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THE

LEGISLATIVE ASSEMBLY DEBATES

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Volume I, 1938

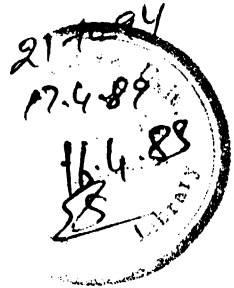
(31st January to 22nd February, 1938)

SEVENTH SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,

1938



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Legislative Assembly.

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THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

Deputy President :

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MR. M. GHIASUDDIN, M.L.A.

MR. N. M. JOSHI, M.L.A.

MR. L. C. BUSS, M.L.A.

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LEGISLATIVE ASSEMBLY.

Friday, 4th February, 1938.

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

MEMBER SWORN.

Maulvi Abdul Wajid, M.L.A. (Rohilkund and Kumaon Divisions: Muhammadan Rural).

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

COLLECTION OF UNEMPLOYMENT STATISTICS.

131 ***Mr. T. S. Avinashilingam Chettiar:** Will the Honourable Member for Commerce and Labour state:

- (a) with reference to His Excellency the Viceroy's speech on the 13th September, 1937, what has been done with regard to the collection of unemployment statistics;
- (b) whether the replies of the Local Governments have been received; and
- (c) whether they have any proposals for liquidation of unemployment?

Mr. A. G. Clow: (a) and (b). Provincial Governments were consulted both with regard to the maintaining of records of employment and unemployment of past students by universities and colleges, and on the question of legislation to provide for the compilation of statistics of employment in industries. The replies from Provincial Governments to the first question are not yet complete, but those received indicate that the administrations concerned are taking active steps in the matter. With regard to the second point on which Provincial Governments have been consulted, all the replies have been received, and the question is now being considered.

(c) On the assumption that by liquidation the Honourable Member means total extinction, the answer is in the negative.

Mr. T. S. Avinashilingam Chettiar: May I know what Governments are taking active steps in this matter?

Mr. A. G. Clow: On what matter?

Mr. T. S. Avinashilingam Chettiar: In the matter of the reduction of unemployment?

Mr. A. G. Clow: I do not think it is my concern to reply on behalf of the Local Governments, but I believe most of them have the question under their active consideration.

Mr. T. S. Avinashilingam Chettiar: In reply to this question the Honourable Member said that the Provincial Governments are taking steps in the matter

Mr. A. G. Clow: That referred only to the question of records of employment and unemployment of passed students.

Mr. T. S. Avinashilingam Chettiar: May I know whether the Central Government are taking any steps to alleviate the question of unemployment?

Mr. A. G. Clow: That is a very wide question. The Central Government's policy is directed towards alleviating unemployment in several directions, but I would remind the Honourable Member that unemployment is now a provincial subject.

Mr. T. S. Avinashilingam Chettiar: Are they taking any steps as regards the centrally administered areas?

Mr. A. G. Clow: The general policy affects both the centrally administered areas and the other areas.

Mr. T. S. Avinashilingam Chettiar: Are they taking any steps to alleviate it?

Mr. A. G. Clow: If the Honourable Member means to ask whether special steps are being taken in the centrally administered areas which are not being taken elsewhere, then the answer, I think, is in the negative.

Mr. N. M. Joshi: May I ask whether the proposals of the Government of India for the collection of unemployment statistics cover also our section of the population including the working classes?

Mr. A. G. Clow: The proposals have not yet been formulated. The proposal was mooted especially with a view to educated unemployment.

Mr. N. M. Joshi: May I ask whether the Government of India will take up the work of collecting unemployment statistics regarding the industrial workers?

Mr. A. G. Clow: Even if we legislate here, the collection, I believe, will have to be provincial. So I think it will be a matter for the provinces to consider what statistics they can collect.

Mr. N. M. Joshi: May I ask whether the Government of India will consult the Provincial Governments about the subject of the collection of statistics for industrial workers?

Mr. A. G. Clow: We have already consulted them generally.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

**CONSIDERATION OF THE QUESTION OF HELP TO THE HANDLOOM INDUSTRY
AT THE INDUSTRIES CONFERENCE.**

132. ***Mr. T. S. Avinashilingam Chettiar:** Will the Honourable Member for Commerce and Labour state:

- (a) whether the matter of helping the handloom industry was considered at the last Industries Conference;
- (b) whether the Conference made any recommendations in this matter; and
- (c) if so, what was the nature of the recommendations?

Mr. H. Dow: (a) Yes, Sir.

(b) and (c). I would invite the attention of the Honourable Member to a Press Note issued on the 16th December, 1937, which contains the conclusions of the Conference, and copies of which are available in the Library of the House. The detailed proceedings of the Conference will be published very shortly and copies of these also will be placed in the Library.

Mr. T. S. Avinashilingam Chettiar: May I know whether they have recommended any other steps besides the subsidy which they are giving for the development of the industry?

Mr. H. Dow: I can only refer the Honourable Member to the Press Note on the subject in which what was done is fully set out.

Mr. Lalchand Navalrai: May I inquire if any recommendation has been taken in hand and complied with?

Mr. H. Dow: Government have not passed final orders on these recommendations yet.

Mr. M. Ananthasayanam Ayyangar: May I ask why the Government have not considered the desirability of prohibiting the import of cloth below 40 counts with a view to help the handloom industry?

Mr. H. Dow: I was asked a question arising out of the Industries Conference. This was not a matter which was considered there.

Mr. Badri Dutt Pande: What is the Central Government's annual contribution towards the Provinces for the development of this handloom industry?

Mr. H. Dow: There is an yearly contribution to the provinces.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

NEGOTIATIONS FOR A TRADE AGREEMENT WITH SOUTH AFRICA.

133. ***Mr. T. S. Avinashilingam Chettiar:** Will the Honourable the Commerce Member state:

- (a) whether the negotiations for a trade agreement with South Africa are still proceeding or have been concluded; and
- (b) what are the terms of the agreement?

Mr. H. Dow: (a) and (b). The Honourable Member's attention is invited to the answer given to part (c) of his question No. 43 on the 1st February, 1938.

Mr. T. S. Avinashilingam Chettiar: May I ask when do they expect to come to a conclusion on this matter?

Mr. H. Dow: Very shortly.

Mr. T. S. Avinashilingam Chettiar: In view of the fact that the position of Indians in South Africa is deteriorating, may I know whether the Government will carry on the negotiations in this matter?

Mr. H. Dow: If the Honourable Member wishes to ask questions relating to the position of Indians in South Africa, he must direct his question to the Honourable Member in charge of the Department of Education, Health and Lands.

Seth Govind Das: Is it not a fact that as far as the position of Indians in South Africa is concerned in trade, the Honourable Member is responsible for it?

Mr. H. Dow: Yes, Sir.

Seth Govind Das: Then, is it not necessary that when the position of Indians in South Africa is deteriorating every day as far as trade is concerned, these negotiations should be speeded and they should come to some definite conclusion?

Mr. President (The Honourable Sir Abdur Rahim): That is arguing.

Mr. T. S. Avinashilingam Chettiar: I have not been understood by the Honourable Member. In view of the fact that the position of Indians is deteriorating in South Africa, whether that fact will be one of the points to be taken into consideration in the negotiations on this agreement?

Mr. H. Dow: I am afraid that question is a matter of argument.

Seth Govind Das: Is it also a matter of argument that the position of Indians in South Africa is deteriorating as far as trade is concerned, and, therefore, that position should be taken into consideration when these negotiations are held?

Mr. President (The Honourable Sir Abdur Rahim): Next question.

REPORT OF THE TARIFF BOARD ON SUGAR INDUSTRY.

134. ***Mr. T. S. Avinashilingam Chettiar:** Will the Honourable the Commerce Member state:

- (a) whether the Tariff Board has submitted a report on the sugar industry;
- (b) whether they have finished the consideration of the report;
- (c) when they propose to publish it; and
- (d) whether they propose to bring forward any legislation in pursuance of the recommendation in the report, and if so, when?

Mr. H. Dow: (a) Yes, Sir.

(b) No, Sir.

(c) and (d). Government can neither publish the report nor can they anticipate their decision before they have finished the consideration of the report.

Mr. T. S. Avinashilingam Chettiar: May I ask when do they expect to finish the consideration of the report?

Mr. H. Dow: Government are proceeding now with the consideration of the report and will spend no unnecessary time over the matter.

Mr. Manu Subedar: Is it not a fact that there is a considerable anxiety on the part of the sugar manufacturers about this report?

Mr. H. Dow: I think it is very likely.

Mr. Mohan Lal Saksena: May I ask if the report will be published before the Budget is presented?

Mr. H. Dow: I am unable to add to the information already given in my answer.

Mr. Mohan Lal Saksena: Will the Honourable Member advise the Committee to expedite the decision?

Mr. President (The Honourable Sir Abdur Rahim): It is under the consideration of the Government now.

Mr. M. Ananthasayanam Ayyangar: May I ask when the report was submitted?

Mr. H. Dow: I cannot give the exact date off-hand, but it was about the 20th of December last.

Sardar Mangal Singh: May I know whether the report will be made available to Members of this House?

Mr. H. Dow: When Government have completed the consideration of the report, it will be published.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

PASSIVE RESISTANCE OF INDIAN SETTLERS IN ZANZIBAR.

135. ***Mr. T. S. Avinashilingam Chettiar:** Will the Secretary for Education, Health and Lands state:

- (a) the latest information about the results of the passive resistance of the Indian settlers in Zanzibar;
- (b) whether the struggle is still carried on; and
- (c) with what effect?

Sir Girja Shankar Bajpai: Sir, with your permission, I shall reply to questions Nos. 135 and 141 together. The attention of the Honourable Member is invited to the replies given by me on the 1st of this month to parts (a) and (c) of Mr. George Joseph's starred question No. 53. As

regards part (b) of question No. 141, His Excellency the British Resident stated, in an address to the Legislative Council of Zanzibar on the 2nd December, 1937, that on the basis of the average clove exports to India during the period 1934—36, the actual loss of revenue in 1937 could not be put at less than £30,000.

Seth Govind Das: Are Government aware that this year is a year of bumper crop of cloves there, and that the loss of revenue is going to be much more this year if there is no settlement reached?

Sir Girja Shankar Bajpai: Sir, in so far as the first part of the question is concerned, my information is the same as that of the Honourable Member. As regards the second part of the question, that is really in the region of hypothesis.

Seth Govind Das: Is it not a fact that the boycott of this clove trade by Indians in Zanzibar is becoming stronger and stronger every day?

Sir Girja Shankar Bajpai: My information is that it is as intense as it has been for the last few months.

Mr. T. S. Avinashlingam Chettiar: In view of the fact that the struggle is still continuing, will the Government of India make further representations to the Zanzibar Government and see that a settlement is arrived at?

Sir Girja Shankar Bajpai: I think my Honourable friend does not remember what I stated the other day in the House, viz., that the Resident in Zanzibar is making certain proposals which will reach the Government of India, I hope in due course; that will be the stage for making representations, if any.

ACCOMMODATION DEPARTMENT OF THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

136. ***Mr. Lalchand Navalrai:** (a) Will the Secretary for Education, Health and Lands be pleased to state if the High Commissioner for India in England has an Accommodation Department? If so, does that Department recommend Indian students to good boarding houses or respectable private residences?

(b) If the answer to part (a) be in the affirmative, will the Honourable Member please state how many students were so recommended during the last two years and to which houses?

Sir Girja Shankar Bajpai: (a) A member of the staff of the High Commissioner's Education Department has been employed as part-time Accommodation Officer since August, 1936. This officer maintains a list of suitable boarding houses and private residences, where accommodation for Indian students can be found, and makes every effort to ensure that students, who apply for help in the matter of accommodation, are satisfactorily placed.

(b) The Accommodation Officer has so far dealt with 315 enquiries from students or their parents. Information as to the number of students for whom accommodation was actually arranged and the names of the places where they were accommodated is not available.

Mr. Lalchand Navalrai: May I know if, besides the office of the High Commissioner, there are British Indian unions also there for the purpose of accommodating the students, and whether they are in co-operation with the High Commissioner's Office?

Sir Girja Shankar Bajpai: Sir, I have no information about British Indian unions in the United Kingdom. I must have notice of that.

Mr. K. Santhanam: May I know whether the High Commissioner has got any control or supervision over the students whom he is accommodating?

Sir Girja Shankar Bajpai: I do not think he exercises any supervision over the students. He merely helps them to find accommodation and after that they are free.

Mr. Lalchand Navalrai: Is it the case that after they are accommodated they are not cared for, and the High Commissioner does not even care whether they are helped or not?

Mr. President (The Honourable Sir Abdur Rahim): Next question.

STEAMSHIP CONCESSION TO INDIAN STUDENTS.

137. ***Mr. Lalchand Navalrai:** (a) Will the Secretary for Education, Health and Lands state to which Indian students is steamship concession given? Is such a concession given to students who happen to fall ill and are forced to return to India? If not, why not?

(b) Is it a fact as stated by "S. V." in the *Roy's Weekly*, dated the 25th October, 1937, that in case of illness no such concession was given to a returning Indian student, though it was accorded to an Australian student, placed under similar circumstances? If so, what is the reason for this distinction and do Government propose to ask the High Commissioner's office to extend the concession to Indian students as well who have to take the return journey owing to illness? If not, why not?

Sir Girja Shankar Bajpai: (a) The grant of passage concessions to students is solely within the discretion of the steamship companies. As a result of representations made by the High Commissioner concessions are given mainly during the "off season", to *bona fide* students firstly, who return to India on the completion of their course of study or training, and secondly, who wish to return temporarily to India during the recognised University vacations.

Several students who were obliged to return to India owing to ill health have also received concessions.

(b) Without full particulars of the name and age of the students referred to in this part of the question, I regret that it is not possible to ascertain the details.

Mr. Lalchand Navalrai: Is it impossible to find out from the office of the High Commissioner whether any invidious distinction is being made?

Sir Girja Shankar Bajpai: As I have said, the High Commissioner says "So far as I know, there is no invidious distinction".

NON-INCLUSION OF INFORMATION ABOUT INDIAN STUDENTS FOR PROFESSIONAL COURSES IN THE HIGH COMMISSIONER'S REPORT.

138. ***Mr. Lalchand Navalrai:** Will the Secretary for Education, Health and Lands please state whether it is a fact, as stated in the *Roy's Weekly*, dated the 25th October, 1937, that in the statement attached to the High Commissioner's report, Indian students working for some professional courses such as actuarial examination are not categorized? If so, why, and do Government propose to furnish that information as well?

Sir Girja Shankar Bajpai: The statistical appendices attached to the Annual Report of the Education Department of the High Commissioner for India are based on material supplied by the University and College authorities throughout Great Britain. Similar particulars in regard to the comparatively small number of students pursuing professional courses with private firms are not available except in the case of those students who have sought the assistance of the High Commissioner in the matter of obtaining suitable facilities. A return of students so placed is given in Appendix VIII to the Report (Practical Training Summary) under the head "Various Technical and Professional Subjects".

Mr. Lalchand Navalrai: May I know particularly with regard to these students who go in for actuarial examinations whether they are put on the list?

Sir Girja Shankar Bajpai: I do not think, Sir, that in the appendix to which I have referred the category "actuarial" figures specifically.

Mr. Lalchand Navalrai: Will the Honourable Member ask the High Commissioner to have that also in the list?

Sir Girja Shankar Bajpai: I have already asked the High Commissioner about the practicability of that, but he tells me that it is not practicable.

BILL INTRODUCED IN THE SOUTH AFRICAN UNION PARLIAMENT REGARDING APPROPRIATION OF LANDS OR FARMS CONSIDERED UNBENEFICIALLY OCCUPIED.

139. ***Mr. K. Santhanam:** Will the Secretary for Education, Health and Lands be pleased to state:

- (a) whether a Bill has been introduced in the South African Union Parliament regarding appropriation of lands or farms which are considered unbeneficially occupied;
- (b) whether at a public meeting the Indian community has expressed the fear that the Bill might be used against them to their prejudice; and
- (c) whether the Government of India have taken any action in the matter?

Sir Girja Shankar Bajpai: (a), (b) and (c). The attention of the Honourable Member is invited to the reply given by Mr. Hydari on the 30th August, 1937, to Mr. Mohan Lal Saksena's question No. 190.

