of carrying out that policy. Our present social and economic structure may need changes and improvement but the introduction of communism will destroy the springs of all noble actions of human beings. To meet this danger, the wisest course will be to take the wind out of the sails of communistic propagandists by carrying out in advance the social and economic reforms in matters which are likely to be the chief points of attack of communistic agitation. The most important matter requiring the serious attention of the Government is the question of the educated middle classes which should be tackled as early as possible. The land revenue and rent system should be improved and made more elastic so that the agriculturist may find it easy to pay the Government dues out of the produce of his holding. Sir, I read in the *Statesman* the other day that nearly 140 estates are being sold for non-payment of land revenue at Serajganj in Bengal. I have been a Collector in the Punjab and Indian States for the last 30 years. I have never felt the necessity of selling any holding for non-payment of revenue. The Punjab system, of course, allows us to give liberal suspensions and remissions. These people who are being expropriated would certainly go about and create discontent. The economic burdens of the poorer classes should be lightened where possible. Rural debts should be examined with a view to the capacity of the people concerned to pay and greater

regard should be paid to the protection of the interests of labourers. Such reforms though distasteful to many if carried out, will certainly form a very much stronger bulwark against the much more distasteful evil of Bolshevism. Sir, the essentials of life are labour and love and joy and peace. These are man's birthright and what men live by. A wise Government should always be ready to help its subjects to enjoy their birthright and we know that the Government of India have not been unmindful of their duty in this respect. But renewed efforts are required to save India from the evils of communism. We must however realise that it is not possible for the Government to tackle the whole problem by itself. Unofficial support and co-operation will have to be obtained very largely, especially in matters where social questions are involved. Many social schemes have failed owing to non-co-operation on the part of our countrymen. Persuasion rather than force will be more effective.

With these words, Sir, I support the Motion made by that far-sighted gentleman, the Honourable Sir Phiroze Sethna.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, no place could be more suitable than this Honourable House, or time more appropriate, for bringing forward such a Resolution as is under discussion today. As you know, Sir, we all here represent vested interests. We represent constituencies where voters are either capitalists or big landlords. Therefore it is natural that we should pass a Resolution condemning communism in any shape or form. As far as the underlying ideas are concerned, I entirely agree with the mover of the Resolution, but I take strong exception to the wording of the Resolution. In the first instance I agree with my friend Mr. Sapru that it is not wise to bring in any individual under discussion in this House. This has been a well-established practice both in the other place and in this House, that we should avoid discussing the conduct or ideas of a person who is not present here or who is not represented and is not in a position to answer to the charges which are brought against him. However, so far as the Resolution itself is concerned, there are some other grounds also why I do not agree with the wording of the Resolution. In my humble opinion the way to fight communism is not by bringing forward resolutions or by making recommendations to the Government to take certain steps to that end. I think it will be much nearer the mark if some Resolution were before the House that His Excellency the Governor General recommends to the Honourable Members of this House who are capitalists or landlords that they should realise that they are passing through difficult times and if they really desire to fight communism they should help the Government actively in adopting such measures as will lead to an equalisation of wealth to some extent. As a matter of fact I would submit that if communism has not taken a very strong hold in this country it is entirely due to sentimental grounds. There is no country in the world where religion is still such a strong power as in India, and as communist ideas are against the tenets of all religion, naturally those ideas have not obtained popularity here to the extent they would otherwise have done. But, as Pandit Jawaharlal Nehru said in one of his recent speeches, *Hari Bhajan* is all right but what people want is bread. How long can we go on relying upon these forces of religion and sentiment to

[Raja Ghazanfar Ali Khan.]

fight these new ideas? Of course it is a good thing that the Government should take steps to relieve unemployment among the educated middle classes, but will that be a sufficient remedy against the spread of communism? Of course not. Because after all that only means giving a few jobs to a limited number of educated men. But what about those millions of people who are either working as labourers in industry or on the land? The Government can only take some measures if they feel that the landlords and the capitalists also realise their own responsibility and, instead of putting obstacles in the way of such measures, support them, and then Government will be able to provide measures by which everybody in India will have enough to eat and enough clothes to cover their naked children and to provide other small reasonable necessities of life. Sir, the other day I was reading a speech which was delivered by His Excellency the Governor of the United Provinces replying to an address presented by the National Agricultural Party. I cannot quote his exact words, but what His Excellency said was that it is only when people begin to feel that life is not worth living that they in desperation are prepared to entertain new ideas however revolutionary they may be, but the moment you make people feel that life is worth living they will not welcome any movement which would upset the existing order of things. Therefore what is required is that the landlords should begin to think that they cannot continue living in selfishness for all time and capitalists should know that they cannot continue to accumulate wealth until the time when people become desperate and a revolution is likely to come, whatever steps Government may take. Therefore I would appeal to my Honourable friends here, landlords and capitalists, that they should not only consider it their duty but should tell their constituents that these ideas cannot be got rid of in India merely by expressing noble sentiments. Of course, Sir, as a Mussulman I am not afraid of a reasonable form of socialism, because I am proud to say that it was my religion fourteen hundred years ago which brought into this world the real and reasonable doctrines of socialism. If socialism means equality, if socialism means the removal of those disabilities which have been described by my Honourable friend from Madras, if socialism means that everybody should distribute his wealth in such a way that nobody should starve and nobody should get extremely rich, then I am proud to say that it is my religion which taught those doctrines to the world. Sir, before I sit down—I am sorry my Honourable friend Mr. Sapru is not here—I must express my regret that he brought in the policy and politics of Dr. Ambedkar without any reason or relevancy. Dr. Ambedkar is perfectly justified when, on finding six crores of his followers in sad plight, as has been so well described by my Honourable friend from Madras, and on finding all his attempts at bringing about political pacts fail to give any practical relief to his community, he seeks some other remedy. Sir, I think the best way to fight communism is that everyone of us should feel that it is much better to be satisfied with comparatively lesser than we have got at present provided we can retain it permanently than to be greedy and to keep all that we possess whether rightly or wrongly.

Sir, I support the Resolution.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary): Sir, I have listened with great interest to the debate that has been going on today. It is in many ways one of the most interesting debates which we have had during the time I have been in this House and they have been on the whole fairly numerous. Sir Phiroze Sethna made a very interesting analysis of a somewhat difficult document, Pandit Jawaharlal's speech at the Lucknow Congress. With much of what he said in regard to that I agree, for I have studied that document with some care. He went on to give an interesting description of communism and socialism. He did not, I regret, develop much the constructive side of his speech. He was more content with the destructive side, pointing out the dangers of communism and that ally of communism which is now called by the name of socialism. What exactly the difference between the two is is rather difficult to say. Socialism in the old days connoted nothing particularly bad. Now it is sometimes used as an euphemism for communism and communism in my opinion connotes something subversive, something revolutionary. However, although Sir Phiroze Sethna did not develop the constructive side of his Resolution, we had the advantage of other speeches since which have met that point. Sir Ramunni Menon made the point that we have got to take new ideas, to develop a new outlook, on certain points. Sir David Devadoss mentioned the question of the depressed classes which I understand is or was the pressing problem in his own province, although as far as I know his Government have done a great deal to alleviate the lot of those depressed classes. We have had a further interesting suggestion from the last speaker who pointed out that the whole remedy does not lie in the hands of Government, it is also for the classes in this country, whether zemindars or industrialists, to take their share in this work of alleviating the lot of those who are less well off than themselves. Thus the debate has taken a very interesting line. It is a rather difficult matter for me to speak on. Communism, orthodox communism, communism of the Russian brand, in regard to that the policy of Government is I think quite well known. We regard it as public enemy No. 1 or public enemy No. 2. Two of the three enemies that I have been dealing with for the last four years have been communism and terrorism. Communism of the Russian brand, communism as advocated by the Communist International, involves a revolution by force and the upsetting of the existing form of government and the upsetting of the existing social structure of the country. It was found at the time of the Meerut case in the High Court at Allahabad that the methods by which the Communist Party of India seeks to achieve their object included strikes, a combination of strikes and demonstrations, a combination of strikes and armed demonstrations; and finally the general strike conjointly with armed insurrection against the State power of the bourgeoisie. The whole programme showed, without a shadow of doubt, that the programme laid down is the overthrow of the existing order of society and Government by the use of force with ultimate resort to arms. That being the objects of that particular party, it obviously became the duty of Government to deal with it. They did so in August, 1934 when we proclaimed the Communist Party of India as an unlawful association. Since that date we and the Local Governments are continually taking action against that party or against the members of it. There have recently been some cases where persons were prosecuted in Bombay for assisting the operations of the Communist Party of