Seth Govind Das: Is it not a fact, Sir, that after that reply was given a change has taken place in this respect and that a Commission in Transvaal is being appointed to go into the matter with the Union Government?

Sir Girja Shankar Bajpai: I was going to say that the appointment of the Commission in the Transvaal has nothing whatever to do with this particular question.

Seth Govind Das: May I ask how it is not,—because it concerns the question of lands and the Commission that is going to be appointed in Transvaal is in connection with this subject?

Sir Girja Shankar Bajpai: Yes, Sir, but my Honourable friend forgot the fact that in the Transvaal, Indians ordinarily cannot own land. Therefore the question of the allocation of land under this particular Act does not arise.

Seth Govind Das: But I think

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is entitled to his own opinion.

ACTIVITIES OF THE INDIAN CENTRAL COTTON COMMITTEE AND SLUMP IN COTTON PRICES.

140. ***Mr. Mann Subedar:** Will the Secretary for Education, Health and Lands be pleased to state:

- (a) whether the Indian Central Cotton Committee was established for the protection of the interests of the cotton-grower;
- (b) the annual outlay on the activities of that Committee;
- (c) whether any representation has been received by Government from that Committee with regard to the distress of the cotton cultivator owing to the slump in prices;
- (d) whether Government are aware of the distress;
- (e) whether a proposal for prohibiting the import of American cotton up to 1-1/16" is receiving consideration at the hands of Government; and
- (f) whether the Central Government are thinking of any other measures within their power to alleviate the lot of the cotton cultivator and prevent further misfortune to him during the next year?

Sir Girja Shankar Bajpai: (a) The Committee was constituted for the improvement and development of the growing, marketing and manufacture of cotton in India.

(b) A statement showing the annual expenditure of the Committee during the past five years is laid on the table.

(c) and (d). Yes.

(e) No, but proposals suggesting a substantial increase in the import duty on cotton have been made and are under examination.

(f) Apart from the suggestion of an increased import duty referred to in the answer to part (e) no other is under consideration.

Statement showing the Annual Expenditure of the Indian Central Cotton Committee, Bombay.

Year.	Expenditure.		
	Rs.	A.	P.
1922-23	8,08,200	7	2
1933-34	9,42,886	13	9
1934-35	9,71,622	11	8
1935-36	11,40,629	2	1
1936-37	10,51,116	11	6

Mr. Manu Subedar: Are Government aware that the delay in imposing an import duty or a total prohibition on cotton of one and one-sixteenths staple is leading to purchases by mills and others in Bombay of American cotton which is below parity?

Sir Girja Shankar Bajpai: So far as I am aware, there is no indication at present of the import of cotton of the staple mentioned by my Honourable friend.

Mr. Manu Subedar: There is no actual import at the present moment because it takes time, but I am mentioning the purchases, which point is different from imports. Purchases are being made of American cotton because it is cheaper and that is prejudicing the Indian cotton grower.

Sir Girja Shankar Bajpai: Well, Sir, I have no information about purchases by mills of cotton.

Mr. Manu Subedar: Will the Honourable Member make inquiries?

Sir Girja Shankar Bajpai: Certainly, I will have the point examined.

Mr. T. S. Avinashilingam Chettiar: Is not the import of foreign cotton one of the reasons for this slump?

Sir Girja Shankar Bajpai: There has been no import of cotton of a staple which competes with Indian-grown cotton.

BOYCOTT OF ZANZIBAR CLOVES.

+141. ***Mr. Badri Dutt Pande:** Will the Secretary for Education, Health and Lands be pleased to inform the House as to the position in Zanzibar regarding the boycott of cloves?

(b) Have the Government of Zanzibar suffered a loss of £30,000 because of the boycott?

(c) Are the Government of Zanzibar now prepared to revise their policy regarding the export of cloves?

+For answer to this question, see answer to question No. 135.

REVIVAL OF THE FORESTRY COLLEGE FOR HIGHER TRAINING OF FORESTRY STAFF.

142. *Mr. Badri Dutt Pande: (a) Will the Secretary in charge of Education, Health and Lands Department be pleased to state if Government have accepted the recommendation of the Forestry Conference that was held in Delhi last December to revive the higher training of the forestry staff in India?

(b) If so, from which date will the recommendations of the Forestry Board be carried into effect?

(c) How many scholars will be admitted every year?

(d) What will be the name of the degree conferred on the scholars?

(e) With the revival of the Forestry College, will India be self-sufficient in the matter of higher training in Forestry?

Sir Girja Shankar Bajpai: (a) Yes.

(b) The Honourable Member is presumably referring to the Forestry Conference mentioned in part (a). The course of training is expected to open on 21st April, 1938.

(c) Facilities will be available for taking in the 15 students who are expected to attend the first biennial course. Arrangements for further courses will depend upon the success of the first course.

(d) The College Diploma in Forestry will be awarded.

(e) The intention is to provide as good training in India as can be obtained elsewhere.

Mr. Badri Dutt Pande: Has any proportion been fixed of the number of scholars that will be taken from the States and British India?

Sir Girja Shankar Bajpai: There is no question of fixing any proportion.

Mr. Badri Dutt Pande: Will private students be also admitted there?

Sir Girja Shankar Bajpai: I doubt very much whether there will be any private students offering, considering the fees charged.

USE OF DYNAMITE NEAR RESIDENTIAL AREAS IN DELHI.

143. *Sardar Sant Singh: (a) Will the Secretary for Education, Health and Lands please state if there are any rules or regulations for using dynamite near the residential areas? If so, what are they, and are they being strictly complied with in Delhi?

(b) Is he aware that dynamite is freely used in quarrying stones even within a few yards from the residential buildings in Qarol Bagh and particularly on the East and North sides of the NN Block?

(c) Is he also aware that besides being most shocking to the ladies and children of the areas where the dynamite is used in close proximity, it is dangerous to the life and property of the residents?

(d) Does he propose to take immediate steps to prohibit the use of dynamite near the residential areas?

Sir Girja Shankar Bajpai: With your permission, Sir, I shall answer parts (a) to (d) together. The explosive used for blasting in Delhi is black powder and not dynamite. The blasting is regulated by a set of executive orders, which are complied with. In Qarol Bagh blasting is essential for the completion of the lay-out of roads. Some blasting has to be done close to occupied houses, but special precautions have been taken so that the operations should not cause any injury or damage. If it were prohibited, the development of Qarol Bagh could not be carried out.

INCREASE IN THE WATER CHARGES IN NEW DELHI.

144. ***Sardar Sant Singh:** (a) Is the Secretary for Education, Health and Lands aware that the New Delhi Municipal Committee has very recently decided to raise the water charges from their consumers from six annas to eight annas per 1,000 gallons with effect from the 1st April, 1938?

(b) Is he aware that in the City or Old Delhi areas the water charges are five annas per 1,000 gallons and attempts are being made to have it further reduced?

(c) Is he also aware that when some time ago, the New Delhi Municipal Committee raised the electricity charges, there were many protests by the Government servants and other consumers, due to which the Committee did not give effect to that resolution?

(d) Is he prepared to have the working of the New Delhi Municipal Committee examined by a Committee of this House in order to effect reduction in its expenditure, instead of encouraging the Municipal Committee to attempt to increase its charges on account of electric or water supply?

(e) Is he prepared to have the recent resolution regarding increase in the water supply rates rescinded and attempts made to get the rates further reduced? If not, what are the difficulties and why can the rates not be reduced?

Sir Girja Shankar Bajpai: (a) to (e). Information has been called for and will be supplied to the House as soon as possible.

FISHING BY JAPANESE TRAWLERS IN THE BAY OF BENGAL.

145. ***Mr. K. Santhanam** (on behalf of Mr. George Joseph): Will the Honourable Member for Commerce and Labour be pleased to state:

(a) whether the Department of Fisheries in the Madras Government have reported that Japanese trawlers are conducting fishing on a large scale beyond territorial waters in the Bay of Bengal and are selling the fish so caught in the Calcutta market; and

(b) whether Government have considered that such deep sea fishing will not affect the permanence and volume of fisheries?

Mr. H. Dow: (a) The Government of India have not so far received the report referred to from the Provincial Government, but they have

received a report separately regarding the landing of a consignment of fish at Calcutta by a Japanese trawler.

(b) Government are aware that excessive fishing might have such results.

Mr. K. Santhanam: May I know what action Government propose to take in the matter?

Mr. H. Dow: Government are considering in consultation with the maritime Local Governments what action can be taken in the matter.

SHORT NOTICE QUESTIONS AND ANSWERS.

AGREEMENT OF THE GOVERNMENT OF INDIA WITH THE GOVERNMENTS OF CEYLON AND THE NETHERLANDS INDIES FOR CONTROL OF EXPORT AND CULTIVATION OF TEA.

Mr. K. Santhanam: Will the Secretary of the Commerce Department please state:

- (a) whether a formal agreement was entered into by the Government of India with the Governments of Ceylon and the Netherlands Indies for the control of the export and cultivation of tea;
- (b) the date on which the agreement was signed;
- (c) the names of representatives who signed it on behalf of the Government of India; and
- (d) whether he will place a copy of the agreement on the table of the House?

Mr. H. Dow: (a) The mutual agreement between the Governments concerned is not contained in any formal document, but in correspondence between the parties concerned.

(b), (c) and (d). Do not arise.

An Honourable Member: Who are the parties?

Mr. H. Dow: The Governments of India, Ceylon and the Netherlands Indies.

Mr. M. Ananthasayanam Ayyangar: What are the terms which have been finally approved by the Government of India, whether in a formal or informal document?

Mr. H. Dow: There is a formal document between the representatives of the industry, and the respective Governments have agreed to take such legislative and other action as is necessary to give effect to this agreement.

Mr. M. Ananthasayanam Ayyangar: Have the several Governments approved *in toto* of the several conditions in that document or have any reservations been made by any of these Governments?

Mr. H. Dow: I am afraid I do not quite understand the drift of this question. There is an international agreement between representatives of the trade certain parts of which require action by the various Governments concerned to give effect to that agreement. The three Governments are in accord in lending their general support to the agreement and in agreeing to take such legislative or other official action as is necessary to give effect to the agreement.

Mr. T. S. Avinashilingam Chettiar: Will the Government lay on the table a copy of the agreement?

Mr. H. Dow: If the Honourable Member is referring to the trade agreement, I am quite prepared to lay it on the table of the House.

APPOINTMENT OF AN AGENT GENERAL OF THE GOVERNMENT OF INDIA IN EAST AFRICA.

Seth Govind Das: (a) Will the Secretary for Education, Health and Lands be pleased to state whether any Agent General to the Government of India is being appointed in East Africa?

(b) Has the Honourable Member received any representation in this respect from the Indian Association of Mombasa?

(c) Does the Honourable Member know that Indian opinion in East Africa is against such appointment?

(d) Before deciding the matter finally, is the Honourable Member prepared to consult the Indian opinion in East Africa, specially the East African Delegation which is coming to India on the 5th February?

Sir Girja Shankar Bajpai: (a) As has been indicated to the House more than once during previous Sessions, the Government of India have been in communication with His Majesty's Government in the United Kingdom through the Secretary of State for India regarding the appointment of Indian Agents in certain Colonies, including East Africa. This suggestion they have been pursuing in conformity with wishes which have been repeatedly expressed by Honourable Non-Official Members of both Houses. The matter is still the subject of correspondence, and no decision has been reached.

(b) Yes.

(c) Apart from the communication referred to in part (b) of the question, the Government of India have had no evidence of the existence of such feeling.

(d) It is unlikely that any decision will be reached before the 5th February. The Government of India will certainly give due consideration to any representations that may reach them on this subject from responsible sources before finally deciding the matter.

Mr. M. A. Jinnah: What are the reasons why the objection is raised against the Agent being appointed by the Government of India?

Sir Girja Shankar Bajpai: I have not got the letter of the Indian Association with me at the moment but speaking from memory, they seem to take objection on the ground that the appointment of an Agent would interfere with the power of their representatives to deal with local questions.

Seth Govind Das: Does the Honourable Member know that as far as the appointment of these agents is concerned there is a difference of opinion in this respect and that local Indian opinion wherever these agents are appointed should be taken into consideration. Even authorities like Mr. Andrews in his latest book on

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is making a speech.

Seth Govind Das: Is it not advisable that before such appointments are made, local Indian opinion should be taken into consideration?

Sir Girja Shankar Bajpai: That is asking for an expression of opinion.

Mr. N. M. Joshi: In view of the fact that East African Indians do not want an Agent, will the Government of India consider the question of giving preference to other colonies, like Trinidad, in the matter of appointment of Agent?

Sir Girja Shankar Bajpai: I want to make the point quite clear that the Government of India do not concede that Indian opinion in East Africa as a whole is opposed to the appointment of an Agent.

Seth Govind Das: Have the Government received any representation from any quarter in East Africa saying that such an appointment is necessary?

Sir Girja Shankar Bajpai: Seeing that the question has been under consideration by the Government of India for a number of years, and, apart from the isolated representation to which I have referred, no representation has been made that the appointment should not be made, the Government are quite justified in making the statement which I have made just now.

UNSTARRED QUESTIONS AND ANSWERS.

TEA GARDENS GRANTED EXPORT QUOTAS AND THE TEA CONTROL BOARD.

18. **Mr. Brojendra Narayan Chaudhury:** Will the Honourable Member in charge of the Commerce Department please state:

- (a) the total number of tea gardens, as also the number of Indian-owned tea gardens, which have been granted export quotas in the latest years for which figures are available, in each of the territorial groups as per representation on the Tea Control Board;
- (b) the total quantity of quotas granted and the quantity granted to Indian-owned gardens in each of the territorial groups;
- (c) the number of inquiries and inspections by the Control Board about assessment in each territorial group of Indian-owned gardens and other separately;
- (d) the revenue collected by the Control Board and the expenditure for the year; and

- (e) the number of appeals to the Government of India against the decisions of the Board, and the number of decisions altered or quashed on appeal?

Mr. H. Dow: (a) to (d). I presume that by the expression "Tea Control Board" the Honourable Member apparently means the "Indian Tea Licensing Committee". The information is being collected and will be laid on the table of the House as soon as possible.

(e) I would refer the Honourable Member to the statement laid on the table of this House on the 31st January, 1938, in reply to parts (a) and (c) of Mr. Kuladhar Chaliha's unstarred question No. 172, put on the 24th September, 1937.

PROVISION OF COLD STORAGE FACILITIES IN INDIA.

19. Prof. N. G. Ranga: Will the Secretary for Education, Health and Lands be pleased to state:

- (a) if it is a fact that large quantities of eggs, fish and meat are going to waste in this country for want of cold storage facilities;
- (b) if any attempts are being made by the railways to provide cold storage facilities for such perishable commodities of commercial value?

Sir Girja Shankar Bajpai: (a) Government are aware that some wastage occurs.

(b) The attention of the Honourable Member is invited to the information laid on the table of the Council of State on the 14th September, 1937, in connection with question No. 66, asked by the Honourable Sir Phiroze Sethna on the 12th March, 1937. The Railway Board is also in collaboration with the Imperial Council of Agricultural Research carrying out certain experiments on refrigerated transport.

ENQUIRY INTO THE PROBLEM OF SMALL INDUSTRIES.

20. Prof. N. G. Ranga: Will the Honourable Member for Commerce be pleased to state:

- (a) what industries sent their memoranda to the Special Officer appointed to enquire into the problem of small industries;
- (b) which of them desired protection against the dumping of Japanese goods;
- (c) whether the Special Officer has submitted his interim or final report;
- (d) if so, when;
- (e) whether Government are prepared to publish his report; and
- (f) if, so, when?

Mr. H. Dow: (a) A statement is laid on the table giving the information asked for.

(b) All the industries mentioned in the statement complained of Japanese competition.

(c) to (f). In the autumn of 1937, the officer on special duty made preliminary investigations into the claims of a substantial number of these industries. The investigations were, however, of a purely departmental character, and it is not proposed to publish them.

List of Minor Indian Industries which submitted Memoranda in support of their representations for assistance against Japanese competition.