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India which resulted in their conviction. We are constantly taking action to prevent the importation into India of literature prepared in foreign countries which advocate pure communist doctrines. In Bengal where there has been an increase in communist agitation in recent months—there is nothing at present very serious, but it is an agitation which may grow in intensity—the Local Government have had to take action to extend one of the “repressive” laws to Calcutta to enable them to control the persons, who are trying to stir up the peasants and workers by advocating communist doctrines and by the use of communist slogans. This House has supported legislation which we have put before it designed to deal with this menace and as a result the Criminal Law Amendment Act of last year has come on to the Statute-book. In dealing with this brand of communism, we are dealing with pure revolution, or rather attempts at revolution, attempts to overthrow the existing Government and the existing social structure by a revolutionary movement. But now we get on to something which is more difficult. The Honourable mover’s Resolution uses the word “communistic” instead of communism. The termination “communistic” means I suppose something less than communism, something which is leading up to communism, but which is not yet pure communism. The stage that it refers to is the stage of the dissemination of ideas. We cannot prosecute people for merely having ideas in their head. We can only deal with them by the penal laws when they take definite action. Whilst a dissemination of those ideas may lead, especially in a country where a large proportion of the population is uneducated, to the creation of conditions such as unfortunately exist in certain European countries at the present time, we must also recognise that the spread of those ideas cannot be controlled by repressive legislation by penal action and therefore there is a great deal of force in what the Honourable mover has recommended—that we should take action to remove the grievances of the agricultural and labouring classes, so that they may not become a suitable field for the inculcation of more revolutionary ideas. But in admitting that I must also say I entirely agree with my colleague Mr. Clow that all the measures which he has recommended are measures which we have undertaken in the past quite irrespective of this menace of communism and which we should continue to take even if the word communism entirely disappeared from the language, and if communism was no longer a menace in this or in any other part of the world. We have as a Government always aimed at doing something to improve the lot of those whose lot needed improving, of helping the under dog. But I think there is sometimes a certain amount of misapprehension or lack of appreciation of what Government is doing. Mr. Clow has dealt with one aspect of the question. He has dealt with the side in which he is an expert, with the lot of the town worker, of the factory worker, and he has pointed out that a tremendous lot has been done in the last 10 or 15 years to improve his conditions. Take another aspect of the question—the lot of the agriculturist. There was a debate—not a very interesting debate, I admit, in another place the other day on the very interesting question of rural indebtedness, a question on which I shall be only too glad to hear what ideas people have. That is a question which has always been before Government for many years. Long before I ever came to this country, Lord Curzon started the co-operative movement and that movement was designed to improve the lot of the

agriculturist. It did so possibly only to a limited extent. It was hampered no doubt by the economic difficulties and financial difficulties which arose after the catastrophe of 1914-18 but it was designed to improve the lot of the villagers and I think we may claim that it has done so. In more recent times we have had various committees which have considered this problem and during the last two or three years when the economic crisis has been acute, Local Governments have devoted very special attention to this problem of rural indebtedness and of saving the cultivator from the great burden of debt under which he labours. During recent years some 30 Acts have been passed by Local Legislatures. Whether these are all good Acts one cannot yet say, but the effects of these Acts are being very carefully watched and in course of time I hope we shall be able to evolve something which will really solve that very great problem. If I may quote an example of what is being done in the provinces,—people are very often ignorant of what has been done,—I will read a report which I had from the Central Provinces only the other day. They start off with the question of the realisation of Government dues :

“ Government has issued general instructions that leniency should be shown in the collection of Government dues, coercive action being confined to cases of wilful defaulters ”. That meets the case cited by Nawab Chaudri Muhammad Din who complained that estates and holdings were sold up unnecessarily.

Then they have granted liberal remissions and suspensions of land revenue, they have sanctioned the advance of taccavi loans where necessary and are taking steps to see that these loans are collected without undue hardship and at suitable periods. But the main action which they have taken—and their report on this point is particularly interesting is the action they have taken to establish conciliation boards to settle debts between the debtors and creditors. In other words, to serve as a cheap form of bankruptcy court. It was only in 1932 that they decided to undertake this legislation and the Act was actually passed in 1933 and came into force in April of that year. Even in this short time it has done quite remarkable work and this is their description of the work that has been done :

“ The main object of the Acts is to conciliate debts on a voluntary basis. This object has been achieved to a very large extent. Five boards have completed their work and there are now 37 boards working in 16 districts. It is expected to establish shortly boards in two more districts so that all the districts in the province except one, will have boards. The rush of applications both from the debtors and creditors in places where the boards are at work and the demand for the establishment of boards in new areas demonstrate that conciliation proceedings are popular and are meeting a genuine and long-felt want.

“ Up to the end of June, 1936 the boards conciliated debts amounting to Rs. 279·30 lakhs for Rs. 152·42 lakhs resulting in an average remission of 46 per cent. of claims. The percentage of remission in individual cases is often higher. Besides this, certificates under section 15 (1) of the Act declaring that the creditors had unreasonably refused amicable settlements were issued in 3,985 cases for claims amounting to Rs. 35·28 lakhs. These creditors will not be entitled to costs when they sue for the recovery of their claims and will also be deprived of interest in excess of 6 per cent. simple from the date of the certificate. The existence of the Boards has also had the effect of encouraging the private settlement of debts between parties the extent of which cannot be ascertained but is believed to be not inconsiderable ”.

Well, Sir, I think that shows that considerable work has been done in that particular province to alleviate the lot of the agriculturist. Other provinces

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have undertaken similar measures but I have not got full information entirely about them, but I quote this as an example to show that Government are not in the least apathetic in this matter, that they are taking this action not merely in order to fight communism but because it is right to do so, and that they are achieving a very considerable amount of success.

Another matter designed to alleviate the lot of the dweller in the country on which I might expatiate for a very long time is the use which is being made of the grant for village uplift of Rs. 2 crores which the Finance Department have been able to find in the last two years. Some Honourable Member—I think Sir David Devadoss—referred to the lack of water in various parts of the country. Local Governments have been asked to pay special attention to this question and I have no doubt that in those parts where the depressed classes suffer in particular from a lack of water supply, that need will be supplied. Generally, the grant is being spent on numerous projects all of which will tend to improve the conditions of the villager. I admit that the total sum available is not large, having regard to the enormous population of this country. But at any rate it will do something. It will show the villager that the Government are trying to help them in improving the conditions under which they live. The reports which we have received from Local Governments will, I hope, be published shortly, and I hope Members of this House will make a study of them and appreciate what is being done and what success has been achieved.

Well, Sir, that is the present position. We are tackling these problems and will continue to tackle them. And I am myself optimistic enough to hope that when the new constitution starts on the 1st April we shall find our new Governments tackling them with even greater vigour and even greater efficiency, adopting even more suitable methods for dealing with these problems. We must remember that during the period of the Montagu-Chelmsford Reforms, the Ministers in the provinces have done quiet and unostentatious work to relieve and improve the conditions of the agriculturists in the country. In my own province, I know they devoted such funds as were available to the provision of hospitals and the provision of wells. For the work they have done in that respect I do not think they are given sufficient credit. But this leads me to the confident belief that their successors in office under the new constitution will deal with these problems with equal efficiency and will devote themselves wholeheartedly to measures such as those suggested by the Honourable Sir Phiroze Sethna in his Resolution.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, the Honourable Sir Phiroze Sethna has initiated a very interesting discussion this afternoon and if opinion has generally been with him, it is not because this House is composed of capitalists and big landlords, but it is because, I think, the views which he has expressed are generally considered by this House to be sound and in the best interests of the country. In dealing with this question I hope the House will forgive me if I deal with it in an impersonal manner, omitting all references to personalities. We know that there is no dispute about it in any side of the House or in the country that the problem of poverty is one of the great and fundamental

problems in India. It has been an ancient problem. It is not as if it has suddenly come into existence during recent times. The question that we have to ask here is, "How have Governments in the past dealt with this problem? Have the measures which they have taken been adequate? Have they shown callousness or want of vision in dealing with this problem which has been constantly present?" I should also like the House to consider for a moment that if in the past this problem did not appear so urgent or insistent as it does at present, what are the reasons for it? How is it that suddenly all of us, whether landlords or capitalists, whether socialists or others, think of this problem so seriously and constantly? I will not go into very ancient history. I have not the time. I must be brief in my arguments in order not to bore the House. I will not go into details as to the measures which have been taken by the Government of India in the past, the institution of big irrigation schemes which converted large tracts of barren land into fertile fields. I will not mention, except in passing, the great reforms that Lord Curzon's Government instituted by the establishment of Agricultural and Co-operative departments. Later the Departments of Industries were established and so on. I think it will be recognised that one of the reasons why the agriculturist did not come into his own in the past was that our politics took more or less an urban complexion. Politicians were generally men who came from the towns. Many of them were familiar only in a theoretical way with the requirements of the agriculturist. They were men who were educated and brought up in the cities or in urban areas. Therefore, they insisted largely on problems with which the urban population was concerned. One of the great changes that came was the Montagu-Chelmsford Reforms. For the first time, the vote—I agree only to a very limited extent—was given to the rural areas. As compared to the past a large number of rural voters were enfranchised. For the first time, nation-building departments were handed over to the charge of Ministers responsible to the Legislatures. Public Health, the Medical Department, Education, Agriculture, Co-operation—all these were handed over to the charge of popular Ministers responsible to the Legislature. No doubt, Irrigation, Forests and Land Revenue were generally reserved. But all these other departments were handed over to Ministers. I agree that responsibility was not brought home to them entirely. There was the official bloc; there was the complaint that most of the money was being absorbed by what we call the Reserved Departments, *i.e.*, Law and Order and other departments in charge of Executive Councillors. But the first momentum, the big momentum, that was given to the needs of the agriculturist came from the Montagu-Chelmsford Reforms. Now, the House is entitled to ask—and that was the point that was just mentioned by the Honourable Mr. Hallett—did the Ministers justify themselves? Have they been able to accomplish a good deal to make the life of the agriculturist a little more happy, to put a little more money into his pocket, and to improve his health? I think it will be recognised that within the limits of their resources a good deal of work was done in the provinces to ameliorate the condition of the masses. In dealing with this problem we must remember the times through which we have passed. There have unfortunately been great physical calamities like floods and earthquakes which have strained the resources of Government, which have made it impossible for them to carry out their well laid out plans. Most of us here know what strain has been put on the finances of the