1. Agricultural implements (pumps).
2. Beer.
3. Biscuits.
4. Blown glass.
5. Bobbins.
6. Camphor.
7. Celluloid goods.
8. Cotton braid.
9. Cotton yarn.
10. Cotton blankets.
11. Dry cells and batteries for torches.
12. Earthenware and porcelain.
13. Electric goods—bakelite.
14. Electric Bulbs.
15. Electric fans.
16. Enamelled ironware.
17. Face powder.
18. Fancy household goods—bakelite.
19. Fresh fruits.
20. Healds and Reeds.
21. Hosiery.
22. Hosiery machinery.
23. Hurricane lanterns.
24. Leather works.
25. Lithograph.
26. Metal lithograph (Tin printing).
27. Narrow width cotton fabrics.
28. Perfumery and toilet requisites.
29. Playing cards.
30. Pneumatic cycle covers and tubes.
31. Optical goods.
32. School slates.
33. Sheet glass.
34. Shoe laces.
35. Shuttles.
36. Silk—raw and manufactures.
37. Soap.
38. Tricycles.
39. Umbrella fittings.
40. Waterproof cloth and belting.
41. Wire and wire nails.
42. Woollen goods.
43. Yellow (maguey hemp) rope.

MANUFACTURE OF LIQUID CHLORINE IN INDIA.

21. **Prof. N. G. Ranga:** Will the Commerce Secretary be pleased to state :

- (a) if he has seen the account of the interview given to the Associated Press of India by Mr. G. G. Gulrajani in regard to the advisability of manufacturing liquid chlorine in India; and
- (b) if so, whether he is prepared to consider the advisability of initiating measures for the manufacture of liquid chlorine as a State enterprise?

Mr. H. Dow: (a) Yes, Sir.

(b) No, Sir, as the matter is not primarily the concern of the Governor General in Council.

EXPORT OF NATURAL MANURES.

22. **Prof. N. G. Ranga:** Will the Secretary for Education, Health and Lands be pleased to state :

- (a) what quantities of natural manures, such as, fish, bones, and oil-cakes were exported annually during the last five years;
- (b) whether Government are aware that such manures are needed in India for the fertilisation of our lands; and
- (c) if Government are prepared to examine the advisability of putting an embargo on their export?

Sir Girja Shankar Bajpai: (a) The quantities of fish and bones for manurial purposes and oil-cakes exported from India during the last five years are shown in the statement below:

	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
Fish (manures) .	3,188	4,881	5,164	6,165	6,583
Bones (manures) .	3,117	4,263	8,368	14,418	25,518
Bonemeal .	18,446	20,556	28,106	28,476	31,729
Oil-cakes . .	286,706	287,015	347,653	300,377	335,620

(b) and (c). It is the case that application of manures could with advantage be more widely resorted to in India, but Government's information is that the measure suggested would not improve the position in that regard at least without producing undesirable effects in other directions.

MOTION FOR ADJOURNMENT.

EXPORT OF COTTON TO JAPAN CONTRARY TO THE ANNOUNCEMENT OF THE JAPANESE GOVERNMENT.

Mr. President (The Honourable Sir Abdur Rahim): I have received notice of a motion for adjournment from Mr. T. S. Avinashilingam Chettiar. He says:

"I propose to move the adjournment of the business of the Assembly for the purpose of discussing a definite and specific matter of urgent public importance of

recent occurrence, namely, the further export of cotton to Japan contrary to the announcement of the Japanese Government, i.e., subject to permits."

Will the Honourable Member explain what he means?

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, the Government of India issued a communiqué about this matter and they said that the difficulty of the Japanese Government was exchange and that hereafter cotton will be exported subject to permits which will be regulated by the exchange that is available from the Japanese Government.

Mr. President (The Honourable Sir Abdur Rahim): Are permits granted by the Government of India?

Mr. T. S. Avinashilingam Chettiar: They are granted by the Japanese Government. May I know from the Government of India how much exchange is available now for them to pay for the cotton they receive from India? In accordance with the communiqué the cotton exporters from India will get money in exchange. But here is a report published in the Press that cotton is being exported without permits being issued. We are now asking the Government to take action so that the interests of the exporters might be protected.

Mr. President (The Honourable Sir Abdur Rahim): If private parties export cotton, how can the Government of India interfere?

Mr. T. S. Avinashilingam Chettiar: The Government of India have got an understanding with the Japanese Government that hereafter cotton will be exported from India only subject to these permits. But now cotton is being exported without permits. That means that we do not know whether the exporters will get their money or not.

Mr. President (The Honourable Sir Abdur Rahim): I should like to know from the Government Member what the facts are?

Mr. H. Dow (Commerce Secretary): I can only object to this motion on the ground of its complete unintelligibility. I was hoping to hear from the Honourable Member what was his real point of view, but the Honourable Member leaves me more confused than ever.

Mr. President (The Honourable Sir Abdur Rahim): I do not understand what this motion means.

Mr. T. S. Avinashilingam Chettiar: This question was mooted some days back and this was also the subject of a communiqué which the Government issued. The facts are that cotton was exported from India to Japan and Japan said "we are not able to pay in full owing to the fact that exchange is not available". This question was referred to the Government of India and, as a result, the Government issued the communiqué.

Mr. President (The Honourable Sir Abdur Rahim): What is the communiqué?

Mr. T. S. Avinashilingam Chettiar: I am sorry I do not have a copy of the communiqué just now.

Mr. President (The Honourable Sir Abdur Rahim): The motion is disallowed.

RESOLUTION RE CONSTITUENT ASSEMBLY.

Mr. President (The Honourable Sir Abdur Rahim): Resolutions: The first Resolution* stands in the name of Mr. Satyamurti.

Mr. M. Asaf Ali (Delhi: General): Sir, I beg to move:

"That further debate on the Resolution be adjourned *sine die*".

Mr. Satyamurti, the Mover of this Resolution, is unavoidably absent owing to illness.

Mr. President (The Honourable Sir Abdur Rahim): That is not enough.

Mr. M. Asaf Ali: For various reasons, it is inexpedient to go on with further discussion of this motion.

Mr. President (The Honourable Sir Abdur Rahim): Will you explain a little more?

Mr. M. Asaf Ali: I wish I could. But I feel that it would be inexpedient to go into the reasons.

Mr. President (The Honourable Sir Abdur Rahim): Then, I am afraid I cannot adjourn the debate. Is it politically inexpedient?

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): We do not commit ourselves to saying that it is politically inexpedient or otherwise. I will say that it is not considered expedient by many Honourable Members of the House and, therefore, we are not willing to proceed with the Resolution today and we suggest that it should be adjourned *sine die*.

Mr. President (The Honourable Sir Abdur Rahim): The position is that the Resolution has been moved and it is now in the possession of the House and you want that the further discussion should be adjourned *sine die*. There are to be some good reasons for the adjournment and if the House agrees, I would adjourn it. I take it that the ground is that it is politically inexpedient.

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhammadan): The ground is that it is inexpedient. There is no other ground.

*Moved by Mr. S. Satyamurti on the 17th September, 1937:

"That this Assembly recommends to the Governor General in Council to convey to the Secretary of State for India and to the British Government the opinion of the House that the Government of India Act, 1935, in no way represents the will of the nation and is wholly unsatisfactory and should be replaced by a Constitution framed by a Constituent Assembly elected on the basis of adult franchise."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That further debate on the Resolution be adjourned *sine die*".

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, I am not opposing the motion. It has been the attitude of the Government all through, that on a non-official day they will not interfere in the arrangement of non-official business; and I wish only to say that I very much welcome the ground which has been preferred, namely, political inexpediency.

Some Honourable Members: No; it is inexpedient.

The Honourable Sir Nripendra Sircar: That only confirms me in our attitude which we always have taken up that at the present moment it is politically inexpedient to answer questions relating to the States and to the Defence.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That further debate on the following Resolution be adjourned *sine die* :

"That this Assembly recommends to the Governor General in Council to convey to the Secretary of State for India and to the British Government the opinion of the House that the Government of India Act, 1935, in no way represents the will of the nation and is wholly unsatisfactory and should be replaced by a Constitution framed by a Constituent Assembly elected on the basis of adult franchise."

The motion was adopted.

RESOLUTION RE EMPLOYMENT OF INDIANS AND PAYMENT OF ADEQUATE WAGES TO THEM BY AIDED OR SUBSIDISED INDUSTRIES.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I beg to move:

"This Assembly recommends to the Governor General in Council to take effective steps to impose upon all industries, which are or may be in receipt of any aid or subsidy from the Central Government in any shape or form, such conditions as may secure (1) the employment of not less than a specified proportion of Indians in both higher and other grades of their employ, and (2) adequate wages and fair treatment of the Indians employed by them."

Sir, as Honourable Members will no doubt see this Resolution is divided into two parts. The first refers to the employment of our people in any industry that Government may directly or indirectly patronise; and the second wants that Government should take steps to fix adequate wages for those whom they employ. Sir, it is possible that my Honourable friends may feel surprised at my sponsoring a Resolution which contains part (1). I have over and over again raised my voice of protest against the Indianisation of the higher services. In fact I have often pleaded for the Europeanisation of the lower ones; and my reason for doing that has been that the burden of administration should fall on those who are responsible for it; and if we have a foreign Government in the land, it is but fair that foreigners must be held responsible for all that they do and they must not use my people to do their dirty work.

[Mr. Sri Prakasa.]

But, Sir, the proposition today is quite a different one. It deals with industries, and I think it is reasonable on our part to ask that our people should be closely and effectively associated with the industries of the land. The Resolution speaks of all industries that are aided or subsidised by the Central Government; and I understand that there are many of this variety. I think, therefore, it is reasonable that we should ask that a large number of our people should be employed in those industries. This employment, Sir, would relieve the general and distressing problem of unemployment. This is a problem that has been exercising the minds of many people both in the Government and outside; and, therefore, if we could propose practical methods for relieving unemployment, I think, Government should eagerly accept them. Then, Sir, the employment of our people in the industries will utilise the hidden talent that doubtless exists in them, and that cannot find an outlet because of want of opportunity. It is time that all this talent should be utilised. Government have so long utilised the very doubtful talent of driving the quill in their offices which no doubt most of our people possess; but it is time that they also utilised the undoubted talent that lies in us of running a factory, managing a machine, and so on. All that talent is being wasted today, and if Government will employ our people in large numbers in the industries for which they are responsible, this talent will have full play and will be utilised to the fullest extent. And this will also help in the progress and prosperity of the industries themselves. After all, Sir, the mainstay of a country is its industry, and if we could swallow up, as they do in other countries, large numbers of our young men in the industries of the land, then most of our problems would in my opinion be automatically solved. That is the only method of ensuring the progress and prosperity of the land as well. It is high time that India were brought in line with other countries in this important department of national endeavour, and I trust that Government will eagerly seize this opportunity of expressing their sympathy for this Resolution and accepting the basic principle thereof.

That disposes of part (1) of my Resolution. Part (2) deals with wages. The problem of wages is not one on which I could speak with any authority, but I have no doubt that my friends who will follow me would be able to speak on the subject from personal knowledge and experience. But when I am talking of adequate wages let it be understood quite clearly that what I mean is equitable wages. Government have a system of regimentation of wages so far as their own services are concerned; and not only have they fixed wages for the various grades of their services but they have also fixed types of houses for the various types of people that they employ. You have in New Delhi, for instance, types of houses running from that of the Viceroy down to that of the chaprasi. Various blocks in Delhi are fixed for various grades of Government servants. It is time that Government took in hand the necessity of some such regimentation in the wages and housing of non-officials as well. Government have to care not only for their own servants but also for those who pay for those servants. Therefore, it is high time that this matter were taken in hand. But in this connection I am bound to sound a note of warning as well. The principles on which Government should set to work are to my mind quite clear and definite. First of all, Sir, they must take into consideration the actual wants of the various types of people they employ. They should ensure to every one the necessities of life,—food, clothing, housing and education. And they must find out what these four important needs would cost on an average, and ensure that all who are employed under them or through them are assured

of these necessities. Secondly, Sir, they should also take into consideration the practicability of the thing. We all remember that in the industrial history of England there was a stage when there was a great deal of economic disturbance after the Black Death, and the Government of the day tried to fix wages for the workers. But they only came to grief. It is quite clear that economics are stronger than politics; and that therefore the wages, as a general rule, go on the general principle of supply and demand. Therefore, they are not to fix the wages at such high rates that may be impractical and may destroy the industries themselves.

Thirdly, Sir, I am quite clear in my mind that the wages of the workers should be so much and no more and no less than can ensure the proper production of goods that can be easily consumed by the people at large. It may happen that we may fix the wages so very high that the articles produced by the industry may cost so much that they may never be purchased at all. That would lead us nowhere; in fact it may lead to disaster. Therefore, Sir, when the wages are being fixed, the average income of our people, their capacity to pay, their needs and requirements, their capacity to consume the goods manufactured,—all these should also be taken into careful consideration. That to my mind seems to be the only way of solving the pressing problems of the day. I feel, Sir, that the problem is not of such insuperable difficulty as cannot be tackled. I also feel that the days of mere *laissez faire* are gone; and that unless the State activity interests itself in the matter of the economic life of the people not much can be done. If things are allowed to go on in the present fashion, I do not think we can prosper very much. The problem being what it is and the anxiety that is visible on all hands to solve it being great, I hope Government will not only accept the Resolution but also take steps to materialise the basic principles of the same. I hope, Sir, that after I have put my points of view before the House, the House will consider them carefully and will unanimously accept the motion, I have the privilege of moving.

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved :

“This Assembly recommends to the Governor General in Council to take effective steps to impose upon all industries, which are or may be in receipt of any aid or subsidy from the Central Government in any shape or form, such conditions as may secure (1) the employment of not less than a specified proportion of Indians in both higher and other grades of their employ, and (2) adequate wages and fair treatment of the Indians employed by them.”

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, the principle underlying the Resolution moved by Mr. Sri Prakasa is, I think, a very sound one. When any Government on behalf of the nation gives protection to an industry in any form or shape, that protection or aid is given on the ground that the maintenance of that industry is beneficial to the whole community. If an industry is protected on that ground, the Government on behalf of the community has a right to impose such conditions upon that industry that the existence of that industry will be beneficial to the whole community. I, therefore, feel that the principle of this Resolution should be accepted by this House.

I feel, Sir, that the Resolution as drafted is restricted in its scope. I would have liked a resolution on much broader lines. If we give help or protection to an industry, it is our duty to see that the industry is, in the first place, conducted in such a way that the protection or aid given to it is not wasted. We must see, therefore, that the industry is conducted very efficiently, and in such a manner that the industry will have a continued

[Mr. N. M. Joshi.]

existence for a long time in any case. Secondly, it is our duty also to see that all the elements forming that industry are protected. We must protect the producers in that industry; we must protect not only those who invest their money but those who are employed in the industry and are the real producers there. We should also protect the staff as is proposed in the Resolution. I feel that we should also protect the consumers of the goods produced by that industry. I should, therefore, have liked the Resolution to be more broad-based than it is.

Then the Honourable Member has not told us what effective steps should be taken to see that the conditions which are imposed upon that industry are followed and carried into practice. I thought he would suggest that when an industry is protected by Government, the Government will insist upon the Government being represented on the board of management of that industry: I would certainly insist upon a Government director being appointed on all the concerns which receive protection at the hands of the Government. I would also suggest to the Government of India that if they want to see that an industry observes the conditions which are imposed by the Government, the Government should appoint inspectors for that industry. It is wrong to give aid at public expense to an industry and not to take steps to see that the industry is conducted on right lines. The mere appointment of a director will not be of much use in seeing that those conditions are observed. I would, therefore, suggest to the Government of India, if they accept this Resolution, that they should appoint inspectors for the industries which receive aid or protection from the Government in order that they may take effective steps.....

Mr. B. Das (Orissa Division: Non-Muhammadan): How will these inspectors be trained in the management of those industries? They would be laymen.

Mr. N. M. Joshi: If the Government is prepared to pay adequate salaries I am quite sure there will be people who have got experience of the management of industries who will take up Government employment on adequate salaries. If my Honourable friend, Mr. B. Das, wants industries in this country to be protected I am quite sure he does not want the public money to be wasted. It is, therefore, the duty of the Government to see that the money is properly utilised.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already exceeded his time limit . . .

Mr. N. M. Joshi: I shall not take more than two or three minutes.

Mr. President (The Honourable Sir Abdur Rahim): There are other Honourable Members wishing to speak.

Mr. N. M. Joshi: There is only one word more and that is about the protection of labour in the industries which are aided by the Government. My Honourable friend, Mr. Sri Prakasa, enunciated the principle that labour should be paid in such a manner that the articles produced will not be beyond the reach of the consumers to purchase. I think I cannot accept that principle. If an industry employs certain people, that industry is in duty bound to pay those people sufficient for their comfortable existence. If an industry cannot pay sufficient for the comfortable existence of the people it employs, then that industry has no right to exist. I therefore hope that the Government of India will see that when an industry is aided or protected by the state, at public expense, the people employed by that industry are paid sufficient wages for their comfortable existence. I am

sorry that the Government of India is neglecting their duty in this matter. We have given protection to the sugar industry; we have protected the people who have put the capital in the sugar industry and those who produce the sugar cane; but

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has really exceeded his time limit. The time limit in this case is imperative. I think he must conclude.

Mr. Sri Prakasa: What is the time limit, Sir? I thought it was fifteen minutes. My Honourable friend, Mr. Joshi, has spoken only for seven minutes so far.

Mr. President (The Honourable Sir Abdur Rahim): If that is so, I am very sorry, it was my mistake. The Honourable Member may continue.

Mr. N. M. Joshi: My point was that in protecting the sugar industry you have protected the people who have invested their capital and also the people who produce the sugarcane; but the wage earners in the fields and the wage earners in the sugar factories have not been protected at all. The Government of India have passed legislation to protect certain interests. Some of the Local Governments like Bihar and the United Provinces have passed legislation for sugar control; but none of them have paid any attention to the protection of the wage earners in those industries. We have given protection to the textile industry and the match industry and the steel industry; at this date there is a strike going on in Jamshedpur in one of the concerns which are situated there; the workers have been asking the Government of Bihar to help them in the settlement of the strike. No help is given for the settlement of the strike. I have some experience of the working of a factory protected by Government—the Ambernath Match Factory. There was a strike and the employers did everything to put down that strike and see that the workers suffered. I myself wanted to see the director of that company and I wrote to him that I wanted to see him and explain the position. I got no reply. That is the position of the industries to which we have given protection.

I therefore hope, Sir, that the Government of India will see that when we give any aid to any industry they will take adequate steps for the protection of the workers in that industry, and further that they get not only sufficient wages but also other proper conditions of life and work. In India we have not yet made any beginning regarding social insurance to protect the workers against sickness, unemployment, old age and so forth. If we give protection to an industry, we must see that the workers in that industry are protected against all these risks. I hope the Government of India will take effective steps as stated in the Resolution for the protection of all the interests involved in those industries. I hope the House will pass this Resolution.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I am afraid I fail to understand the exact meaning of this Resolution. In the first place, there are two definite and distinct subjects in this Resolution. The first point that my friend raises, is the employment of Indians in all industries aided by the Government of India; and the second point he raises, is adequate wages in such industries. These are totally different subjects

Mr. President (The Honourable Sir Abdur Rahim): Do you mean that the Resolution is out of order?

Sir Cowasji Jehangir: Sir, you have admitted it, and I don't wish to criticise it.

Mr. President (The Honourable Sir Abdur Rahim): Let me explain then. What the Honourable Member wishes to obtain by this Resolution is that industries which obtain any aid or subsidy from the Government should comply with certain conditions, and I take it that the conditions he has in mind are the employment of a certain number of Indians and the payment of adequate wages. I consider it as one issue.

Sir Cowasji Jehangir: It may be one subject, Sir, but there are two totally different points that he wishes

Mr. President (The Honourable Sir Abdur Rahim): Two conditions.

Sir Cowasji Jehangir: All right, Sir, two conditions that he requires to be considered by this House in all industries aided by Government. Now, let us look at the first condition, namely, the employment of not less than a specific proportion of Indians in both the higher and lower grades of employment in those industries aided by Government. If you will examine all industries that have been aided by Government in India, I think you will find that condition has been more than fulfilled. There are more Indians employed in the higher grades in all these industries than foreigners. I do not know exactly what my friend wants Government to do. Take any industry that my friend wishes to pick out,—sugar, textile, steel,—in all these industries he will find that today,—I am not talking of what existed 10 or 15 years ago,—there are more Indians even in the higher grades employed by these industries than foreigners, and foreigners are being replaced much more rapidly by Indians than my friend realises. I have seen figures in some of the more important industries in India aided by Government, and those figures go to show that Indianisation in the higher grades has been more rapid than even the management ever dreamt of. So far as that point goes, therefore, I do not think any Resolution is necessary in this House to emphasize Indianisation in these industries. It is a *fait accompli* in my opinion. . .

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): it is not.

Sir Cowasji Jehangir: My friend, Prof. Ranga, may know much more about these questions than I do, and I will bow to his very valuable opinion.

Mr. Sri Prakasa: Sir, on a point of personal explanation. I should like to say that the Resolution was drafted, I do not know by whom, but I drew it in the ballot. (Laughter.)

Sir Cowasji Jehangir: I am not blaming my friend. I am merely pointing out to him that he is asking this House to discuss a subject which is a *fait accompli*, and it is not necessary to draw the attention of the House or the country to something that is a *fait accompli*.

Then, Sir, coming to the next question, it is a much wider issue. In the first place, if you want this Resolution to be really effective, you have got to lay down as to what are adequate wages. One person may consider

A an adequate wage, while another person may consider B an adequate wage. We all admit it is a truism to say that adequate wages should be paid to employees. Nobody would contend that the employees in a great factory should be underpaid. It is a matter of opinion as to what is an adequate wage. My friend, Mr. Joshi, may believe that all employees should ride about in Ford motor cars

Mr. N. M. Joshi: They do so in America.

Sir Cowasji Jehangir: They do so to a certain extent in America,—my friend may be of that opinion. I may consider that we have not reached the stage when we in India can give adequate wages to all employees in big industries to enable them to ride about in Ford motor cars. It is a question of opinion, who is going to decide what is an adequate wage?

Mr. N. M. Joshi: Government Inspectors.

Sir Cowasji Jehangir: Sir, I don't wish to take up more time of the House, but what I would suggest is that since nobody will father this Resolution, and since the Mover himself had not drafted it,—he was unfortunate enough to move the Resolution about which he did not know anything himself,—he should withdraw this Resolution. . .

Mr. Sri Prakasa: Never, never; the Congress never withdraws.

Sir Cowasji Jehangir: "Never, never," he says, and he says "the Congress never withdraws". Sir, I have a recollection that only a few minutes ago, a Member of his Party withdrew his Resolution. I have some hazy recollection of it,—I may be wrong, my memory may be playing me false,—but I bow to my friend's expression of opinion that the Congress never withdraws. I trust that may always be true. At any rate, in the present case since nothing is to be gained by continuing the discussion on this Resolution, which is not properly worded, I would suggest that instead of wasting the time of the House,—nobody is willing to father the Resolution,—who drafted it?.....

An Honourable Member: The Federation of the Chambers of Commerce.

Sir Cowasji Jehangir: Anyway, the real point at issue is this. What we really do desire is that where Government places large orders with the industries in England or in other parts of the world, they should impose some condition that our youngmen should get training in those industries. That is something that should be pressed upon Government.

Prof. N. G. Ranga: What about our own industries?

Sir Cowasji Jehangir: If my friend will only study the figures relating to some of these industries, he will find that a large number of Indians are being not only educated but have been educated and who in their turn are now educating other young Indians, and if my friend desires to be educated, I am quite prepared to arrange for his going into any industry. The real point is, that we should draw the attention of Government to see that where large orders are placed by this country for all sorts of things, our youngmen should get an opportunity to serve as apprentices in those industries. That is the point that ought to be forced upon the attention of Government. So far as this Resolution is concerned, I do not really think—speaking with the greatest respect for my Honourable friend. Mr. Sri Prakasa,—that it deserves any further consideration.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I rise to support this Resolution though I admit that the Resolution is not too clear in its implications. With your permission, therefore, I would like to emphasize one or two words which will give the meaning which I have in my mind and on the strength of which alone I support this Resolution. The Resolution says:

"To take effective steps to impose upon all industries, which are or may be in receipt of any aid or subsidy"

The words 'aid or subsidy', to my mind, are sufficiently wide to cover the regulation of all forms which benefit a particular industry such as, for example, by protective tariffs or, if benefit reaches an Industry, by revenue tariffs, such as, a direct subsidy, a freight concession and, lastly, the point which the Honourable Sir Cowasji Jehangir very rightly made, namely, an assistance by means of orders for articles required by public departments. I must sound a note of regret that in 1938 we should have to bring to the attention of Government a matter of this type when in 1916 Sir William Clarke, the then Member of Commerce, in appointing the Industries Commission said:

"The building up of industries where the capital, control and management (*Mark the word 'management'*) should be in the hands of Indians is the special object we have all in view."

Now, Government said this in 1916 and though several things have been done, unfortunately things have not been done adequately and properly to our satisfaction and hence we seek this occasion to urge on Government certain other aspects which have hitherto been omitted.

Sir, there has been a controversy in the past as to whether Government should impose any conditions of any kind, and, if so, what those conditions should be. With all sympathy towards my friend, Mr. Joshi, I must say that it may be found extremely difficult in practice for Government to actually go to the extent of fixing wages. But if there was a complaint that wages were inadequate and that there was discontent amongst the workmen that they were not getting a living wage, then certainly it should be the duty of Government to institute an inquiry to find out whether such a complaint is proper. There is no dispute today as to the nature of the restrictions which it has been usual to put in all orders and contracts which are being given out. The Board of Trade, for example, have a fair wage clause and I really do not see any serious objection if a fair wage clause were instituted, though there would be a difference in the meaning of what would be regarded as a fair wage by Mr. Joshi and what would be regarded as a fair wage by me. Other clauses have been inserted in the past in other countries and they have been recommended in our country also, such as, for example, the proportion of Indian capital, the proportion of Indian directors, the proportion of Indian shareholders, the facilities given to Indians for being taught and apprenticed and then there is the question of the higher grade appointments. This Resolution mentions the higher grades of appointments which have never been mentioned before. This is a new discussion to my mind though we have had several points of this kind both in the Railway Finance Committee's report and also in the External Capital Committee's report. I have here the speech of Mr. Jinnah, who would not ordinarily interfere in matters of this kind. In 1924, speaking on the Resolution for recommending to Government that rupee tender should be called forth for all

purchases made by Government, Mr. Jinnah complained of the dilatoriness and the neglect of Government to such questions in agonised words which I would like to quote. He said :

"You will thus see that the question has been going on since 1862 and right up to the time of Lord Crewe as the Secretary of State for India the position was that the attitude of the department which is called the Indian Stores Department was to put every difficulty in doing anything which would lead either to the purchase of manufacture in India and result in the gradual transfer of the supply of stores from the British to the Indian field."

This was as early as 1924. What I wish to say is that the whole field of regulation of industry should be surveyed by Government in a better manner than they have done in the past. They should see whether those industries, those trades and those fields of activities which enjoy the benefit of Government support in one form or another are or are not carrying out certain obligations which Government may impose in the contracts with them and which Government may lay down later on or which Government may do by executive action by merely making recommendations to them.

In explaining the scope of the Resolution, I should like to point out that the word 'industry' used here is also a very wide word and to my mind it signifies not merely industry but trade, banking, insurance and other fields. In whatever fields the benefit is given from public funds either directly or indirectly, Government must insist that those concerns do run their affairs in a manner so as to secure the maximum benefit to India. That restrictions could be so put where an industry is in receipt of some relief from Government is a matter which, I hope, is not a subject of any dispute between this side of the House and the Government. This has been definitely accepted by the External Capital Committee where it says :

"Where investment carries with it the control of an undertaking, we consider it reasonable that when Government grants a particular concession to the industry of which that undertaking forms part, it should exercise such control over the undertaking as will ensure that the benefits of the concession accrue primarily to the country."

We are anxious that our people should be trained and our people should get their share of the management of enterprises which are in receipt of any help from Government directly or indirectly. Who can say that this is an unfair suggestion? Who can say that if the Government insist on this it would cause a hardship to the various concerns? I maintain that those concerns which are receiving benefit ought to be ready to submit to these restrictions.

The House may be aware that there is a rule for the stores purchase which gives the discretion to the Chief Controller of Stores to make purchases of articles made in India in preference to foreign articles, and he can give as an extra price to the extent of 15 per cent. Now, Sir, this 15 per cent. is sanctioned to be given, where necessary. I do not think this rule has been used very often but this authority has been given on the basis that if an Indian concern has difficulties with regard to trained labour which it has to import and pay for it extra amount, or if an Indian concern has some difficulties which the manufacturers abroad do not experience, then those difficulties may be covered by this extra payment made to it. I think, Sir, in the same manner, that this extra payment made to it, whenever it is necessary, should also cover the cost of any restrictions

[Mr. Manu Subedar.]

and any regulations which Government lay down in the larger interests of the country and that there should be no grievance on the part of these concerns.

Now, Sir, I want to touch for one minute on the second part of the Resolution about adequate wages and fair treatment to Indians employed by them. As I mentioned before, a fair wages clause in public contracts is nothing unusual in the world, and there is no reason why the Indian Government should also not insist on a fair wage term and condition in the purchase contract everywhere. The only difficulty, as I said, of interpretation is as to what is a fair wage. Now, in the matter of wages, I have had some experience and I can say that very divergent and very different ideas exist all over the country. Government have been, in our opinion, much too progressive in India in giving effect to the Conventions made at Geneva. (Ironical Laughter.) We think that they have gone too far and too hastily. (*Cries of "No, no."*) That is a matter of opinion. (Laughter.) We think they have gone too far and too hastily but unfortunately they have gone in a direction and in a manner which does not necessarily benefit the labour population. What the labour people want, in my opinion, is a robust trade unionism. What has Government done to get that constituted? What they want is a machinery for avoiding strikes and lock-outs, and a machinery of compulsory arbitration. What have Government done to secure that? These are the types of measures which we want,—measures which will benefit labour and yet sustain the industry; and if Government will make a beginning all over the country, let them at least start in the fields in which they are themselves large employers. Let them also start with these restrictions on those concerns which are receiving benefits from public funds or from Government action in regard to tariffs or from Government activity in regard to the placing of orders. Sir, with this amplification, I commend this Resolution to the House.

Mr. A. G. Clow (Labour Secretary): Sir, I think the House has listened with interest, if not always with agreement, to the maiden speech which has just been delivered. I cannot follow my Honourable friend, Mr. Manu Subedar, into all the points with which he dealt because I propose to confine my remarks to the concluding words of the Resolution. But I must express my dissent from the views which he has put forward—no doubt on behalf of the Congress Party—(*Voices of "No, no, no."*).

An Honourable Member: He is the representative of the Indian Merchants' Chamber.

Mr. A. G. Clow criticising the Government of India as being too progressive in the matter of labour. This is a criticism to which we are getting rather accustomed.

Mr. Manu Subedar: On a point of personal explanation. I did not criticize Government's action on behalf of labour. I support any such action; I only criticize the Government for going too hastily in the matter of the adoption of the Geneva Conventions.

Mr. A. G. Clow: Which ones? I am not clear what Conventions my Honourable friend refers to.

Well, Sir, if I may go back to the words of the Resolution, the principle, as far as I can see, underlying the demand in the last few words of the Resolution is that if you give protection to the capitalist, you must also give protection to his workers. If you take special steps to assist him, you must also take special steps to secure special conditions for his workers. Now, that is not a new idea in this House. My revered friend, the father of the House, Mr. Joshi, raised that many years ago when the first Protection Bill came before this House and he has never ceased to advocate it. Well, I was rather attracted when he first put it forward in connection with the Steel Protection Bill, but I confess that at every time that he has put it forward since, I see stronger and stronger objections against it and I would like to give the House my reasons for that conclusion.