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Government of India because of the Quetta earthquake or what disastrous consequences the Bihar earthquake had on the finances of that province. We must therefore remember that our finances are apt to be upset by unforeseen natural calamities. So, I hope it will be agreed that within their resources, a great deal of work has been done in the provinces. I will mention very briefly something which was done in my province where, as my Honourable friend Raja Ghazanfar Ali Khan knows, there are a large number of big landlords. After the reforms, we have had two big tenancy Acts, giving to the tenants of the Provinces of Agra and Oudh security of tenure. We have had the rents of tenants, since the great slump in prices, reduced by over Rs. 4 crores—by 25 per cent. and in many districts by 50 per cent. The land revenue was reduced by over a crore. That is the extent to which the landholders made their contribution to lighten the sufferings and the wants of their tenantry. We have had a very big scheme of hydro-electric irrigation which is likely to change the face of many districts where irrigation from rivers was impossible. We have had five Acts recently passed dealing with the debt of landholders and tenants. Mr. Hallett has given you some figures about the Central Provinces. He has mentioned that nearly 30 Acts have been passed in the various provinces dealing with this question of agricultural indebtedness. We have not yet had reports as to how these Acts have been working, but the point I wish to emphasise is that this question of security of tenure, of rural indebtedness, of supplying water where it is needed, has been taken up by the provinces and they have within their resources done what is possible. Now, I might be asked, what has the Centre been doing? Well, I will not trouble Honourable Members with many details, but it was the Government of India which appointed the Royal Commission on Agriculture, and we have that monumental report in which a great deal of very valuable information will be found by Honourable Members in dealing with problems of rural reconstruction. We have established an Imperial Council of Agricultural Research, to which the Government of India have already given over a crore of rupees for schemes of research directly controlled by it. We have, as was mentioned by the Home Secretary in his speech, given over Rs. 2 crores for rural reconstruction. Rs. 15 lakhs have been given to encourage the better administration of co-operative societies in the provinces. I agree that these sums are not very large, speaking comparatively. But so far as agriculture is concerned the Government of India have established a central organisation where the Provinces and the Centre can meet and exchange ideas. So far as education is concerned, and that is a fundamental question in connection with middle class unemployment, a Central Board of Education has been established, which has discussed this question and passed a resolution suggesting the ways in which secondary education should be handled in order to deal at the root with the causes of middle class unemployment. That resolution was forwarded to Local Governments with the suggestion that we were quite prepared to meet the cost of getting experts to advise us in regard to the reform of secondary education. The replies of Local Governments have been received. Most of them have accepted our suggestions and we hope that shortly we shall have experts here to advise us in regard to education.

Mr. Clow has already dealt with what has been done in regard to labouring classes in urban areas. But apart from this I should like the House to consider that it will not be possible for any Government in the future to neglect this question, and for the very simple reason that the vote has now been given to 35 million people in India. It will not be possible now for the Ministers of the future to say that they are not able to employ funds because a certain portion has been usurped by the reserved departments. They will not be able to take shelter—I do not say they will want to—behind the Finance or Home Member, because there will be no such persons in the future. Moreover, the man in the village has got the vote. He will see to it that it is not enough that Honourable Members here or outside make fiery speeches and eloquent perorations about his distress and poverty. He will want them to show some definite action to ameliorate his condition. As Raja Ghazanfar Ali Khan said, the remedy will not lie entirely with Government. It will depend on the voter as to the type of man he sends to the Council and as to the Ministers who will be in office. It is necessary to educate our masses, and not only to educate them but to keep them in good health and to put a little money into their pockets. But I can assure Honourable Members that no Government and none of us, landlord or capitalist, can now rest content with things as they exist. I entirely agree that we must adjust ourselves to changing circumstances, that it will be up to us to see that we do our utmost to improve the lot of the tenant in the villages, on whose labour and on whose patience the wealth of the country depends. I think that there is no difference of opinion on that point, but I think that what Sir Phiroze Sethna wished to emphasise in moving this Resolution was that the methods in this country for improving the lot of the people are not the methods which have been adopted in Russia, that if those methods are adopted it is inevitable that there will be disorder and armed conflict, and, as Mr. Sapru said, nobody can say if there is disorder and armed conflict what the ultimate result will be. It is impossible to prophesy that with disorder reaction will not be extreme, that the causes which all of us have at heart, the guarding of liberty, the improvement of the material condition of the people, may not be lost in the supreme necessity of suppressing by armed force an armed revolt. It is therefore not in the interests of the people themselves that we should preach doctrines, especially as Raja Ghazanfar Ali Khan has said, to illiterate people, to the effect that while they are labouring hard to earn a very small pittance by the sweat of their brow the landlord is rolling in wealth and is the real culprit and if he were abolished all would be well; and if the capitalist were turned out the labourer would be happy. Such doctrines might find ready acceptance in a population so illiterate and so poor as that of India, and as some Honourable Member pointed out, there is the lesson of China before us. For years and years the whole country has been split by civil war. And we have the near example of Spain, of what civil warfare means, of the barbarity and inhumanity that civil warfare may lead to. I think therefore that what Sir Phiroze Sethna had in mind was to bring forward before this House the danger of teaching subversive doctrines at the present moment and at the same time to emphasise that the Government and those responsible for the conduct of affairs should take every possible step in order to ameliorate the condition of the masses. I hope I have satisfied Honourable Members that this object has been before Governments

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in the past, that it has been with them at present, and that it will be more and more with them in the future, that everything possible within the resources at our command have been done, that we are alive to the necessities of the situation and I can assure Honourable Members that land-owners in my province, the United Provinces, fully realise that they cannot expect that the old order of things will remain. I think it is in that spirit that I support the Resolution of the Honourable Sir Phiroze Sethna. It is not with reference to the doctrines or to the opinions of any particular individual. It is only on the basis that the Government not only here but in the provinces are doing their utmost for the welfare of the masses and that at this stage we honestly believe that evolutionary changes will be to the benefit of the people and will achieve our ideals and that if there is disorder, if there is armed conflict, we are not sure whether the goal may not recede far far away from us. (Applause.)

THE HONOURABLE SIR PHIROZE SETHNA : Mr. President, I had no idea that my Resolution would excite as much attention on the part of Honourable Members as it seems to have done. I agree with the Honourable the Leader of the House in the observation he made that this is not because Members of this House are men with vested interests that they would be inclined to support my Resolution. He said that every man who has sound views and who has in mind the welfare of his country and its future would necessarily support it.

I may be allowed to deal first with the speeches of the three Honourable Members representing Government and thereafter with the speeches made by my non-official friends. On the Government side the Honourable Mr. Clow, the Honourable Mr. Hallett and the Honourable the Leader of the House have addressed us. The Honourable Mr. Clow has been complimented—and rightly complimented—on the speech he made this morning. Mr. Clow, however, dealt very largely on the subject of labour legislation. I may remind him and I may point out to the House that I have made no reference to labour legislation in my Resolution or in my speech. I am entirely in accord with the Honourable Mr. Clow in the views he has expressed about labour legislation and I think he will admit that the sensible portion of the capitalists in this country have invariably supported him in whatever legislation he has introduced for the welfare of labour. Labour legislation is intended for the welfare of the labouring classes. My Resolution however has for its object the reducing of poverty and distress not only amongst the vast agricultural classes but also amongst the labour population and I have laid stress on that with the view that means might be adopted by Government whereby not only the agriculturist but also the ordinary labourer will earn more than what he is doing today and thereby not be drawn towards communism. There was an impression created by Mr. Clow's speech in the minds of some Members on this side of the House that perhaps he does not favour my Resolution. I think I am perfectly right in holding that Mr. Clow does believe that if the measures that I have recommended in the latter part of my Resolution are given effect to by Government, they will go a great way to preventing the growth of communism and communistic ideas in the country.

We are obliged to the Honourable Mr. Hallett for the information that he has given, as also to the Honourable Leader for all that Government are doing and propose to do in the future. I admit Government are trying to do their best, but I cannot help observing that all this activity on the part of Government is only of recent date, namely, during the last decade or perhaps the last 15 years and I must blame Government for having been remiss in the past and I need not refer again to what I said this morning in regard to what was forcibly impressed on Government by such great Indians as Dadabhojy Naoroji and others. I need not now say anything further on this question after we have been told as to what Government are doing and what they propose to do for the agricultural and labouring classes.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Though on a small scale.

THE HONOURABLE SIR PHIROZE SETHNA : My Honourable friend says though on a small scale. We have got to consider the financial resources of the Government, to which the Honourable Leader has referred. Let us hope that in the new constitution conditions will be changed and we will be able to do better.

The Honourable Mr. Hallett in giving us various details has enlightened us with something with which we were not conversant previously, namely, the progress that has been made in one province, the Central Provinces, in regard to indebtedness. That certainly, Sir, has been a step in the right direction and I have no doubt that Mr. Hallett himself when he takes charge of the administration of the Province of Bihar within the next few months he will adopt the same methods himself and also prevail on his brother Governors of other provinces to follow that example.

The Honourable the Leader said that under the Montagu-Chelmsford Reforms it was open to the Ministers within the limit of their resources to help agriculturists, etc., but I hope my Honourable friend will admit that those resources have been very slender and it was not possible for the Ministers to do any more than what little they did for this and for what are called nation-building purposes. Under the new constitution, so much of the revenues has already been earmarked for distinct purposes that the Ministers will not be able, however willing they may be, to spend more money for relief of unemployment and similar objects. However, let us hope for the best. I thank the Honourable Leader for supporting my Resolution and I will now pass on to the criticisms of my non-official friends.

Although two of them have said that they will oppose the proposition, they have not said that they support communism or communistic ideas. They certainly do not, but yet they have not the courage to say that they will support my Resolution. What is the point they make ? They make the point that they must oppose because I have introduced the name of Pandit Jawaharlal Nehru in my Resolution. Why should I not ? My Honourable friend Mr. Sapru told you candidly that he tried to prevail upon me to drop this name. I may inform the House that half a dozen other Members tried to influence me similarly if I expected their support. I however persisted in mentioning the Pandit's name for the very good reason that communism was

(Sir Phiroze Sethna.)

simmering and Pandit Jawaharlal Nehru has set it ablaze after occupying the presidential chair of the Congress. It is, therefore, that I have mentioned his name. Could we talk here of non-violence or civil disobedience without mentioning the name of Mahatma Gandhi and have we not done so scores of times? My Honourable friend, Raja Ghazanfar Ali Khan, said that it is not fair to speak of a man in his absence. We have spoken of Mahatma Gandhi and others very often in their absence and have protested against their actions but neither Raja Ghazanfar Ali Khan, Mr. Sapru, Mr. Gounder or anybody else has ever before complained on that score. Nobody has objected in the past and rightly so.