I must at the outset state that I should be the last to oppose any attempt to get fair conditions, either in respect of wages or any other matter, for Indians, or for that matter for the foreigners within our gates. But this is not the general question with which we are dealing. We are not asked to secure fair conditions or special protection for labour generally; we are asked to do it in certain particular industries; in other words, we are asked to have a special labour code for certain industries which will not be universally applicable, and those industries are to be selected, not with any regard to labour conditions in them. They are to be selected on a particularly adventitious system. Those industries which, because they are facing foreign competition or for other reasons, are able to get subsidies or protection from Government are to observe a special labour code. There is no guarantee whatever that labour conditions in those industries will be different from others; they may possibly be better than in others, and I think they sometimes are. I remember only one instance where an important subsidy was given with some regard to labour conditions and that was when the cotton excise duty was repealed on a tacit understanding that a wage-cut in the Bombay mills would be restored. But normally there is no connection with labour. In fact—though I do not wish to lay it down as a universal rule—I should say that as it is our better organised industries which get the lion's share of protection, conditions in them are, on the average, somewhat better than in an unprotected industry.

Whether I am right in that or not, I think the same objection stands. You are drawing industries from a hat so far as labour protection is concerned. I can give the House an illustration of that. Suppose, for example, in certain schools the teachers were not particularly competent and it was decided therefore to supply a course of training and to incur a considerable expense in bringing those teachers up to the scratch; and then my Honourable friend, Mr. Sri Prakasa, came along and said, "now that you have done this for the teachers, you must distribute free milk to the scholars in those schools". What would the reply be? Surely the reply would be that such milk as we have to spare should go to the children who are under-nourished, and not to those who happen to be employed in certain schools selected under a different system. That is precisely my answer to the Resolution, that we are giving protection fortuitously to labour. I would remind the House that in giving protection you already give a certain protection to labour because you increase or maintain the demand for employment and you thus give them a certain amount of security. What you are going on to do is to subsidise them to some

[Mr. A. G. Clow.]

extent at the expense of labour and others outside. In other words, the peasant and the unprotected worker are going to give just a little more for their cloth because you want a special wage standard in the textile industry. Make no mistake about it; this is going to mean money somewhere. I know my friend, Mr. Manu Subedar, thoroughly realizes that. And what is going to happen when the protection or subsidy is gone? I am fairly sure what is going to happen is this, that the capitalist is going to say, "I can no longer observe those special conditions because I no longer have special protection". And there is going to be coercion thereafter to maintain the standard for the benefit of labour when it has ceased to be required for the benefit of capital. Whether that conjecture is sound or not, I would maintain that the principle which I have tried to urge is sound. There is a great deal that needs to be done for labour and the means that we have at our disposal are very limited. I would ask the House to see that such efforts as are made are not wasted by being misdirected and that we give our help where it is likely to be most effective.

Mr. Sami Vencatachelam Chetty (Madras: Indian Commerce): I do not feel ashamed at the wording of this Resolution of which so much fun has been sought to be made. It may perhaps not be so correct according to the fastidious tastes of my Honourable friend, Mr. Sri Prakasa, who hails from the Cambridge University; but I do not think his reputation for precision or accuracy in drafting has been enhanced by his disowning the authorship of this Resolution. I am sure after the explanation given by my Honourable friend, Mr. Manu Subedar, regarding the underlying object of this Resolution, my Honourable friend, Sir Cowasji Jehangir, would not consider this Resolution to be so badly worded or so superfluous as he wanted to make it to be.

The underlying object, if I may repeat, is that if certain industries and certain commercial undertakings have received benefit from the State by means of either protective duties, aids or subsidies, the country as a whole has a right to expect from such concerns some return for the common weal of the community. It is from that point of view that this Resolution is urged, and, in a matter like this, I am sure that the Government whom we have so often urged to give protection and subsidies and aids to some indigenous industries and commercial concerns and who after a good deal of hesitation and reluctance yielded to the general desire to do so, ought to be the first to support a Resolution which asks for a return of that benefit to the community. It cannot be denied that so much of protection, subsidies and aids that we give to these industries or concerns are in the nature of indirect taxes. If the Government were not obliged to give these adventitious aids it may be possible for Government to turn for their additional revenue to these sources and to that extent Government have lost by way of revenue, and that is the point which has so often been reiterated by the Honourable the Finance Member whenever he had to speak on this question of protection. So to the extent that the State has lost in the matter of revenue, it is only legitimate that they should expect some return from these concerns. We expect this return from these concerns not to the extent of injuring the interests for which protection has been offered but to a certain extent and

that is the absorption of our unemployed. We desire that these industries and concerns must employ more and more Indians in their services. My Honourable friend, Sir Cowasji Jehangir, has rightly said that in most of these industries Indians have been employed but he also added that he could not have said this ten or fifteen years ago. That is to say, there was a time when these concerns were not taking Indians in as big numbers as they are doing now. Evidently the author of this Resolution is not satisfied with the progress of Indianisation of these concerns, not only in the unavoidable places of menial service or workman service but also in the higher grades of these concerns. It might also be said with some amount of truth that even in the managerial staff of even the proprietary concerns more Indians are employed, but I may point out that in many of these concerns, in work which requires scientific and technical knowledge, proper encouragement is not given to Indians. In many cases, and I say this with a certain amount of shame, Indian concerns are more guilty than foreign concerns in this respect.

In the matter of training of apprentices, I find very few concerns taking Indian apprentices for the purpose of training. My Honourable friend, Sir Cowasji Jehangir, offered to train my friend, Mr. Ranga, for any particular job which he wants. I dare say when the offer is to be accepted, Sir Cowasji Jehangir may go back. Supposing Professor Ranga wants to be trained as a champion of labourers amongst the mill workers, I am sure Sir Cowasji.

Sir Cowasji Jehangir: Is that an industry?

Mr. Sami Vencatachelam Chetty: At any rate that is a particular kind of job. What we want is that the Government should impress upon these concerns to train Indians for higher grades of service in these concerns. Every country that has organised industries and commercial undertakings has made it a rule that a certain number of persons ought to be trained for particular jobs, and I am sure that, even in the interests of the protected industries themselves, it is desirable that they must have continuity of men to take up the jobs and thereby make the industries efficient. It is from that point of view that we want the Government to exercise pressure upon these concerns.

So far as commercial undertakings are concerned, for which aids and subsidies are given, we have very often seen that Government are unable to make these concerns take Indians either as apprentices or as employees. It was only in the last Session in Simla that we pressed on the Government the desirability of bringing pressure upon the steamship companies to employ persons who have been turned out of the "Dufferin" training ship. The reply has been that some companies have refused to take them and some companies have employed them and others have found employment elsewhere but the real truth of the matter is that Government are unwilling to negotiate with these companies who receive ample subsidies and ample aid from our revenues. That is also the case with regard to several other things where we are giving large subsidies.

Now, with regard to the second point, namely, adequate wages and fair treatment of the Indians employed by them. I must say, with all respect to my friend, Mr. Manu Subedar, that the treatment of labourers particularly in Indian concerns is not as desirable as it should be. I am

[Mr. Sami Vencatachalam Chetty.]

also a merchant and I sympathise more with the troubles and difficulties of merchants than with labourers. Still, I cannot but admit that so far as the Indian textile concerns are concerned, so far as Indian industries are concerned, the treatment and the conditions of living for these labourers remain much to be desired. No doubt the conditions of these labourers and their housing conditions particularly have improved recently. But so late as the Whitley Commission's report they found very much still remaining to be done by these Indian industries. They have got a duty by their labourers in affording them all reasonable facilities. It all depends upon the contentment of those whom the proprietors have under their protection. The proprietors seem to think that they are entitled to make huge profits and if they think that there should be no limit to their making any profits, then certainly one cannot expect good conditions to be given to these labourers. But if they think that the profits which they are making are at the expense of the State and are in the shape of practically indirect taxes paid by the consumers, then I am sure that they must pay a little more out of their own profits and divert a portion of their excess profits to improving the conditions of the labourers.

Sir, the Honourable Mr. Clow has raised the point whether there should be a special code for labourers employed in protected industries and another code for labourers employed in other industries. I should think so if it comes to that. It is for this reason that these industries are thriving on account of certain handicaps which we are levying upon the community, and it is upon the workmanship of these workers that the industry is thriving and the proprietors are thriving, and the proprietors are thus enabled to snatch away a portion of the legitimate revenue of the Government of India. Therefore, such labourers who in a way contribute to the success of these industries are entitled to better treatment than persons in other industries. It is not as if there should be a special code for that reason. As a matter of fact, if you set up a model in so far as protected industries are concerned, the other industries are bound to follow, and that will be to the extent that Government will exercise its influence on those protected industries which are after all semi-nationalised industries. In so far as large amounts of money are being spent either by the Provincial Governments or by the Central Government upon the education of skilled labourers, the State has got a right to demand a return for that money in so far as the skill and efficiency which these labourers earn go to the efficiency of the industry on which huge profits are made. I therefore think that there is nothing inconsistent that there is nothing wrong in the wording of the Resolution and there is nothing to which exception could be taken having regard to the underlying motive that we have. Sir, I therefore support the Resolution.

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

The Assembly reassembled after Lunch at a Quarter Past Two of the Clock, Sir Cowasji Jehangir (one of the Panel of Chairmen) in the Chair.

Prof. N. G. Ranga: Sir, I am rather surprised at the attitude displayed today by my Honourable friend, Mr. Clow, on behalf of Government. He thought he could catch us napping by taking advantage of some remark

made by my Honourable friend, Mr. Manu Subedar, but it did not take long before he displayed the true colours of Government in regard to this matter. Sir, he has himself admitted that Government did once consider it its duty to try to take advantage of its protective policy to provide some protection for industrial labour in this country.

Mr. A. G. Clow: Sir, on a point of personal explanation, I made no such statement.

Prof. N. G. Ranga: It may be that he did not make any such statement, but what he said in regard to the abolition of the Cotton Excise duty almost amounted to so much according to me, because he said that one of the considerations which influenced the Government of India in abolishing that duty was the prevention of the proposed cut in wages then sought to be made by the employers in Bombay. That quite clearly shows that at one time anyhow Government did not think it beyond its duty to try to utilise its machinery for industrial protection to advance the cause of labour and to improve their conditions. But somehow today he comes forward and says that it is not possible for Government to accept this Resolution. In support of this he only advanced two important considerations. One of them is, that after all there are only a few workers who are employed in the protected industries, and if Government were to come forward to fix minimum wages or fair wages and try to advance their conditions, then what is to happen in regard to all those workers who are employed in unprotected industries? Sir, on first consideration it may appear as if this is a very important point, but any one who goes into the statistics of employment in this country will have to admit that as things are today, the workers who are employed in organised industries form only a very small percentage of the total number of workers employed in various industries of this country. Higher wages do prevail in those organised industries and they are allowed to prevail. No one has sought to lower these wages merely because it is not fair that one small portion of workers alone should get a little higher wage than the large portion of workers who are there in unorganised industries. If that were possible, and should this come to be possible, why should it not be that these workers should be enabled to have a little higher wage than they are able to get at present? Sir, by asking for the further improvement of the conditions of labour of these people who are employed in organised industries, we only admit the patent fact that what these people are getting is not enough, and what the others who are employed in unorganised industries and unprotected industries are getting is much less; and by asking for an improvement in the conditions of these people, we are hoping that this particular improvement may come to help and influence for the better the conditions of employment and rates of wages now prevailing in the unorganised and unprotected industries.

Then coming again to the other point that he has raised, that after all these protected industries are not very many and the workers employed therein are not very many, I wish to submit for your consideration that a perusal of the schedule attached to the Indian Tariff Act, 1934, will convince anybody that almost all the important organised industries of this country have been brought in some way or other within the purview of the system of protection, direct or indirect, which has been developed by this Government for affording some protection or other to industries. There

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are as many as 91 items which are mentioned here, 87 in the protective list and 4 in the export list. All these are receiving some help or other, either directly or indirectly, whether it is through an export duty or through a revenue duty or a preferential duty. Barring these industries, there are very few organised industries in this country and naturally there are very few workers who today are employed in organised industries who cannot be said to be covered by this Resolution. Therefore, if only Government were to make up its mind to give effect to this particular Resolution I can assure them that they would be giving the protection that is sought to be given to these people by this Resolution to nearly 90 per cent. of the workers who are employed today in the organised industries of this country.

Then, Sir, coming to the question of the inability of Government to afford all this protection because Government already has too much to do and, therefore, cannot extend its operations, I can only pity the position of this Government. What is it that it has been doing even till now for these workers in the protected industries? Except providing some protection under the Factories Act and the Workmen's Compensation Act, it has done precious little. There is no social legislation in this country,—neither family endowments, nor unemployment insurance nor health insurance. I do not know what this Government can really claim to have done. Have they at least provided labour exchanges in order to minimise decasualization of labour or unnecessary reserves of labour in certain centres as opposed to other centres? Have they at least tried to provide unemployment insurance or even to provide employment for workers who are unemployed? No, Sir; they have even refused to gather statistics of the unemployed masses of this country. Then, I do not know why Mr. Clow of all people, who has served on the Royal Commission on Labour and who with some justice does claim to be one of the friends of labour on the other side, can come forward and say, "Please, for God's sake, do not burden us with any additional responsibilities."

Mr. A. G. Clow: I did not say that.

Prof. N. G. Ranga: What the Honourable Member said comes to that.

Then, Sir, I do welcome the speech made by my Honourable friend, Mr. Vencatachelum Chetty. It shows the welcome extent to which industrialists are prepared to go in order to approximate themselves to the radical and progressive viewpoint of the Indian National Congress. Sir, I make no apology at all for this Resolution appearing here in the name of one of our own colleagues. Indeed this really tries to embody the demands made by the Labour Sub-Committee of the Indian National Congress which commanded those of us in this House who belong to the Congress to move a Resolution in some such terms as these in order to persuade Government and this House to provide adequate protection for labour employed in the protected industries. We received it as long ago as last August, and you can see from the long interval that has passed that we have tried our best to bestow as much thought as possible to this and get together all our forces and make everybody agree upon the kind of protection that is sought to be afforded to our workers.

I can only say, in regard to the remarks of Mr. Manu Subedar, that he is rather away too far by his leader or rather the spokesman of the commercial community, Sir Homi Mody, as regards what he said about international labour Conventions; I can only point out the fact that during the tenure of office of our friend who is now in England, Sir Frank Noyce, there were very few Conventions of the International Labour Office which were ratified by this Government. Indeed my Honourable friend, Mr. Clow, can claim that his Government has been responsible for making more motions in this House for not ratifying the Conventions of the International Labour Office, than for ratifying them; and I do not know why my Honourable friend, Mr. Manu Subedar, has allowed himself to be carried away by the wrongheaded notion that prevails in his commercial community and committed himself to that statement. Anyhow I am glad I am in a position to state, especially after the speech made by my Honourable friend, Mr. Sami Vencatachalam Chetty, that it is not the general opinion of this House that this Government has gone either too far or even sufficiently far in helping the industrial labour in this country.

Then I wish to take up this question of fair wages. Everybody seems to wonder how it can be fixed. It has been fixed in various countries, and if it was possible there I do not know why it should be considered to be impossible here. I admit that the same wage cannot be fixed for all industries or for all time: it varies from employment to employment and from time to time. But there must be adequate machinery to fix it. In England they have got the trade boards. In other countries there is the minimum wages machinery for fixing minimum wages; so also we can devise machinery here. That is my answer to Mr. Clow, as well as to Mr. Manu Subedar, and to you also, Sir. (Laughter.)

Coming to the question of training, I find that there are many industries here which even today fail to train an adequate number of Indians and give them employment. Take for instance the Imperial Airways and the P. & O., which receive directly or indirectly some sort of subsidy from this Government. Are they training enough number of Indians?

Coming to the jute and iron industries, in the jute industry, a large amount of capital may be owned by Indians, but the majority of the technicians are Europeans. And the same thing is true in the steel industry. I want these to be Indianised: I want Indians to be placed as soon as possible in the highest possible position in these industries and other industries also. I may also mention here in passing the tea, coffee and rubber plantations, where a large number of Europeans are still being employed and they ought to be replaced by Indians in all fairness.

Lastly, I wish simply to mention the fact that there are these Provincial Governments, who are very progressive—at least seven of them now—who are prepared to go much further than what is done in this Resolution. But I want the Government of India to give a lead to them if it can, before it is too late, and not give any opportunity for any of them to come and say later that this Government of India has become effete, useless and heartless and we are giving a lead to this great Government of India.

Mr. Chairman (Sir Cowasji Jehangir): The Honourable Member's time is up.