Why have I mentioned the name of Pandit Jawaharlal Nehru? It is because Pandit Jawaharlal Nehru is responsible and may I add solely responsible for trying to spread the idea of communism and that too only after having occupied the presidential chair a second time. What harm have I done in mentioning his name? I am sure Pandit Jawaharlal Nehru himself would not object to it. On the contrary, fair-minded man that he is, Pandit Jawaharlal would hold that I am justified in mentioning him by name as I have done in my Resolution. But what is at the bottom of it all? I have mentioned that some Honourable Members asked me to drop the Pandit's name, and some of them were candid enough to tell me that if this Resolution had been brought six months ago they would have had no objection to my mentioning the Pandit by name, but it is owing to the coming elections that they wanted me to drop it.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : That shows his influence and popularity.

THE HONOURABLE SIR PHIROZE SETHNA : I have never denied his popularity, I have never denied his ability, and I have paid ample testimony in my speech to his many good qualities but that is no reason why I should not refer to him by name when criticising his views to which we are opposed. Only yesterday's papers announced the intention of the Congress to appoint its President not for 12 months but for three years and they propose to go further that if the Congress as a body does not agree to this suggestion in the case of every President they should at least agree in the case of President Pandit Jawaharlal Nehru.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : That is their lookout.

THE HONOURABLE SIR PHIROZE SETHNA : I know it is their lookout, but it is also our look out and that of Government to see that he does not spread communistic ideas to such an extent in these three years as would absolutely ruin the country.

Some Honourable Members seem to doubt that Pandit Jawaharlal Nehru is spreading communistic ideas? I read out a portion of the speech which

Pandit Jawaharlal Nehru made at the Lucknow Congress, from which I will read only one sentence in the course of my reply. That must give them an indication of what is in his mind. He said :

"Some glimpse we can have at this new civilisation in the territories of the U. S. S. R. . . . I look upon that great and fascinating unfolding of a new order and a new civilisation as the most promising feature of our dismal age".

How can you interpret this otherwise than that he wants us to follow the methods of Bolshevik Russia in India and it is that which my Resolution desires the House and desires Government to prevent as best they can.

I repeat that some friends here say that I should not have mentioned Pandit Jawaharlal's name. I repeat the same friends never objected when Mahatma Gandhi's name was mentioned. The leaders of the Congress themselves, Mahatma Gandhi, Babu Rajendra Prasad and Sardar Valabhai Patel, have not endorsed the views of Pandit Jawaharlal Nehru which is an open secret. In fact Babu Rajendra Prasad in a speech he made at Patna on the 31st May or 1st June last gave a sharp rebuke to the Congress socialists, which was meant in particular for Pandit Jawaharlal. We do not know how Pandit Jawaharlal has regarded this severe reproof. Babu Rajendra Prasad thought it was by no means opportune to present new problems to the country and to create further divisions in the Congress camp as the Socialists were bound to do. The Congress would thus be talking with two voices. Pandit Jawaharlal has been attacking the Liberals in season and out of season in very contemptuous terms. The Liberals are opposed to communism just as much as are "the big business men", as Pandit Jawaharlal calls them. They have levelled the same kind of criticism against him and his plans as his fellow brethren of the Congress themselves have done.

Pandit Jawaharlal seems to have adopted his present ideas only of late. I do not know whether my friend Mr. Sapru will support me or not in this contention but only a few years ago Pandit Jawaharlal was dead against Fascism and Bolshevism ; they were both anathema to him. Speaking before the United Provinces Provincial Congress he is reported to have said :

"Bolshevism and Fascism are the ways of the West today. They are really alike and represent different phases of insensate violence and intolerance. The choice for us is between Lenin and Mussolini on the one side and Gandhi on the other".

Today he is wholesale in favour of communism. Every man may follow his own convictions, any one may change his views—as Pandit Jawaharlal appears to have done. We cannot possibly object to that, but whether such change and the consequent influence he would bring to bear on the minds of the people in his capacity as President of the Congress are conducive to the welfare of the country is what I ask Honourable Members to consider.

On another occasion Pandit Jawaharlal has said that in every country there are two parties, the reformist and the revolutionary. I am sure the majority will agree with me that we want to pursue the reformist's path, because we have no faith in revolutionary methods. We would like to have our present ills of Indian society remedied and redressed by persuasion, by legislation and by other reformist processes and not by communistic methods. I feel confident, Sir, the House will pass my Resolution. (Applause.)

**THE HONOURABLE THE PRESIDENT:** Resolution moved:

"This Council recommends to the Governor General in Council that in order to prevent the growth of communistic ideas advocated and propagated by the President of the Indian National Congress and others, well-considered measures should be adopted as early as possible for relieving unemployment, particularly among the educated lower middle classes, and for reducing poverty and distress in the vast agricultural and labour population and for promoting their welfare generally."

The Question is :

"That this Resolution be adopted."

The Motion was adopted.

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### RESOLUTION *RE* MANUFACTURE OF CEMENT BY GOVERNMENT AS A STATE MONOPOLY.

**THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER** (Madras : Non-Muhammadan) : Mr. President, I beg to move the following Resolution, which stands in my name :

"The Council recommends to the Governor General in Council that the manufacture of cement may be taken over by Government as a State monopoly."

Sir, cement is beginning rapidly to occupy an important position in many ways, and comes in very handy for the rapid improvement of the country in all directions. No doubt everyone should be proud to think that this valuable material is made in India and not imported from outside at much cost as was the case some time ago and some of our great works of irrigation have been done with our Indian-made cement. It is therefore a satisfactory position so far in a general sense that our country is self-contained in this important industry, with the advantage of all raw materials for the manufacture being available locally without coming into the difficulty of tariff protection. Being an important national industry, it rightly deserves the full support of Government and the public.

The object of my Resolution is this. The cement industry when it is said to be one of national importance and considering also its importance is increasing day by day, I should like to bring to the notice of this Honourable House the fact that this industry can be said to be one of the key industries for the development of the country and in no way different from industries like the iron, hydro-electricity, petrol, motor and rubber industry. It is a well-known fact that these cement industries get special concessions from Government. I agree that it is quite proper that such help should be given and that it is necessary for the successful working of the industry, but the question is to what extent can this industry be truly said to serve national interests. As these are industries that receive, as I said, great help and patronage, they should be made as far as possible to be serviceable to the public after allowing a reasonable return to the capital. Now, what is the present position? We know this cement industry can only be worked successfully with a large capital investment and Government help. When Government help is given, it is but right that the public should know in what way Government has a right to exercise any control over these industrial

concerns. So far as I am able to know, the Government has been granting away special concessions even without consulting local interests and authorities and have not kept or imposed any such control or condition in order to secure a portion of such benefit to the public. What Government grants as concessions and special help is the available natural resources of great potential value in the locality. These valuable natural resources may be called a public trust property which should not be given away by Government freely for the mere asking. We all know our country is not well organised industrially suitable to its needs and conditions owing to several causes. If a certain section of people having influence and capital and technical skill is given help by Government to start industries which have an assured market and Government patronage, it is no wonder that the industries develop and pay abnormal incomes. It is common knowledge that such incomes mean undue disadvantage to the people and the country. And this is nothing but permitting exploitation of the country by the capitalistic section and Government taking a share by way of income-tax and be satisfied. Recently we have heard that these cement companies are forming a ring and the position would be still worse. How can we describe such a situation except by saying that Government are themselves assisting the exploitation of the country and the enjoyment of a monopoly by the capitalistic section in the country? Sir, I ask, is this the proper method of industrialisation suited to our country? I ask, is this the industrial nationalisation of our country? We all know to what extent this highly necessary material is going to be a daily necessity to the masses of our country and to the innumerable public works upon which crores of public money are spent every year.

Sir, the other day we heard our Viceroy expressing the desire to raise the standard of living in the country. We were told also that our public health is suffering, our masses are labouring under many difficulties. More and better accommodation is necessary. How are the poor people going to afford proper housing accommodation if the cement prices that were prevailing years back when cement came into our country remain the same in spite of the fact that numerous industrial concerns manufacturing cement have been started. While this is so, is it too much to ask that Government should have some control either directly or otherwise so that the benefit from this industry which depends upon the natural resources of potential value of our country should be made to be enjoyed equally by the general public? I know Government may raise objections as a general policy that private concerns would work efficiently and it would be difficult for Government to manage industrial concerns profitably. But as I said, this is not an industry that can be classed as such. It is one of the key industries depending upon Government for help.

Sir, recently I read in a paper that the Ceylon Government is considering the question of the manufacture of cement as a State enterprise. Now, the recent publications show that a big concern under the name of the Associated Cement Company started with a capital of Rs. 8 crores to bring in all the big cement companies in India which number about 10, an all-India concern, so that they may be able to command better terms and make greater profit to the great disadvantage of the public.

[Mr. V. C. Vellingiri Gounder.]

Sir, if this big organisation is to come into working state taking control of all the big cement companies, then where is the scope for getting favourable prices for this important material upon which a large number of works depend and from which a large number of people get no real benefit? We know from our experience that the prices of several other imported articles have gone down considerably in value and yet, in spite of companies working in our own country, supplying our country's needs, they have not been able to give any lesser prices or advantage over the foreign importer. So I submit it is proper that Government should see the justification of my contention that the public has a right to claim a benefit from the big industrial developments for which Government is giving help and patronage. And it is for Government to devise suitable methods in whatever way to secure such benefits to the country at large.