Prof. N. G. Ranga: In conclusion, I support this Resolution, and I appeal to Government to revise its own opinion in regard to this Resolution and try to meet us more than half way and accept this Resolution and give an indication to the country that it is prepared to protect the workers just as much as it has been prepared to protect the Indian industries at the dictates of these capitalists.

Mr. A. K. Chanda (Bengal: Nominated Official): Sir, the other day my very old friend, the Honourable Member from Allahabad *cum* Jhansi, told this House that he had been outcasted by his community for a number of years: I felt a little indignant at the time, but now I see that his community showed good horse sense. The Honourable Member belongs to what is known as the Vaishya community who are known for their hard-headed business capability. The arguments advanced by the Honourable Member in this House do more credit, to use a Bengali phrase, to the qualities of his heart rather than the qualities of his head. He suggested that by employing a larger number of Indians in higher grades we shall be solving the problem of unemployment. I do not know if in any country in the world the problem of unemployment was solved by appointing people to positions of responsibility simply because they were out of employment

An Honourable Member: What about you?

Mr. A. K. Chanda: I am not one of the unemployed yet, thank God! The trouble is this: I must plead guilty, though only very partially, it is true, to being a member of the educational service which is partly responsible for the position that the educated unemployed young men are mostly unemployable in our industries because of the training that we have been giving them in the past. As I say, I confess to a certain amount of responsibility for it; but you cannot come forward and say that because a certain number of graduates are unemployed we should Indianise the industries simply that they may be employed. If I am not mistaken a very noted industrialist of this town, Lala Sri Ram, a little while ago made a sporting offer that he would take in as many educated people as were willing to come as apprentices in his factories, and I believe the response to his offer has been very meagre indeed

Honourable Members: No, no.

Mr. N. M. Joshi: What were the conditions?

Mr. A. K. Chanda: The fact of the matter is that either we want India to be industrialised to a certain extent or we want to find employment for the people: we have to make up our minds on that point. I do not know how the Honourable Member asked the Government of India to insist on the condition that only Indians should be employed in the industries. So far as my knowledge goes—and I speak merely as a fairly intelligent not perhaps a very but, I hope a fairly intelligent laymen and of his reactions to the debate which has gone on in this Honourable House—it strikes me that assistance which is given by the Government of India to the industries falls under two heads—direct and indirect assistance. Direct assistance is usually given, if I am not mistaken, by subsidies mainly to the handloom industry, to sericulture and to woollen and other small scale

industries, where the question of Indianising does not arise because practically the whole of it is in the hands of Indians. Indirect assistance is given by means of tariff walls. We know that the Honourable the Finance Member is an unrepentant free-trader and if tariff walls have been imposed, it has been mainly at the instance of the Party occupying the Benches opposite. When tariffs are imposed—I do not know for certain for I am new to the august heights of the legislative atmosphere, I understand that before a tariff is imposed, a good deal of lobbying is done by the industries which are interested and occasionally a little *bandobust* is made before a Party agrees to support tariffs. I should have thought at the time

Mr. M. S. Aney (Berar: Non-Muhammadan): I should like to know, Sir, what the Honourable Member means by "a little *Bandobust* is made".

Mr. A. K. Chanda: I was only thinking of what happened in Simla when the Insurance Bill was under consideration. I even approached the Honourable the Leader of the House and asked him if he would announce that we were free to vote as we liked—because we were being denied invitations to the many Cock-tail parties, dinner parties and so forth that were being given, but I was told sternly that official members would not be allowed to vote as they liked. (Laughter.) I was thinking of kinds of social engagements and all the rest of it; that is what I meant by '*Bandobust*'.

Prof. N. G. Ranga: Did you also help in that?

Mr. A. K. Chanda: When the tariffs were fixed, all that our friends are demanding today could have been demanded. The Government of India can only bring in pressure indirectly. If my information is correct, I think the Government of India have tried by gentle persuasion to make these industries to take in Indians. All the industries which are protected by tariffs are mainly run by Indians, except perhaps the match industry which is mainly in the hands of Europeans or Japanese. The Steel industry which is controlled by Tatas is mainly in the hands of Indians; the textile industry is also controlled by Indians and a very large number of Indians are employed in both these industries, and if some of the Indian-owned industries do not employ Indians, I suppose it is because they find that the industry demands specialists irrespective of their nationality . . .

Prof. N. G. Ranga: It is sheer nonsense.

Mr. A. K. Chanda: Unfortunately, Professor Ranga does not control the industries, but the people who control the industries think differently. I am not competent enough to say one way or the other, but all that I know is this that the industrialists know that they can get the best return by getting the best men. Sir of late Government of India have been insisting both in regard to the paper trade as well as the match industry that a certain number of Indians should be given higher posts, not by adding to the number of higher posts already existing, but by reducing the corresponding number of higher posts held by non-Indians, and gradually this is being done. As I said, the Government of India cannot now come forward and say 'Here was the tariff, and we now want to impose these conditions'. I do not see how we can possibly ask the Government

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to impose a condition like this that only Indians should be employed in the industries.

With regard to labour conditions, Sir, I think the Honourable the Secretary in the Labour Department has made such a convincing speech that I think I can hardly add anything more to it. The fact remains that it is the duty of the Government to see that everywhere in the country suitable labour conditions are maintained, that everywhere they get a fair and reasonable rate of pay. What the Government does do is to set an example by insisting, when contracts for the Central P. W. D. are given, that the labourer should get a reasonable rate of pay

Prof. N. G. Ranga: Have they done it?

Mr. A. K. Chanda: As far as my information goes, they have been doing it.

Prof. N. G. Ranga: I want to know whether Government really stipulate such a condition or if they have actually done it?

Mr. A. K. Chanda: So far as my information goes, there is a clause when the Central P. W. D. contracts are given that a minimum wage should be paid.

Mr. Sri Prakasa: *Bandobust* there again,—P. W. D.?

Mr. A. K. Chanda: The Government's function principally is to see that there is no sweated labour and that the conditions are fair and reasonable and so on. I do not claim, I suppose nobody in the Government of India would claim, that we have achieved all that we might have achieved, because there are difficulties in the way. The moment an effort is made to put in some of these conditions it will be said "Oh, you are strangling the infant industries", but it must be said to the credit of the Government of India that within the limits possible they have made a sincere attempt to see that fairly satisfactory conditions are maintained in the country

Prof. N. G. Ranga: Question?

Mr. A. K. Chanda: As for the Honourable Member who has recently come to adorn the Opposition Benches and who represents the Indian Chamber of Commerce from Bombay, it would be an act of super-erogation on my part to congratulate him on his maiden speech. He is a hardened old stager, and he has appeared before so many forums representing so many varied interests. Not very long ago we heard that he was advising the Indian Princes on the question of Federation as to how to squeeze out more from the Government

Mr. B. Das: How did you know it?

Mr. A. K. Chanda: Ask him.

Mr. Sri Prakasa: That is also *Bandobust*!

Mr. A. K. Ohanda: This time he was between the devil and the deep sea of Congress politics. On one side he had his constituency, the Indian Merchants Chamber who want to squeeze out every ounce of blood they could out of the workers, while on the other side, he had also to put forward his views without compromising the great Party to which he now belongs, and he was really in a quandary. So he talked a lot of theories and quoted figures which may appear a little convincing, but if we examine them a little more closely we find they are full of sound and fury signifying nothing. Sir, I am afraid no case has been made out by the Members opposite to make me go into the same lobby with them. As I said, Government throughout has been sympathetic towards these questions, they have always been trying to insist on the larger employment of Indians in trades, even though I may say that some people think that the Government may have been holding the same views as Mr. Sri Prakasa holds on certain points. I am not in a position to give details, but I am certain that other speakers who will speak from this side of the House will be able to place before the House as convincing arguments as were put forward by the Honourable the Secretary for Labour Department, so far as the second part of the Resolution goes. I think, Sir, the whole of the Resolution falls to the ground.

Mr. P. J. Griffiths (Assam: European): Sir, when I first read the Resolution which stands in the name of my friend, Mr. Sri Prakasa, my mental reactions were very sympathetic, and to a very great extent that sympathy still persists, for the objects which underlie this Resolution are objects which must command the support of all who have the welfare of this country at heart. In his Resolution, the Mover aims, firstly at contributing something towards the solution of one of India's greatest problems of the day, I mean the problem of unemployment, secondly at ensuring that to those upon whose labour the prosperity of the industry mainly depends shall be secured fair conditions of work and of living. Let me say at the outset that we in the European Group share to the full the aims, which have been set forth by the Mover of this Resolution, and we are prepared at all times to offer him our support in any measures which appear in our judgment to tend towards those ends. It follows, therefore, that we must approach this Resolution in a spirit of sympathy; but in spite of that sympathy, a somewhat closer analysis of its wording and its formulation suggests that the methods outlined in the Resolution are not such as to be likely to achieve the ends which the Honourable the Mover has in mind.

My criticisms of this Resolution fall into two parts—criticisms of form and criticisms of substance. When I speak of criticisms of form, I mean that the Resolution—and I say it with all due respect—is in some respects vague and in other respects too wide. I am quite clear as to the ultimate goal at which the Mover aims, but I am by no means so clear as to the path which he proposes to tread on his way to that goal. The Resolution appears to me vague in four separate respects. In the first place it lays down that certain conditions shall be imposed upon industries. Upon whom and upon what is it proposed to impose those conditions? Upon the whole of a subsidised industry or upon those particular concerns in the industry which happen to be in receipt of the subsidy? If you are going, as my Honourable friend proposes, to lay down certain onerous conditions precedent to the granting of subsidies, it may well be that many concerns in a subsidised industry will not find it profitable to accept your subsidy. (*An Honourable Member*: "Let them not".) Let them not by all means

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—but if you have concerns which are not subsidised, do you propose—and if so, on what principle do you propose—to pick them out for the imposition of onerous conditions which are not imposed upon other unsubsidised industries? When I turn further to the next sentence in the Resolution I find the words ‘which may be in receipt of any aid or subsidy form the Central Government in any shape or form’. Now, the word ‘subsidy’ has a very definite connotation. When my Honourable friend uses it I know what he means. When he proceeds to use the phrase ‘aid in any shape or form’ I am at a loss to know what he has in mind. Aid from Government to industry may take many different forms. Protective tariffs, restrictions of output, cesses on industry to be spent for the benefit of industry, all these are forms of governmental aid. I do not know from this Resolution whether my Honourable friend proposes to embrace within its scope all industries which are in receipt of aid in any of those forms. My Honourable friend will certainly admit that if he proposes to include all such industries, it very considerably widens the scope of the Resolution and must to some extent change the character of the debate. Before we can express our view on that particular portion of the Resolution, we need to know exactly what he means by the phrase ‘in any shape or form’.

Then, again, the Resolution goes on to lay down that a specified proportion of Indians must be employed in the subsidised industry. I submit with all due respect that the very use of this phraseology begs the question. Specified proportions—what does it mean? Will the Government be at liberty when implementing this Resolution to lay down that a hundred per cent. of the employees must be Indians? I am not now concerned to discuss that view, but it is necessary that we should know. If that is the view of the Mover, I very much doubt whether he will find that most of his colleagues are prepared to go the whole way with him. Under the wording of this Resolution it would be equally competent to Government to specify that in respect of a subsidised industry, one per cent. of the employees must be Indians. If that interpretation is possible—and I submit that it is—then the Resolution, however good its intention, becomes in practice quite meaningless. Then we come to the fourth stipulation—that adequate wages must be paid. Let me say here without further delay that those whose interests we in this Group represent are fully convinced of the importance of paying adequate wages. We realise and we know from experience that a contented labour force is the greatest asset that any employer can have, but when you come to try to implement a stipulation about adequate wages you come up against practical difficulties in the way. What are adequate wages? Adequate wages must to some extent depend upon the cost of living and the cost of living in this great country varies from province to province, from district to district and from town to town. When you are giving subsidies from the Central Government to be spent on an industry possibly operating throughout the length and breadth of this land, how can you conceivably set up a uniform standard of wages to which that industry must conform, if it is to be in receipt of the subsidy? The idea is excellent. As my friend, Sir Cowasji Jehangir, said at an earlier stage, no sensible employer will differ from the view that adequate wages must be paid to the employees of industry. When you come in practice to try and specify what you mean by adequate wages, you find

yourself up against difficulties at once, and the conditions stated in the fourth part of this Resolution, however excellent in intention, are quite incapable of being put into practical form.

I have spoken so far of my objections to the form of the Resolution. I now come to deal with criticisms of the Resolution in substance, and I would like to start off by asking a question. What are the circumstances which justify the grant of a subsidy to a particular industry? Subsidies are normally granted to an industry which is nascent and, therefore, weak or which has become weak through foreign competition, and in the second place subsidies are granted to industries of national importance. When a particular industry becomes a candidate for a subsidy, I submit that we have to ask two questions. In the first place, is it of importance, of moment, to the community as a whole that this industry should flourish and, secondly, is it possible for this industry to be run as a commercial concern without the assistance of a subsidy? Are the profits from the industry itself sufficient to stimulate its expansion? I would submit that the very existence of these two conditions precedent to the granting of a subsidy shows conclusively that it is not wise to impose on subsidised industries too onerous conditions. After all, if an industry is able to pay adequate wages and still leave a reasonable margin of profit to the employer, what can be its claim to a subsidy? If on the other hand, an industry is struggling, is young and nascent and cannot pay adequate wages and at the same time leave a profit to its employer, that may be a justifiable case for a subsidy; but if at the time of granting this subsidy you are going to force that particular industry to pay wages which in the circumstances of the industry may be uneconomic, you are taking away with the right hand what you are giving with the left. You will nullify the effect of the subsidy. Let us be quite clear about it. A subsidy is not a philanthropic device. It is not meant as a means of paying extra wages to the employees of an industry which cannot afford to pay them adequate wages. If my Honourable friend wants to come forward with proposals to give State grants to those who labour in industries which cannot afford to pay high wages, by all means let him come forward with those proposals, but do not confuse those proposals with the idea of a subsidy, a subsidy which is granted for one purpose and one purpose only, to stimulate the expansion of an industry which is of national importance. Then, again, if you are going to grant subsidies as a means of increasing wages, what will happen when your subsidies come to an end? A subsidy is essentially a temporary measure. When the subsidy comes to an end, down will go those wages or alternatively because of the withdrawal of the subsidy the industry will close down and you will have strikes, you will have civil commotion and the wrath of those whose wages go down will this time be not against the employers but against the Government which has withdrawn its subsidy and so put them back in indigent circumstances. The result will be, as the Honourable Secretary in the Labour Department pointed out, that you start by giving subsidies for the sake of the industry and you end by having to continue the subsidies in order to keep up wages.

I now turn very briefly to the other operative part of this Resolution—the part which seeks to place certain restrictions upon the choice of staff. It seems to me that if we are going to impose conditions as to who may and who may not be employed by a particular industry, we are placing very grave difficulties in the way of that industry on its path to rehabilitation and to efficiency. It is not a question as to the greater efficiency of

[Mr. P. J. Griffiths.]

Indian or non-Indian labour. That question simply does not arise on this issue. The point is that if an industry is to be efficiently run, the employer must have the widest possible field from which to seek his staff. Other things being equal, indigenous labour is, in general, cheaper; and when indigenous labour either in the higher or in the lower grades of the right kind is available, it is unlikely that an employer will incur the extra expenditure of going elsewhere for the labour that he can find on the spot. Our plea is to give the maximum possible freedom to the employer of a young and nascent industry to choose his labour wherever he can find that labour most easily and most efficiently. Train up Indians, train Indians as fast as you can to fit them for the technical posts in commerce and industry and in doing so you will have our fullest sympathy and support (Hear, hear), but until such time as there is an adequate supply of local labour of all grades available, leave the employer free to make his choice of staff wherever seems to him to be best. It is for these reasons—and I speak with all sincerity—when I repeat that we in this Group are just as keen as our friends over there to do what we can to provide employment for Indian labour and decent conditions for Indian labourers. But in the interest of that freedom, which alone can lead to efficiency, we do plead that this Resolution, in spite of all its good intentions, should not be accepted by this Honourable House.

Mr. M. S. Aney: Sir, we have listened to a very eloquent and reasoned speech from my Honourable friend, Mr. Griffiths. He began by telling us, and I am sure he meant what he said, that the European Group entirely agrees with the spirit and the principles underlying this Resolution and they are in sympathy with the Mover of this Resolution so far as that thing is concerned. He also stated that not only the European Group but, he went further and said that, no reasonable man can be opposed to the objects for which this Resolution stands. And what does the Resolution really mean? He himself has very critically analysed the Resolution and told us as to what the demand of the Resolution really amounts to. It really demands these three things:

"To take effective steps to impose upon all industries, which are or may be in receipt of any aid or subsidy from the Central Government in any shape or form, such conditions as may secure (1) the employment of not less than a specified proportion of Indians in both higher and other grades of their employ, and (2) adequate wages and fair treatment of the Indians employed by them."

That is, whenever there is any aid to be given in any shape or form or there is any subsidy to be given to an industry, it should be given with certain conditions, and the conditions laid down are as regards certain specified proportions in the matter of the employment of Indians on the staff and certain conditions of labour, which the Government should make obligatory upon the employer in running an industry.

Now, all these, my friend has stated, are really matters of detail and this Resolution, I am sure, does not in any way come in the way of making different adjustments in accordance with the situation in different places as regards the settlement of the wages of labour or as regards the employment of a proportion of Indians also. This Resolution is intended to secure the consent of this House to the main principles underlying it, that if an industry comes forward and wants the Central Government to help it in some form or other, then the Central Government

should bear certain things in mind. If it is possible, the Central Government must impose certain obligations upon that industry before it declares it to be worthy of the patronage of the Central Government whether in the form of a subsidy or in any other form. Now, what is wrong in demanding these conditions and asking the Central Government to impose such conditions upon them? Mr. Griffiths stated that possibly the imposition of certain conditions upon subsidised industries might defeat the very object for which the subsidy is given. Now that would be a point for the Central Government to consider when the conditions are to be imposed. If a particular industry comes forward, and it is a fit industry for receiving a subsidy, then in determining the amount of the subsidy, all these things will have to be considered, *viz.*, whether the minimum conditions under which labour is to work in that industry can be fulfilled or not, and if so, whether the amount of subsidy to be given will be adequate or a greater amount of subsidy should be given.

Another point suggested was this that if we impose these conditions with regard to the wages of labour upon an industry, it may

3 P.M. be that after a certain period the case for a subsidy may not exist but that because a subsidy to that industry has ceased to exist, that industry may not be in a position to pay the labour the same wages which it was compelled to pay when the subsidy was given and therefore, in order to maintain that standard of the payment of wages, the subsidy will have to be continued. I really fail to understand this argument. If by that time the industry has so improved itself, then I may take it that it would be in a position to pay its labour the same wages which it was paying at the time when it was living upon a subsidy. The position is this. What is the particular time when the industry can be said to have outlived the necessity for a subsidy? That will depend upon several factors, before one can say when an industry can be said to have attained its proper measure of prosperity or safety. So I do not think the details to which my Honourable friend, Mr. Griffiths, has referred should in any way come in the way of the House in accepting the principles for which this Resolution stands.

Now, as regards the point of a specified proportion of Indians, his main objection is this. Unless you leave ample scope to the employer in the choice of his staff, it may not be possible for him to run that industry at a profit. We do not, however, say in this Resolution that foreigners should not be employed at all; possibly I would not have minded if the Honourable Member had said that, but the point is that a certain specified proportion of Indians must be maintained. Is my Honourable friend going to tell me that it is impossible for any industry to be run by having a certain specified proportion of Indians on the staff, that Indians are entirely unfit to have even a small but definite proportion in an industry if that industry is to be run efficiently? Sir, I do not understand what is the *real* objection to this demand. It is not stated that everyone to be employed in the industry must be an Indian. That is not the position taken here. You have to look at the state of the industry and the necessity of the kind of work produced there. After taking all these conditions into consideration you have to fix a specified proportion of Indians in that particular industry. Cases with regard to different industries will have to be considered separately. The Resolution does not demand that any particular percentage should be

[Mr. M. S. Aney.]

fixed today. It leaves ample attitude and ample freedom to the Government of India to consider each case on its own merits and at the time of giving the subsidy to consider the detailed position in a dispassionate manner and then fix the proportion. But there should be some condition imposed upon the industry and the industry ought not to go with the subsidy without feeling that it owes some obligation to the Government of India in these matters. What we find today is that there are industries receiving subsidies and grants from the Central Government and yet they are quite careless or indifferent about the Indianisation of the higher staff in those industries for years together. And after the evil has grown to a great extent and a good deal of row has been kicked over these matters outside, then the matter is taken up by the industry under the pressure sometimes of public opinion and sometimes of the Government of India which also moves very slowly and reluctantly very often on account of the pressure brought in this House and then the question of Indianisation is taken up with caution. What I say is that the question of the Indianisation in industries subsidised by the Government of India should not be a slow process as it has been in the past. That is the main point. The attitude of the industries which have been receiving subsidies from the Government of India for so many years in the past is mainly responsible for the necessity which compels us to bring a Resolution of this kind. Hereafter we want that the Government of India should itself not only champion the cause of Indianisation in its own services but it should also insist that a certain percentage of Indians must be maintained by the industries which are going to receive any kind of assistance from them.

Now, as regards the phrase "aid in any shape or form", my Honourable friend, Mr. Griffiths, has criticised it by saying that the industries may be receiving aid in various forms. It is quite true. But we are referring to the aid which is intended for the protection of the industry. The revenue duties which go indirectly to favour the growth of industries are really not covered here. Specific mention is made that the aid is given in order to help the growth of certain industries. So, whenever a direct assistance is given to the industry, its case is covered. That assistance may be in the form of a protective duty imposed for that purpose or it may be in the form of any other subsidy given for that purpose. That matters little. After all, it is a case in which that industry is intended to be benefited and for that purpose the tax-payer is called upon to suffer a certain loss. When the tax-payer is called upon to suffer a certain loss, the Government of India which stands as a champion of the tax-payer is entitled to consider certain positions by means of which this aid is to be returned to the people in some form or other. It is not merely the extension of the industry which we want, but it must also tend to increase the capacity of the people to run that industry. That is the ideal which the Resolution has kept before itself and with that ideal, in view of certain conditions which have been imposed here, no reasonable Member of this House can disagree if he has the interests of the Indian industry, the Indian people and the Indianisation of the industry at heart. For these reasons, I support the Resolution.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa Muhammadan): Sir, in supporting this Resolution I feel that it is one of

those innocent Resolutions which ought to have been adopted by Government even without our advice. Industry in any part of the world is the real source of the maintenance of a nation and industry is the real backbone of finance so far as the revenue and individual wealth of a country is concerned. India has got the unique advantage of being the most resourceful country in the world and hence she can develop her industry to any length she would care to. Whenever a State gives any subsidy to an industry, it expects something in return because a subsidy is given at the cost of public finances and resources normally, and what compensation the people of that country should get is a matter which the Government of that country should consider before giving necessary subsidies. The people are taxed and from that revenue a subsidy is provided and this is an instance of direct support to industry. In the case of an indirect subsidy, which a Government gives by means of tariff walls or special freight concessions, the people are made to pay a higher price for those articles manufactured in India which they could have bought cheaper when imported from foreign countries without high tariffs and thereby the Indian public incur financial loss for developing Indian industries. What compensation do they get? If the State is not in a position to give any compensation from such industries as are established on the system of subsidies either direct or indirect, there is no reason why any subsidy should be given to any industry whatsoever. Mr. Chanda has just said that the control of textile and steel is in the hands of Indians and they are employing Europeans and how can they be compelled to employ Indians instead? I would be the last person to ask such firms to employ Indians because they are Indians. The point is that if they can have an Indian of the same calibre and who will prove equally useful to them, why should they not entertain him? I would not be so foolish as to say that because a certain industry wants a certain expert or technician and for the moment he happens to be a European, he should not be employed merely because he is a European, and the industry should be made to suffer. By all means, import Europeans and take all the advantage of their knowledge, but I do not want that the whole staff should be imported from Europe only because they must have Europeans to influence the "High Command" for favours. Mr. Chanda probably does not realise that the employment of the staff in many cases is manipulated. It is not sometimes due to the free will of the employer that he employs a certain set of people, but because he gets certain advantages from the State or associations and individuals concerned with State directly or indirectly. There are certain facilities which we do get by employing Europeans. They are of great help in transacting the business through banks. I myself had a European manager for a period of over six years. It was not because I could not get a better Indian or an Indian of the same calibre but because of the facilities which I could get because of him and him alone as an European. That is why I wish to tell Mr. Chanda that sometimes these appointments are manipulated directly or indirectly. What the Resolution aims at is that a certain amount of concession should be made to the tax-payer Indians as a compensation for their losses which I have said earlier in my speech and that Indians should be given a due share in employment of the Industries of this country. Skilled labour and expert opinion can be imported from any part of the world, if necessary.

Another question which Mr. Griffiths has brought in is the question of what percentage should be fixed and whether it should be 1 per cent.

[Mr. Muhammad Nauman.]

or 100 per cent. I do not see Mr. Griffiths here as he would have probably told me what percentage he wished to fix. I would like to know what percentage is given in other countries of the world. For example, if an English iron and steel firm is established in Germany, what percentage is expected by the Englishmen there? Naturally, the Indians expect same percentage of employments and concessions from those nations who exploit resources of this country and earn their fortune here. Indians suffer for the support which is given to the industries directly or indirectly and their claim is that they should have full compensation of the losses and full advantage of the progress of the industry in India. We do not say that 100 per cent. should be Indians and at the same time we do not say that 100 per cent. should be Europeans. My Honourable friend, Mr. Griffiths, has said that subsidy is not a philanthropic device. I am not certain whether it is a philanthropic device or not, but in some cases it does appear to be a philanthropic device which is an instance of indirect subsidy by grant of certain contracts and leases to certain firms for such long periods as 99 years or about. As an instance, I can cite the example of the Calcutta Electric Supply company which had been earning huge dividends, say, about 55 per cent., for the past several years. Of course they are not earning same now. I remember once the Secretary of the Muslim Chamber of Commerce of which I happened to be a Deputy President showed me the figures and the profit of the Electric Company came to about 116 per cent. in some particular year and why, for reason of an indirect subsidy of long lease. It is a concrete example where it can be said that subsidy is a philanthropic device and nothing else. We have thus every reason to demand from such companies that they should give a reasonable proportion of the appointments in their establishments to Indians.

Then about wages, my Honourable friend, Mr. Griffiths, said that by withdrawing the subsidy, it might become uneconomical to run the industry. I do not know what philosophy there is behind the question of fixing wages for labour and unless the wages are fixed senselessly they cannot make industry uneconomic. By fixing the wages of labour we only mean this much that the amount paid in India should be same as for the same labour in other parts of the world, with due considerations at the same time of the value of food stuffs and other articles here and the other part of the world. To be more explicit, I mean this. Supposing in England, it is necessary to have six shillings a week for an ordinary labourer, well in India probably the same amount of comfort can be purchased for about a shilling a week. The wages in that case for similar kind of labour in India would be only one shilling a week, whereas in America it may be eight and in England six shillings a week. Details might be worked out by economic experts in combination with the men who are actually engaged in such business concerns and who run industries. All of us know how it can be practically adopted. The point that I wish to stress is this that whenever the State gives subsidies to industries, the State must demand a certain proportion of employment and a certain support to the country in compensation for the sacrifices that the State revenue and the public have to make on account of the support to the industries.

Now, Sir, industries are subsidised by the State in different ways, not only indirectly by the method of tariff walls but even by such facilities

as are given by Railways, other transport arrangements and the banks to the industries. The industries get much of support from the banks in the shape of advances and loans by hypothecation of stock, mortgage of contracts, etc. Probably Honourable Members are aware what part banks play in financing industries in every country. It is very difficult for any industry to be self-contained or even to thrive at all unless it comes to some financial arrangement with a bank in the shape of hypothecation of stock for advances or loans without security, etc. Indirectly also the State is helping the existence of such banks and hence the industries cannot say that they have no indirect subsidies from the State. What these industries receive in the shape of advances and loans from the banks are really help from the State because those banks exist only on the deposits which the State and her people keep with those banks.

Now, in the case of jute mills which have been referred to by my Honourable friend, Mr. Chanda, could they not get good, capable and skilled men among Indians? This industry has been established for the last 40 or 50 years in Calcutta. Perhaps members of the Bengal Chamber of Commerce like my Honourable friend, Mr. Chapman-Mortimer, could give a reply as to whether they have really got any Indian so trained as to have risen up to the topmost position in this industry. How many of Indians have ever occupied the same position as a European manager does in these concerns. If they have not done that, then they accept the responsibility for not training Indians even though they have been subsidised by the State in different forms. This is the story with other industries as well. With these words, I support the Resolution and I submit the Government should devise some ways and some methods by which they could ask all the industries which are directly or indirectly subsidised or helped by the State or which receive any sort of direct or indirect support from the State that those industrial concerns should employ Indians and the State should make it a condition precedent before giving such subsidies or facilities to the industries concerned. These industrial firms must support the people of this country by giving them such employments for which they may be fit. With these words, I support the Resolution.

Mr. H. Dow (Commerce Secretary): Sir, in rising to speak on this Resolution which is fathered, or rather, as he has himself explained, is step-fathered by my Honourable friend, Mr. Sri Prakasa, I feel that I must refer first to the dissatisfaction, sometimes amounting almost to surprise which has been expressed by Honourable Members of the Party Opposite who have spoken in favour of it. They agree that it does not quite represent what they would like it to be, and that it is badly drafted. I should, secondly, like to mention the general support which the idea underlying this Resolution has received from, I think, all quarters of the House. I would very respectfully point out that it places the Government in a very difficult position in giving its views on such a Resolution. Honourable Members cannot expect Government to accept a Resolution which they themselves admit does not express what they want and is badly drafted. However much we might sympathise with the spirit underlying this Resolution, it is quite obvious that Government would be held in future not to the spirit but to the letter of the Resolution.

Mr. Muhammad Asghar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Did any Member of the Opposition say that the Resolution was vague or that it did not express what they wished it to? Perhaps my Honourable friend, Mr. Dow, refers to the criticism of the European Group.

Mr. Chairman (Sir Cawasji Jehangir): The Honourable Member was not present in the House the whole time.

Mr. H. Dow: I submit several Honourable Members have referred to the Resolution in terms which justify the reference which I have made.

The Resolution is in some respects too wide. In other respects, as my Honourable friend, Mr. Joshi, and one or two others pointed out, it is too narrow. There are two main parts of the Resolution. I think a very effective reply on the second part has already been given by my Honourable friend, Mr. Clow, and I do not myself intend to make any further reference to that, except to point out that my Honourable friend, Prof. Ranga, was a little unfair, though certainly not intentionally so. I think he rather misunderstood Mr. Clow's point. It is quite true, I believe, that in certain countries there are Trade Boards which concern themselves with such questions as the fixing of minimum wages. And my Honourable friend, Mr. Clow, did not in any sense say that it was impossible for that to be done in India; he was not dealing with that point at all. I do not know of any trade board in any country which confines itself to regulating the conditions of labour only in protected industries; and the whole point which was made against this Resolution was that it was unfair simply to take up the case of labour in protected industries, and to leave as they are conditions in other industries which might be a good deal worse, simply because of the fortuitous circumstance that they did not happen to get protection.

Prof. N. G. Ranga: Try to help those workers also.

Mr. H. Dow: Now to come to the wording of the Resolution, there is a sense in which it is very much too wide. It refers to "any aid or subsidy in any shape or form". Mr. Griffiths pointed out that that is very wide, but it is really a great deal wider than even he pointed out. As regards direct aid to industries, the Central Government does very little indeed in the way of giving subsidies, but when you come to consider indirect help to industries I think you will find that it really embraces almost the whole field of the Central Government's activities. There are such things as tariff protection, purchases by Government departments, the reduction and sometimes the entire refund of duties on imported materials which are used in industry, and railway freight concessions; but leaving aside these things there are, for example, the Industrial Research Bureau, the Geological Survey, the Forest Research Institute, the Council of Agricultural Research, etc. All these things help industry; and if you go still farther, you may consider the legislation which is carried through by Government on such matters as currency, banking, patents, copyrights. You might go farther and take the question of law and order, the institution of courts of justice and even, I should say, the institution of a Legislative Assembly where my Honourable friend, Mr. Sri Prakasa, brings forward this Resolution. For, I take it, he hopes that his Resolution is at least going to be

of some indirect benefit to industry. I just mention these matters; I do not want to dwell on them, or to merely make a technical point in order to justifying a *non-possumus* attitude on the part of Government.