Every development scheme, every public health scheme, and every irrigation and road schemes mean the spending of a large amount upon it, and as cement is an important material upon which every improvement of the country depends, as this is an industry which can only be managed under a big capitalist method and with Government help, I submit that a certain control is necessary, either directly or indirectly, and so I thought it better that an efficient control should be provided by Government and that if this control is provided the benefit of this industry will be enjoyed equally by the country.

With these words, Sir, I move the Resolution.

**THE HONOURABLE SIR PHIROZE SETHNA** (Bombay; Non-Muham-  
-madan): Mr. President, the Resolution moved by the Honourable Mr. Vellingiri Gounder today is different from the one of which he had given previous notice, as Honourable Members must know. Today he only asks that the manufacture of cement may be taken over by Government as a State monopoly. In the original Resolution he gave a reason as to why Government should take over cement manufacture as a State monopoly. The reason he advanced was that a big combine is being formed for monopolising the manufacture and distribution of cement. He has advisedly dropped this reason from the Resolution that he has moved today. Now, Mr. President, the facts that he has mentioned are, I may say altogether incorrect, as I will presently explain. He said first of all that he knows that Government will not undertake such a State monopoly, because he said that such a business can be managed better and more efficiently by private enterprise. If so, where was the necessity of this Resolution? He also said that Ceylon is thinking of having a State monopoly in the manufacture of cement. There too I may correct him, because I understand that commercial firms and not Government are contemplating the establishment of one or more factories in that island. Then he added that if there were a State monopoly of this business there would be considerable reduction in prices. This statement proves that the Honourable Mr. Gounder is entirely ignorant of the conditions that prevail in the cement market.

I shall give in brief the history of this industry. The first cement factory was started on a very small scale near the City of Madras as far back as 1904. It soon closed down. The first company on proper lines was registered in the year 1912. It was started by Messrs. Tata Sons of Bombay. It is known as the Indian Cement Company and its works are at Porbander. Within a year or two, two more factories were started, one at Katni and the other at Bundi. Then, as the House knows, the Great War broke out in 1914 when imports from Great Britain and other countries of Portland cement were stopped or very considerably reduced. That gave a filip to the production of cement in this country and factory after factory was put up. Then followed rate cutting and this went on to such an extent that it is estimated that shareholders of these factories within a short time lost between Rs. 2 and Rs. 2½ crores. This industry was in such a bad way that a Tariff Board enquiry took place and thereafter, in the year 1924, the managing agents of these factories thought it necessary and to their advantage to form a pool and sell their cement at fixed prices. This was done by the formation of a company called the Indian Cement Manufacturing Association. This lasted for six years and the position was very greatly improved. In 1930 the Cement Marketing Company of India was formed for the purpose of centralising selling arrangements and for fixing a quota for each company year by year. It was discovered that even under this arrangement there were some defects and they wanted to rectify those defects. What they were I shall be able to explain better by giving an example. Take, for instance, the company known as the Punjab Cement Company. That catered for a territory which consumed nearly 140,000 tons of cement every year. Because of the quota system which restricted the Punjab Cement Company to a production of only 72,000 tons, it followed that the remaining 68,000 tons or more had to be imported from neighbouring provinces. This came from the Central Provinces. Now, any cement made by the Punjab Cement Company could be transported from the works to any part of that territory at the railway freight of only Rs. 7 per ton whereas what came from the Central Provinces had to pay Rs. 18, or a difference of Rs. 11 per ton. That was a very great difference and this happened in the case of many other factories, so that it was thought necessary to improve this position in a manner that would prove of advantage to the Combine.

The fertile brain of that late lamented great lawyer, financier and industrialist, Mr. F. E. Dinshaw, whose sudden death in January last not only at Bombay but all India mourns, conceived the idea of a merger, and it was intended thereby to consolidate and to reorganise the entire business of the various companies not only regarding sales and the selling price but also the manufacture, administration, erection of new factories when and where necessary, and all other matters, such as economic distribution, abolition of quotas and the fullest advantage to be taken of those companies which could produce more in their own localities. That is the object of the merger which is on the way of being soon started.

No monopoly exists or was ever intended. There is no monopolistic idea at all. The Combine is formed to be able to sell cement at a cheaper rate and not, as my Honourable friend said, at a higher rate. How much cheaper I shall be able to show presently. In the first place, what the Combine has been able

[Sir Phiroze Sethna.]

to achieve is this, that whilst in the year 1914, India produced less than 1,000 tons of cement and in 1914 the imports of British and foreign cement amounted to 150,000 tons, only five years later, *i.e.*, in 1919, the manufacture of local cement rose from 1,000 tons to 87,000 tons and the imports dropped from 150,000 tons to only 83,000 tons. That was in 1919. Let me give you the figures of 1935. Excluding Burma, the total imports from elsewhere were only 36,000 tons—whilst Indian concerns manufactured as much as 900,000 tons. And what is more, the cement produced in India is recognised to be as good as cement produced in any other part of the world.

Now as to prices. My friend says the prices have not gone down. In 1929-30 the price of cement per ton was Rs. 54-12-0; the price today is Rs. 44-10-0, so that the consumer has gained to the extent of Rs. 10 per ton in the price he pays for his purchases of cement. This is very beneficial to the consumers as the mover must admit, a fact however of which he seems to be totally unaware or he would not have criticised as he has done. There is no monopoly whatever as we understand that term. It is open to any one to enter the field. There is an English Company known as the Sone Valley and the Sone Valley, which has its works in Bengal, although it is not in the Combine, has in its own interest agreed to produce no more than the quantity assigned to it by way of quota nor to sell at any higher price than the Combine does. That is not all. My friend of course reads the daily papers. He must have read the prospectus of the Rohtas Industries Co., Ltd., in regard to the formation of a new cement company. Perhaps he is not aware that the same management is contemplating starting another factory at a place called Chokri-Dadri in the Jind State, only 80 miles from Delhi. The Mysore State is starting a factory and there are rumours of still more companies being floated before long. How then can the Honourable mover call the proposed merger a monopoly?

The main idea of the merger is to popularise the use of cement in this country and at a price which will compete with other modes of construction of buildings, etc. In London today the price per ton of Portland cement at the Docks is 44s. One has to pay for carriage to destination about half a crown per ton, which makes the price 46s. 6d. per ton, in our money equal to about Rs. 32; whereas the price at ports in India is still Rs. 40, and the carriage roughly Rs. 7-8-0, and it is the endeavour of the merger to bring down the price of Rs. 47-8-0 to the level of the price in England which I hope my Honourable friend will recognise is a step which will help to promote the use of cement in India to a much larger degree than is the case today.

I have told the House that the average price today is Rs. 44-10-0 per ton. That includes freight, which up to December last was Rs. 11-70 per ton. But at that date cement was placed among the 200 different articles upon which freight has been increased by the Railway authorities. Therefore, instead of Rs. 11-70, freight since December last is Rs. 12-72 per ton.

**THE HONOURABLE SIR GUTHRIE RUSSELL:** Where to?

**THE HONOURABLE SIR PHIROZE SETHNA:** That is the average freight per ton that is paid. In addition to this freight on cement proper, the

Companies pay about Rs. 6 per ton on other articles which are necessary in the manufacture of cement, such as coal, bags, stores, gypsum, etc. Therefore the price which the manufacturers realise is only Rs. 25 to Rs. 26 per ton.

Furthermore, the Combine has made arrangements with the United Provinces Government to supply enough cement for constructing a concrete road 24 miles in length from Bulandshahr to Ghaziabad. They have given to the United Provinces a rebate of 10 per cent. in their regular price and they have agreed to receive payment in five instalments without charging any interest. Again, they have entered into a running contract with the United Provinces for four years to supply cement at Rs. 28 taken from the works for cash, or Rs. 30 per ton if the payments are deferred.

The Honourable Member has frankly admitted that Government will not be able to work as efficiently and I have no doubt Government themselves will certainly say that such work should be left to private enterprise. I would like to conclude by informing the Honourable mover that the Combine and not the merger has conferred and will confer many advantages to the public. In the first place, foreign imports are now negligible, and I think at the present rate within the next two or three years they will drop almost to zero. Indian production of cement has increased enormously. Cement factories have given employment to thousands of men and, above all, the consumer has already the advantage of getting the cement at Rs. 10 to Rs. 11 less than what he paid only six or seven years ago with prospects of further reduction in the future. Under these circumstances I trust the Honourable mover has realised by now that he is entirely wrong in taking up the position he has and, rather than see the Resolution thrown out, I hope he will see the wisdom of asking for leave to withdraw his Motion.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary) : Sir, my first feeling when I read this Resolution was that Government and Government servants had been paid an extraordinarily sincere compliment, a compliment the more sincere because it seemed entirely unconscious. I felt that Sir Guthrie Russell in particular as the head of the greatest State organisation in India must have blushed when he read it to find that an Honourable Member of the Opposition had such faith and such confidence in the commercial acumen of Government servants. Unfortunately he destroyed that part of the compliment in his speech when I think he said that Government would not manage as efficiently as private companies, and left me wondering therefore why he proposed to entrust them with a monopoly in cement! I myself do not share the belief that Government servants are as a rule excellently qualified to manage business concerns, and I would have still less faith in them if they were asked to manage it on the conditions suggested, in other words, as a complete monopoly, a monopoly which, I may remind my Honourable friend, not even Sir Guthrie Russell enjoys as he has to face serious competition in other directions.

But when I listened to his speech I failed to find, I am sorry to say, any real argument why this particular industry should be taken over as a State monopoly? In fact I think I heard my Honourable friend say that it was in no way different from a number of other industries. He mentioned iron, the

[Mr. A. G. Clow.]

production of petrol, rubber, and I could add a good many other industries like coal. I did not gather, except on the one point of the merger to which he referred, any reason why the conditions in this industry were so peculiar as to warrant this extraordinary step of Government completely ousting the private industrialist and taking over the production of this admittedly important commodity. And that I think must be my answer to the Resolution which I must oppose, that no case has been made out for a monopoly. In the course of his speech the Honourable mover referred to direct or indirect control. But direct or indirect control is not the subject of the Resolution, which is perfectly specific in its terms.

With the question of the merger my Honourable friend Sir Phiroze Sethna has dealt adequately. I admit that there is always a danger that a monopoly will abuse its position, but I think Sir Phiroze Sethna has established the fact that there is no monopoly in this case, and experience both here and elsewhere does not suggest that a cartel or combination is necessarily going to be injurious to the consumer of cement. Sir Phiroze Sethna has pointed out that it is open to others to start new factories if those who have control of the selling organisation endeavour to exploit their position, and he mentioned the fact that, although the merger is comparatively recent, combined marketing arrangements have been in force for some considerable time.

THE HONOURABLE SIR PHIROZE SETHNA : Since 1924.

THE HONOURABLE MR. A. G. CLOW : Further, India is not the only country which can produce cement, and the industry enjoys at present the advantage of a considerable duty. I think that shows another possibility of protecting the consumer if the need should arise, for obviously a substantial reduction in that duty, if the price was being put up unnecessarily high, would force a reduction in price. But my main point is that we have no evidence of any injury being done and in those circumstances, Sir, I must oppose the Resolution.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : My point is that a big industry like this would better serve the public if it is managed by the State. I agree with the argument that Government management is not at all economical and is rather costly, but yet in such key industries it is necessary that it should be for the real advancement of industrial knowledge of the country that these industries should at least for some time be in the hands of the State so that the public may get a greater control and voice in the matter. What I am afraid of is that this merger arrangement, although, as my Honourable friend Sir Phiroze Sethna said, it is not going to increase the prices, as a combined arrangement may create certain difficulties in the way of making cement cheaper. That is the object of my Resolution. I do not agree at all, Sir, with the views expressed by Sir Phiroze Sethna. Considering the view taken by Government I withdraw my Resolution.

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

## RESOLUTION *RE* LOWERING OF GRAZING RATES.

**THE HONOURABLE MR. V. V. KALIKAR** (Central Provinces : General) :  
Sir, the Resolution that stands in my name runs thus :

“ That this Council recommends to the Governor General in Council to issue instructions to all Provincial Governments to lower the rates of grazing so as to make it possible for ordinary agriculturists to maintain good cattle.”

Sir, we have been taking interest and a lot of interest in urban problems and the Leader of the House just a few minutes ago told us that before the Montagu-Chelmsford Report we were taking interest only in urban problems. Now, I think the House will allow me to take interest in the rural population. I know certain objections will be brought forward against my Resolution and when those objections will be stated I think I will be in a position to reply to them. But the reason why I have brought forward this Resolution in this House is that the lead given by the present Viceroy in the cause of animal husbandry and the momentum that movement has received requires the bringing of such a Resolution before this House so that the Centre may bring pressure on Local Governments to give more facilities to the agriculturists and especially to those cultivators who maintain cattle so that they may be able to maintain good breeds of cattle and also that they may be able to maintain a sufficient number of cattle for the cultivation of their land. I know, Sir, that at the fag end of the day it will be rather boring to the House to state figures which I have collected so far as my province is concerned about the rates and about the revenue which the Government of the Central Provinces derive from the grazing grounds. But, Sir, I shall only state the figures for two years and try to prove how the agriculturists are affected and how the cattle wealth has been depleted. Sir, before the advent of British Rule in India, pasture lands and forest areas where the cattle of agriculturists used to graze were used by the agriculturists free of any charge, especially those areas which were adjacent to the village. After the advent of British rule a systematic policy of classing forest areas was devised by the British Government and the forest areas were classed as reserved, protected and unclassed forests. If I remember aright, a circular was issued by the Government of India in 1894 in which it was stated that the forest areas were administered by the Government in the interests of the public and in the interests of the cultivators. Sir, this problem was examined and thoroughly examined by the Royal Agricultural Commission and I am very sorry to state that many of the suggestions which the Royal Commission made in solving this problem were not implemented by the various Provincial Governments. In the reserved forests, a very limited area is allowed for the grazing of the agriculturists' cattle. In my province there are four classes of forests : A class, B class, C class and D class ; of which A class is particularly reserved for the growth of commercial timber and a very limited area of that class of forest is allowed for grazing but very exorbitant rates are charged from the cultivators who graze their cattle there. In the B class, the area is reserved for cutting the grass for fodder and for selling that grass for thatching purposes. In the C class forests, the area is reserved for grazing purposes only and in the D class forests, which is a very small area, free grazing is allowed. The rates that

[Mr. V. V. Kalikar.]

are charged to the agriculturists for grazing their cattle in the forest areas are of three kinds, privilege, ordinary, and commercial rates. These rates vary from district to district and as I see from the Report of the Agricultural Commission, they vary from province to province also. In my province, the privilege rates are confined only to four cattle of an agriculturist who owns one plough and the rates vary from four annas to eight annas.

5-5 P.M.

Ordinary rates are charged to every additional four cattle heads of an agriculturist who owns one plough and the rates vary from eight annas to one rupee, and the commercial rates vary from eight annas to Rs. 3, and they are charged over and above the two rates that are charged to the agriculturist and that I have mentioned above. These are the rates that have been fixed for grazing in Government forests and an additional rate, called the transit rate, is charged to the agriculturists who do not want to graze their cattle in Government forests but want to take their cattle through those Government forests. Everybody who is acquainted with the plight of the agriculturist especially during the last six or seven years will realise their difficulties. An ordinary agriculturist—and even a big zemindar—has not been able to meet the cost of production. I am sure everybody will realise their difficulties when the agriculturists are not allowed to keep cattle sufficient even for their cultivation and when facilities are denied to them for grazing their cattle in the forest area. I shall only give figures for two years although I have got figures from 1918-19 to 1934-35. In order to show how the cattle wealth of my province has been depleted and how the revenue from grazing has doubled, I shall only give figures for two years. In 1918-19, the number of animals grazed in Government forests was 32,33,739 and the revenue which Government got by way of grazing rent was Rs. 10,44,661. In 1933-34, the number of cattle that grazed in Government forests was 31,46,586 and the revenue that the Government got was Rs. 26,00,180. So, more than double the amount accrued to Government from grazing dues. Everybody knows, Sir, that the population has increased and the agriculturists could not keep more cattle for the cultivation of their lands as facilities are denied to them owing to these prohibitive rates. I know, Sir, that attempts have been made now to induce agriculturists to improve the quality of their cattle. In my province at least, the middle class people and landlords are being induced to keep bulls and improve the pedigree of their cattle. I submit that this problem cannot be solved unless sufficient arrangement for fodder for these cattle is made. The Royal Commission on Agriculture made a recommendation that Provincial Governments should allow those forest areas where timber of the best type for commercial purposes cannot be produced to be managed by village panchayats. I find, Sir,—I am open to correction on this point—that only in Madras this question has been taken up by the Government and certain forest areas are managed by village panchayats in the interests of the agriculturists. In other provinces this remedy has not been tried. If this suggestion had been followed by other Provincial Governments, I think the rates about which we hear complaints from almost all the provinces might have been reduced to such an extent as to allow the agriculturists to keep a sufficient number of cattle for the cultivation of his land. Then, Sir, the figures that I have quoted show and the information that I have got about my own province

is that the rates have been increased to a very large extent during the last seven or eight years. That is also against the recommendation of the Royal Commission on Agriculture. The Royal Commission recommended that the rates for grazing should not be increased in the least. The recommendation on this point will be found on page 261. I do not want to read it. I want to read only one sentence. The Report says that even a very moderate increase would be likely to arouse resentment and react unfavourably on those friendly relations between people and the forests. So, my point is, that if the forest area is managed in the interests of the agriculturist, if certain forests which do not really produce commercial timber are allowed for the use of the cattle of the agriculturists, and if the rates that are charged now, against which there is a lot of agitation, are reduced, the agriculturist will be in a position to maintain good cattle as well as a sufficient number of cattle for the cultivation of his land. No amount of propaganda by presenting stud bulls or by asking agriculturists to maintain good cattle or to improve the quality of their cattle will be successful unless this problem is tackled and tackled sympathetically. The Provincial Governments have not attacked this problem sympathetically and therefore I have come to the Centre so that they will at least consider this problem sympathetically. I submit, Sir, my Honourable friend the Leader of the House who is himself a great zemindar in the United Provinces realises the importance of this question, and I hope he will support my Resolution and issue the necessary instructions.

With these words, Sir, I move my Resolution.

The HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : Sir, as an agriculturist and as, for the moment, the Member in charge of Agriculture I have no complaint to make that my Honourable friend has brought this very important Resolution. I share with him the regret that this very vital question is being discussed at so late an hour when the Members are feeling the effects of their earlier exertions. My Honourable friend, because he comes from the Central Provinces has very naturally confined his remarks to cattle grazing in forests. We all know that in the Central Provinces a good deal of the grazing is done in forests, more than in any other province. I have had a statement prepared showing what would be the financial effect on the provincial finances if my Honourable friend's Resolution were carried. I find that throughout India, including Burma, the fees from cattle grazing are about Rs. 30 lakhs a year. In his own province, the Central Provinces, they are about Rs. 12 lakhs. So that if the Resolution were carried his own province would be down by some lakhs. But apart from that he has tried to get support for his proposal from the recommendations of the Royal Commission on Agriculture. I would remind my Honourable friend that if he will read the page which he mentioned, page 261, he will find that the Royal Commission have said that the grazing fees generally throughout India are low. Of course, they have said that any attempt to increase them would not meet with approval. That of course is quite a different proposition to saying that the Royal Commission on Agriculture had recommended that the existing fees should be reduced, which, I am afraid, is not entirely accurate. Now, as regards the Central Provinces themselves, I find that in that province over 80 per cent. of the Government

[Sir Jagdish Prasad.]

forest area is already open to cattle grazing. I also find from a debate which took place in the Central Provinces Legislative Council in 1931 that more cattle graze in the Central Provinces than in any other province, and further, when these grazing rates were revised in 1925 the effects were exactly the opposite of what has been mentioned by my Honourable friend. I will quote one line from the speech of Sir Arthur Nelson in the Council when this very point was raised whether the enhancement of the grazing fees had had any adverse effect on the number of cattle grazing in the forests. After saying that the enhancements had been made in 1925 he said :

“ The mover has contended that these rates are excessive, press hardly on the agriculturist, and affect the public by their reaction on the prices of milk and ghee. This complaint has, as I shall show, no foundation. In the first place, since 1922-23, there has been an increase of five lakhs of cattle resorting to the Government forests for grazing, or more than half the total increase in the cattle population of the province during the same period ”.

Then, Sir, I wish to show that the discussion of problems of particular provinces in the Central Legislature has certain disadvantages. My Honourable friend lays emphasis on grazing in forest areas, but there are provinces where there are no forests or hardly any forests at all for grazing, for instance, in Bihar. There are problems of grazing in dry areas ; there are problems of grazing in irrigated areas ; and each of these problems has its own particular features. It is therefore impossible to discuss local problems and conditions adequately in the Centre. I am only mentioning this in order to draw the attention of Honourable Members to the fact that the problem of fodder supply, which we regard as extremely vital for the improvement of cattle, should not be regarded merely in reference to grazing in forest areas.

Then, a good many people who have considered this problem think that it is not enough to increase the number of cattle grazing in a particular area, and that there is what you may call the intensity of grazing. If in a particular area you have more cattle grazing in it than it can support, it will mean the deterioration of that area and it may mean that the whole of the grazing will disappear. Moreover, as the cattle cannot reach the interior of the forest where the growth of timber is thick, the grazing is limited and mostly confined to the edge of the forests near villages. It is essential that those areas should be utilised on certain principles, that is to say, as far as possible they should be reserved for the better class of cattle. If you let loose all kinds of cattle on a limited area, the result is that the grazing deteriorates. I should also like to draw attention to paragraph 183 of the Report of the Royal Commission on Agriculture, in which it is stated that considerable tracts of grass lands are not being fully utilised for a reason which might be remedied. In certain tracts there exists much good grass which is of little value to stock, because during the dry season there is no drinking water and that the water-supply of natural grazing lands is a subject well worth investigation. The Royal Commission were of opinion that much of the unequal grazing of which Forest officers complain may be associated with a difficulty in finding water for cattle near at hand.

However, I do not wish to give the impression for a moment that we do not regard this problem as vital to the improvement of cattle breeding. We are fully conscious that it is essential to improve the fodder supply if we are going to make any impression on improving the breed of cattle. We have written to Local Governments suggesting a meeting of representative forest officers with local knowledge of the provinces and a few other officers concerned to go into the question of the improvement of grazing in forest areas and also to consider the question how far this improved grazing can be utilised for the purpose of rearing a better stock than at present. If Local Governments agree to such a conference, we may have to review the whole question again. It may be that in certain provinces better and more sustained co-ordination between the Forestry Services and the Agricultural and Veterinary Services may be found to yield markedly improved results in cattle grazing facilities in forest areas. We quite recognise—the Honourable Member may take this assurance from me—we quite recognise the importance of this problem, and we are doing what we can to deal with it. I am not prepared to admit that the Provincial Governments have not been alive to their responsibilities. For instance, the Bombay Government, under the stimulus given by Dr. Burns who is at present officiating as our agricultural expert, has done a great deal in the improvement of grazing. Dr. Burns has made a number of experiments in rotational grazing with prevention of erosion, in the encouragement of grass cutting which has considerably improved the carrying capacity of poor Deccan lands. Moreover, the Irrigation Department there are trying an experiment of providing waste land with water at a time when it is not required for irrigating crops. The mover mentioned the question of handing over certain forest areas to village panchayats and he said that as far as he knew, Madras was the only province where this experiment had been tried. He will be glad to learn that this has been tried in the United Provinces. Certain forest areas in the Kumaon Division have been handed over to the panchayat. I understand that even in his own province, the Central Provinces, in certain areas forests have been handed over to panchayats. I hope that what I have said will convince my Honourable friend that we are fully alive to this question, that we do not regard it as hopeless, that we accept the proposition that unless the fodder supply is improved it is difficult to improve the breed of cattle. The assurance that I have given that the Government of India are dealing with this question will I hope induce my Honourable friend to withdraw his Resolution.

**THE HONOURABLE MR. V. V. KALIKAR:** Sir, I agree with my Honourable friend, the Leader of the House, that it is difficult to discuss provincial problems in the Centre. But from my information I came to the conclusion that the complaint of excessive rates for grazing is to be found in the Punjab, Bihar, Madras and the Central Provinces. Sir, this question has been debated, as stated by the Leader of the House, in the local Legislative Council of the Central Provinces, and in spite of the vote of the Council in favour of reduction of the dues, no attempt has been made to lower the dues. The worst effect of it was that when the civil disobedience movement was in full swing, this particular item was taken up in my province and the followers of that movement actually took this problem in hand and went into the forests

[Mr. V. V. Kalikar.]

and tried to break the forest laws. I am sorry that even after that experience the Local Government did not realise the importance of this question and lower the dues. Therefore, at this juncture, when the gentleman who is at the helm of affairs in India is taking a very active interest in this matter, I thought it wise and prudent to move this question here and induce the Government of India to issue instructions to Local Governments with a view to reduce the rates of grazing. All know that the Local Governments will lose some revenue if the rates are reduced. But I have intentionally not expressed my view as to by how much the rates are to be reduced. In dealing with this question I am speaking as a responsible man in this House. I am not dictating any terms to the Government of India as to how much the rates should be reduced. That should be done in consultation with the Local Governments. But it is their duty to bring pressure on the Local Governments to make some amendments in this matter. As my Honourable friend says that they are going to hold a conference, and if I have understood him rightly, they are going to consider this question.

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** Not the reduction of rates.

**THE HONOURABLE MR. V. V. KALIKAR :** Then if they are not going to consider the question of reduction of rates I am sorry I have no other course but to press my Resolution.

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** My Honourable friend suggests that the Government of India should issue instructions to the Provincial Governments to reduce their rates. I should merely like to point out that this is a provincial subject, that the Government of India cannot issue instructions. And even assuming now when Forests are a reserved subject that a Resolution in the Legislative Council though carried is not given effect to, six months hence Forests will be a transferred subject, and if the Legislative Council of the Central Provinces can convince the Ministry that it is right and proper that the rates in the Central Provinces should be reduced, if the Ministry refuses to accept the recommendation of the Council it will be open to the Council and to my Honourable friend, if he is there, or to his friends to turn out the Ministry and to take their place and carry out that policy. But it is impossible for the Government of India to issue instructions which they know they cannot enforce. Suppose the Government of India said to Madras or to the Punjab, please remit Rs. 3 lakhs. They will say we are not going to do so. If you insist on this please supply the money if you consider this is the only way of improving the breed of cattle. We think there are many other ways. Therefore on that particular point I regret that I cannot accept his rather drastic and what I might call his unconstitutional suggestion. He as a lawyer and a constitutionalist must suggest such action as a constitutional Government can take. If we were dictators we might have fallen in with his suggestion, but unfortunately as our powers are limited I very much regret that under the constitution under which we work we cannot possibly issue such unconstitutional instructions.

**THE HONOURABLE RAJA GHAZANFAR ALI KHAN** (West Punjab : Muhammadan) : May I ask one question ? Will the Honourable Member be prepared to forward this debate to Provincial Governments for their consideration ? If so, I would ask my friend to withdraw his Resolution.

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD** : I have not the slightest objection to forwarding a copy of the debate to Provincial Governments.

**THE HONOURABLE MR. V. V. KALIKAR** : Sir, I beg leave to withdraw the Resolution.

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

### CONTROL OF COASTAL TRAFFIC OF INDIA BILL.

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

" That the Bill to control the Coastal Traffic of India be referred to a Select Committee consisting of the Honourable Sir Phiroze Sethna, the Honourable Rai Bahadur Lala Ram Saran Das, the Honourable Mr. Parker, the Honourable Mr. Dow, the Honourable Saiyed Mohamed Padshah Sahib Bahadur, the Honourable Mr. Hossain Imam, the Honourable Mr. Shavax Lal, and the mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Honourable Members will find a small booklet in which the case for the measure has been set forth by my friend, Sir Abdul Halim Ghuznavi. The note, Sir, very much simplifies my task and I shall be as brief as I can. Sir, the object of the measure is to remove an impediment to the growth and development of an Indian mercantile marine. Government have publicly expressed their sympathy with this object and have recognised that Indian shipping companies have a certain claim on them and deserve State help and State support.

Sir, I shall refer to some statements by responsible spokesmen of Government to show that their attitude has been one of sympathy. Sir Charles Innes said in 1926 :

" We recognise that it is perfectly legitimate, perfectly natural, that the people of India should desire to have a mercantile marine of their own. We recognise also that the training of officers for the Indian mercantile marine is a very long process and that men who are trained for that career must have some reasonable prospect of an opening. We recognise further that Indian companies, as things are at present, have a difficulty in forcing their way into the coasting trade "

Similarly, Sir C. P. Ramaswami Iyer made a declaration in the Assembly on the 7th September, 1932, which was

" That Government are particularly anxious to facilitate the growth and expansion of coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital "

Sir, His Excellency Lord Irwin was also sympathetic and he also made a reference to the development of the Indian mercantile marine. Sir, the importance of an Indian mercantile marine has been recognised by Government. Our British friends, too, have recognised that we have a case so far as this industry is concerned, and I would like to refer to what Sir Alfred Watson said before the Joint Select Committee.

**THE HONOURABLE THE PRESIDENT :** You will have another opportunity of speaking on this Bill.

**THE HONOURABLE MR. P. N. SAPRU :** Then, Sir, at this stage I merely move that the Bill be referred to a Select Committee and I shall reserve what I have to say about the Bill till such time as it comes out of the Select Committee. In so far as the objects of the Bill are concerned, they have been set out in the statement of objects and reasons and I need say no more at this stage.

**THE HONOURABLE THE PRESIDENT :** Motion made :

“That the Bill to control the Coastal Traffic of India be referred to a Select Committee consisting of the Honourable Sir Phiroze Sethna, the Honourable Rai Bahadur Lala Ram Saran Das, the Honourable Mr. Parker, the Honourable Mr. Dow, the Honourable Saiyed Mohamed Padshah Sahib Bahadur, the Honourable Mr. Hossain Imam, the Honourable Mr. Shavax Lal, and the mover, and that the number of persons whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

**THE HONOURABLE MR. H. DOW (Commerce Secretary) :** I expect, Sir, it will save the time of the House if you will allow me to make a small change in the amendment as it stands on the order paper. I wish to move :

“That the Bill be circulated for the purpose of eliciting opinions thereon by the 31st January, 1937.”

I must say, Sir, that I am a little surprised that it has been left to me to move this amendment as I had a very reasonable hope that the Honourable Mr. Sapru would move that as his substantive proposition. And I still have some hopes of persuading him to accept it. Sir, not only the principle of this Bill, but the unusual methods by which it is proposed to put it into operation are so opposed to the principles and methods to which the trading and business community are accustomed, that I am sure he will like to have the fullest possible assurance of public support before he proceeds further with the attempt to put it on the Statute-book. The method of fashioning this Bill reminds me somewhat of the fashioning of Don Quixote's helmet. You will remember that when the redoubtable knight set out on his adventures he spent full seven days in making himself a helmet out of pasteboard. But before wearing it he decided that he ought to put it to the hazard of a blow, and so he out with his sword and gave it a blow or two, and at the very first his whole week's handiwork was demolished! The facility with which his helmet was demolished rather astonished him and he set himself to rebuild it. He made it anew, this time placing inside it certain small iron bars in so cunning and artificial a way that he rested at once satisfied both with the solidity of his handiwork and the excellence of his invention, and without thinking it necessary to expose it to a second trial he held it in estimation for a most excellent beaver!

Now, Sir, to elucidate this simile. The original of this Bill before us was Mr. T. V. Seshagiri Iyer's Prevention of Deferred Rebates Bill, which was introduced into the other House in February, 1928. In that Bill are all the features of the present Bill,—the fixation of minimum rates, the fine of Rs. 10,000 to be inflicted without any judicial trial, the penalty of exclusion

from ports,—and certain additional features which are not in the present Bill. Mr. Iyer exposed his Bill to the hazard of a blow. He himself carried a Motion for circulation and the mere breath of public criticism was sufficient to demolish that Bill; and in the next session Mr. Iyer decided not to go on with it. Now, Sir, this Bill has been re-constructed out of the old debris, only instead of being in any way reinforced (and I must confess that here my simile breaks down) some of the less objectionable features of the Bill have been left out; and we are left to assume that the Honourable Mr. Sapru is satisfied with the solidity of his Bill and, instead of sending it to a further trial, wants to persuade this House that it is in a fit state to go to a Select Committee. I do not think, Sir, that the House will accept that position. It seems to me that when public criticism has once proved fatal to a Bill, an Honourable Member who seeks, after the lapse of a dozen years, to bring back that Bill without having revised it in any way to meet that criticism, may reasonably be asked to satisfy this House that public opinion in respect of this Bill has changed. We have no such evidence before us.

I am aware, of course, as the Honourable Mr. Sapru has said, that the measure before us has received a certain amount of attention in some organs of the press and at the hands of certain public bodies. These opinions have been very obligingly collected and printed for us by the gentleman who is sponsoring this Bill in another place. But if Honourable Members will study these attentively they will discover very little criticism of the Bill before us. Their general purport is that if some other Bill, instead of this Bill, had been brought before us, it would have been a much better Bill. I may perhaps particularly invite the attention of the Council to the opinion given by the Maharashtra Chamber of Commerce, a body in whose counsels, as most Honourable Members are aware, the most prominent of Indian shipowners is not altogether without influence. That body goes so far as to express the opinion that the Bill, if passed in anything like its present form, "will cause loss and hardship to Indians investing in new shipping enterprises". How does that square with the statement in the objects and reasons that the measure will open out "a new line of commercial activity to Indians"?

There is, Sir, practically nothing before us to show what would be the reaction of shippers, and of the trading public generally to this Bill. The old Bill of Mr. Seshagiri Iyer provided also for the fixing of maximum rates for the protection of the public. It is perhaps not altogether without significance that that proposal has been dropped from the present Bill. Are the public now less in need of protection than they were then?

I may also refer very briefly to some points made by Sir C. P. Ramaswami Iyer as Commerce Member in 1932 when Dr. Ziauddin brought forward a Resolution in the Assembly asking Government to take steps to fix minimum fares in the passenger traffic. He referred then to the fact that rate wars had been most common in the trade between Bengal and Burma. That trade will soon cease to be a matter of sole concern to the Government of India, and the Bill before us gives absolutely no indication of how the difficulties arising from that fact are to be met. Sir C. P. Ramaswami Iyer

[Mr. H. Dow.]

also pointed out that minimum rates could be got round by "secret rebates", and would therefore do nothing to stop rate wars. He also indicated that minimum rates would encourage "mushroom companies" and so might leave the general position of Indian shipping much worse than it was before. The framer of this Bill has had the advantage of those criticisms before him, and the criticisms are still valid, but no attempt whatever has been made to meet them in this Bill.

Then, Sir, I should like to know what shipowners and shippers alike think of the penalties proposed in this Bill. There is a heavy fine to be imposed without any form of judicial trial and subject to no appeal, and there is the penalty, which might often prove to be a very barbarous one, of exclusion of ships from ports. The captain of quite a small ship may be guilty of some minor offence of unfair competition and any other shipping of that company may be made to suffer the penalty. The ship may be damaged, or she may be on fire, or under stress of weather—

THE HONOURABLE MR. P. N. SAPRU: On a point of order, Sir. I did not make a speech on the Select Committee motion.

THE HONOURABLE THE PRESIDENT: You made a speech to a certain extent.

THE HONOURABLE MR. P. N. SAPRU: But I stopped immediately you asked me.

THE HONOURABLE THE PRESIDENT: I am going to stop the Honourable Mr. Dow also. (Addressing the Honourable Mr. Dow): Will you please curtail your remarks and bring them to a close?

THE HONOURABLE MR. P. N. SAPRU: I had a very long speech, Sir.

THE HONOURABLE MR. H. DOW: I am merely explaining the grounds on which I make my Motion. Well, what is to happen to a ship under stress of weather or damaged in any way if she is not to be allowed to run to safety to any Indian port? Apparently, she can stay outside and sink. I do not think there is any precedent for any country refusing the shelter of its own ports to its own ships.

Sir, although this is a short Bill, I do not pretend to have made anything like a complete analysis of its obvious defects. But I do hope, Sir, I have said enough to satisfy the House that they are not justified in allowing it to go in its present state to a Select Committee. The position of Indian shipping today—

THE HONOURABLE THE PRESIDENT: I would like you to conclude your remarks now. The Motion will be put to the House and it will be for them to decide whether your amendment should be accepted or not.

THE HONOURABLE MR. H. DOW: I will make no further remarks, Sir, but I hope the House will accept my Motion. My Motion is not meant to be a dilatory Motion. Honourable Members are aware that this Bill has also been introduced in the other House and that there is no chance now of its being proceeded with this session. For that reason, I have chosen such a

date that circulation may be complete before the Bill can come up in the other House, so that, in fact, Honourable Members will find that I have saved not only the time of this House but of the other House also.

With these words, Sir, I move my Motion.

THE HONOURABLE THE PRESIDENT: To the original Motion an amendment has been moved:

"That the Bill be circulated for the purpose of eliciting opinions thereon by the 31st January, 1937."

I may remind Honourable Members that when a Motion to refer a Bill to a Select Committee is made, it is open to any Honourable Member to move, that the Bill be circulated for the purpose of eliciting opinions thereon. So the amendment is in order. (Addressing the Honourable Mr. Sapru): Are you prepared to accept the amendment?

THE HONOURABLE MR. P. N. SAPRU: I am prepared to accept the amendment, but as far as the speech of the Honourable Mr. Dow is concerned, I could reply to it point by point.

THE HONOURABLE THE PRESIDENT: I know you could, but there is no necessity. When the Bill comes up again after circulation, all Honourable Members will have an opportunity of speaking on it. I will now put the Motion to the House. Although the Honourable Mr. Sapru has accepted it, it is necessary to put it to the House.

The Question is:

"That the Bill be circulated for the purpose of eliciting opinions thereon by the 31st January, 1937."

The Motion was adopted.

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The Council then adjourned till Eleven of the Clock on Wednesday, the 30th September, 1936.