Mr. Joshi pointed out that no indication had been given in the Resolution of the exact kind of action which was possible. Now, I will try to run through the principal ways in which Government can assist industries. Leaving out the more general matters of administration to which I have just made a passing reference, in the matter of direct subsidies at the present time, the only direct subsidies which are given by the Central Government are the small grants made to cottage industries—the handloom industry, sericulture and the woollen industry. I think you will all agree that the question of further Indianisation in these industries hardly comes in. The Resolution deals, I recognise, not only with the present but with the future. In the future,—on the question of subsidies only I am speaking,—if legislation were unnecessary, I am quite sure that sympathetic consideration would be given by Government to the circumstances of any industry which permitted of such a condition as is advocated by this Resolution being imposed. But the likelihood of such subsidies being granted without legislation is not very great if you will bear in mind Article 34 of list I of the Seventh Schedule to the Government of India Act. Legislation would almost certainly be required in the case of granting new subsidies, and if that were not the case it would be for the Legislature itself to consider at the time of passing legislation what conditions of this kind it was possible to impose.

Mr. M. S. Aney: May I just intervene for a second? When a legislation for protecting an industry is brought here, if the original provisions of the Bill do not make any reference to labour conditions, any amendment to that effect is considered as being outside the scope of that Bill. That was done in one case, so far as I know. Therefore, unless the principle is accepted by Government and Government comes with certain conditions like that, it is difficult for this House to improve upon a Bill of that kind.

Mr. H. Dow: I was particularly at the moment dealing, as I had explained, not with the question of labour but with the first part of the Resolution. But it is a fact, I am told, that such amendments as my Honourable friend referred to have on occasion been allowed in Tariff Bills.

Prof. N. G. Ranga: Sir, on a point of order, it was disallowed by the President in 1924.

Mr. H. Dow: Now coming to indirect methods, the principal method by which Government can assist is Tariffs. In the report of the Indian Tariff Commission stress was laid on the fact that companies getting protection ought to be asked to give reasonable facilities for the training of Indian apprentices at Government expense.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

Now, we have gone in that respect a great deal beyond the Indian Fiscal Commission's view. They spoke of this training being afforded at

[Mr. H. Dow.]

Government expense. Training is afforded now in a good many industries not at the expense of Government but at the expense of the industry itself. But the general policy of Government has always been not to interfere more than was necessary in the internal management of industries. I should like to quote from some remarks made by the Honourable Sir C. P. Ramaswami Aiyar at the time of the statutory inquiry into the working of Tata's. The Honourable Member for Government then said:

"If we interfere with the management of a commercial concern and in its marketing and its sale policy, and if that commercial concern finds afterwards that its products are not capable of being sold at a profitable rate and if it finds that there is loss and if it comes again to this House and says that owing to our interference, because of our disturbance of normal conditions of trade, it has suffered loss and it wants still more protection. I would ask this Honourable House whether they would encourage that attitude on the part of that company."

And again:

"Supposing the Tariff Board and this House say that the company must employ so many people and you must give them so much salary and other facilities, and then it is found that they are not able to achieve any profit, you will find that you are again let in for a much bigger bounty and protection. Those who are anxious to protect the Indian taxpayers and emphasise that aspect of the matter will realise the point of my observations."

I will now refer to the tariff report on the Paper and Paper Pulp Industry. If you will turn to paragraphs 106-108 of that report you will find that the Tariff Board recognised the impossibility of withholding the benefit of an import duty from companies which did not fulfil certain conditions. They went on to make recommendations with regard to grants and subsidies and loans and other concessions, and on that Government, in the course of its Resolution on the report, made the following remarks:

"While, therefore, the Government of India consider that manufacturing concerns enjoying tariff protection should hold it incumbent upon themselves to take such steps as are reasonably practicable to ensure Indian participation in the industry concerned, they must dissent from the view that compulsory methods of bringing about this result, such as those suggested in paragraph 106 of the Board's report, are justified by any declaration of policy which has been made by Government in the past."

An Honourable Member: What is the date of that Resolution?

Mr. H. Dow: 3rd February 1932. One further point is that the protection given by way of tariffs to industries is laid down for a certain time: it is granted by the Legislature, and it cannot be varied except in certain circumstances laid down in section 4 of the Indian Tariff Act during that period. To impose new conditions of this kind, which it has been recognised would result in the industry having to spend additional money, would certainly be unfair and would in practice reduce the amount of the protection. With regard to the later protected industries, the paper pulp industry and the match industry, Government have done what they could, to assist the employment of Indians in the upper grades; but without resort to any compulsion. They have expressed their views on the matter to the manufacturing firms and they have had periodical returns sent from these firms; and I would like to assure the House that although there has been no compulsory powers behind these requests, they have had a great deal of effect, and in the case of both those industries there has been a very considerable advance in the number of Indians employed

in the higher grades; and that increase has not been merely because the industry has been expanding. It has been accompanied by a considerable decrease in the number of Europeans employed in the higher grades. Indeed, as Sir Cowasji Jehangir and Mr. Griffiths have both pointed out, an industry is not going to reduce its own profits by deliberately employing the more expensive Europeans in grades where they are satisfied that Indians can adequately do the work.

There is another way in which Government can do something and that is by purchases made by Government Departments. The High Commissioner for India, the Stores Department, the Railways and the Army Department in the course of their ordinary purchases are enabled to give, and do actually give, a preference to those firms who are willing to provide training facilities for Indians. When we come to the stores policy, it is inevitable that tenders must be decided mainly on economic grounds: otherwise it is quite clear that there will be considerable additional expense

Mr. Muhammad Nauman: On a point of information, Sir. Is it always the lowest tender that is accepted? Is it not a fact that tenders of higher value from European firms have been accepted as against lower tenders from Indian firms?

Mr. H. Dow: No. I have myself seen many instances in which preference has been given to Indian firms. It is a matter which is always considered by the Chief Controller in giving such contracts.

(Mr. Muhammad Nauman rose to interrupt.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot be allowed to interrupt in this way.

Mr. H. Dow: Lastly, Sir, I am not sure whether the House realises the great change that has been made in this matter by the rupee tender system. It has meant that a very large number of contracts come to this country which formerly did not do so and that generally speaking they come to firms in which the majority of employees are Indians. In applying this preference, I think it is possible that we might refuse to grant a preference unless we were given some assurances with regard to the Indianisation of the staff; but I do submit that there is a considerable chance that they would work to the detriment of Indian industries. It might have the result, if you were going to refuse to give this preference, that contracts would instead go to a firm which was wholly a European firm, and the result would be that Indian industry would suffer and not gain. It must be admitted that there are still certain Indian industries which at the present moment need more and not less foreign skill, brains and technical assistance. When the time comes when they can do without it, you can generally trust the industry itself to employ the cheaper method of Indianising its staff.

I have explained as well as I could what Government is doing in this matter and that Government are entirely sympathetic to the spirit which underlies this Resolution; but in its present form it is quite impossible for Government to accept it.

Some Honourable Members: The question may now be put.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"This Assembly recommends to the Governor General in Council to take effective steps to impose upon all industries, which are or may be in receipt of any aid or subsidy from the Central Government in any shape or form, such conditions as may secure (1) the employment of not less than a specified proportion of Indians in both higher and other grades of their employ, and (2) adequate wages and fair treatment of the Indians employed by them."

The motion was adopted.

RESOLUTION RE CONSTITUTION OF A STANDING COMMITTEE FOR THE INDIAN ARMY.

Mr. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): Sir, the Resolution that I want to move runs as follows:

"This Assembly recommends to the Governor General in Council that in order to associate the elected Members of the Central Legislature with the Indian Army early provision should be made for the election of a Standing Committee of Indian Army."

This is the second time that a Resolution of this type is being moved in the lifetime of this Assembly. Only two years ago on the 3rd February, 1936, a Resolution in identical terms was moved by my Honourable friend, Sardar Mangal Singh, and it was adopted in this House without opposition. It is really regrettable to find that after the adoption of that Resolution in the month of February, 1936, the Government did not take any steps to honour the considered opinion of this House. It has, therefore, come with additional reason before this House, and I have not the slightest doubt that the same verdict which has been recorded in the year, 1936, will be recorded here and now.

Sir, in the circumstances through which the world is passing today it has become increasingly necessary that matters should not be left entirely in the hands of so-called experts at the Army Headquarters. I think if there was a good case in the year, 1936, for the election of such a Standing Committee, the case is decidedly stronger today. Sir, even in England a Committee on Imperial Defence, or C. I. D. as it is popularly called there, has been doing very good and useful work since its inception in 1914. The technical experts who are represented on that Committee of Imperial Defence in England have often bungled more, and have not given proper and necessary advice on matters of policy and defence. In this connection, Sir I may point out that no less an authority than Major Cole has something very bitter to say about these experts. This is what he says:

"During the period of tension with Italy regarding the Italian Abyssinian dispute, and the resulting movements of larger British forces to Egypt and of the Mediterranean Fleet to Alexandria, a great deal of public and parliamentary criticism was focussed on the need for greater co-ordination between our foreign and defence policy, and also between the British forces themselves. With regard to the second, it was asserted in some quarters that the Chiefs of Staff Sub-committee 'had not completely fulfilled its duty to advise the Cabinet on our defence policy as a whole', but had (in the words of Lord Trenchard) avoided issues on which vital differences of opinion might arise, and restricted the scope of the Committee's reports to matters on which agreement can be reached by 'give and take'."

Therefore, Sir, it has become increasingly dangerous, as I said, to leave matters entirely in the hands of so-called experts. Modern warfare

is not what it was 20 years ago. It is not merely confined to the manufacture of munitions or mere recruitment of men or their maintenance, but it has a good deal to do with the industrial and agricultural production and organization of the country. In a sound system of defence, all these factors have got to be taken into consideration. I do not suggest that there is any immediate prospect of a great war in which this country will be involved, but if you want an efficient organization which will work effectively if and when such a contingency does arise, proper preparation and proper planning ought to take place in time of peace. With that object in view, if I were to state only shortly, I would state that mere experts are not enough; the so-called military experts in point of strategy and actual operations in the field, must be associated with men who have large experience in the industrial and other technical spheres of life. If that is the function of the Committee, then I think this House should not have the slightest objection in accepting this Resolution.

Sir, having said this much, I desire to bring to the notice of the House that this is not something which I am propounding for the first time, for so long ago as the year, 1930, when the First Round Table Conference was held, a Sub-Committee on Defence was appointed, and this question of associating elected Members of the Central Legislature with the Defence or the Army Department was thoroughly considered. With your permission, Sir, I shall refer to the proceedings of that Sub-Committee which was presided over by Mr. Thomas, and one of the heads considered was, to whom such a council should be responsible. This is what he said:

"There would arise the question of the establishment of a military council. That, again, would be necessary in order to ensure any form of unified control, and the question would be, to whom that council should be responsible."

Then, Sir, in the same proceedings you will observe that a good case has been made out for such a military council to help and advise the military department by no less a person than Mr. Jinnah, the Leader of the Independent Party. This is what he said:

"The next question before us is that of the Military Council. On that my view is that it will be essential to have a Military Council in India, just as you have here for your purposes, an Imperial Defence Committee. I should like the Indian Princes and States to be represented on that Council because it will be a question of All-India defence and the development of All-India defence, and, therefore, I should like the Indian Princes to be represented on that Council, and I am strongly of opinion that it will be necessary."

Ultimately, Sir, as a result of a good deal of discussion, it was agreed in that Sub-Committee that there was necessity to establish a military Council and that a recommendation should be embodied in the final Report. This is what is stated in the proceedings by Mr. Thomas:

"No one could argue against that. Therefore, merely to have a discussion that there shall be a military council would be a waste of time. You are quite right that I am accepting that as a general principle. There would be no point in arguing the reasons why there should be a military council. As a matter of fact, I am advised by my Secretary that I had thought of the words 'the advisability of establishing a military council including representatives of the Indian States' was agreed to, because there was no disagreement on that and there was no point in arguing something which would be obvious."

The same principle was accepted in the second Round Table Conference in the year, 1932. And finally, Sir, when the Joint Committee on

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the Indian Constitutional Reforms published its Report, we find in paragraph 176 at page 98 these words:

"It has been urged upon us that, in order to build up an informed opinion upon defence questions, a Statutory Committee of the Legislature should be established. We understand that outside the formal opportunities of discussing defence questions on such occasions as the Army Budget, opportunities are already given to Members of the Legislature to inform themselves upon Army questions; and, provided that the extent and methods of consultation are clearly understood to rest in the discretion of the Governor General, we see no objection to the formation of any Committee or Committees that the Federal Government and Legislature may consider useful. We feel, however, that this is essentially a question to be settled by them and not by the Constitution Act."

Therefore, Sir, the point that I wish to make clear is that the principle of the constitution of such a Committee, a Military Council or a Committee of Defence,—whatever you may like to call it, has been accepted since the First Round Table Conference.

Again, Sir, in the year, 1934, when the Indian Navy Bill was under consideration in the Assembly, this is what the then Army Secretary said:

"At the same time, we are fully alive to the desirability, both I may say, in our interests and also in the interests of the tax-payer, of taking the elected representatives of the people into our confidence in these matters to a far larger extent than we have done in the past. With the approval of the Secretary of State, I am, therefore, authorised to announce that it is the intention to consult the Indian Legislature, so far as may be possible, whenever any question arises of lending the Indian Navy to the Admiralty for operations other than in the defence of India. That, Sir, is all that we can do for the moment; but I do hope it will go some way, in fact, I hope a considerable way, to satisfy my Honourable friends opposite that we do really appreciate their point of view in this matter and are anxious to go as far as we can to meet it. I can assure them that we intend to carry out that pledge not only in the letter, but in the spirit."

Then, Sir, in the Simla Session of the Council of State, His Excellency the Commander-in-Chief said this:

"I am quite certain that Government would consider that sort of a request with every desire to meet your wishes and the wishes of political India, provided that you put up an absolutely agreed proposal, concurred in by all parties in India."

Now, this agreed proposal did emanate in the year, 1936, when this House without a single dissentient voice passed a Resolution which in identical terms resembles the Resolution that I am moving today. If in spite of these historical antecedents and the clear necessity for the constitution of such a council or committee, the Government are not convinced, then I think nothing in the world can convince them. In the year, 1936, when a similar Resolution was moved and was under discussion, the Army Secretary tried to wriggle out of the pledges, to which pointed attention was drawn, by pointing out that it was not a pledge and all that it involved was a promise to consult the Indian Legislature whenever possible, when an occasion arose for sending out troops outside British India. I may not have been educated in Oxford or Cambridge like my friend, Prof. N. G. Ranga or Mr. Sri Prakasa, but I know a little English and I can tell you this much that as I read it in the context of the pronouncements made in the three successive Round Table Conferences, it should not be a matter of doubt for anybody that such a council or such a committee was a proposal that was accepted by the British Government. You might say that it is to be left to the Federation that is to come. It may not come at all but the point is not who

are to do it. The real point is whether it is necessary and whether it is useful. If the House agrees on these two things, it is immaterial and irrelevant whether that should be done by the Federation which may or may not come. If it is the honest intention of the Government to avoid blunders which are implicit if you disregard all non-official advice, then they should accept my Resolution. I am not claiming that this committee should be invested with the power of knowing everything that you may call in your own way secret or which you may call in your own way highly technical, but I want this Committee to discharge functions precisely like those which are discharged in England by the Committee of Imperial Defence, and with your permission I shall only read from Major Cole's book on 'Imperial Military Geography' as to what are the functions of the Committee of Imperial Defence:

"The Committee of Imperial Defence, is, however, purely, a consultative and advisory body, and the final decision on all matters of policy must be made by the Cabinet. Thus, though its field of survey is at least as comprehensive as would be that of a Ministry of Defence, it does not possess the great supervisory and executive powers which would be entrusted to such a minister, nor does it, in any sense, relieve the Cabinet of the responsibility for any action, or for a decision where the advice offered by the three Chiefs of Staff is conflicting."

All that I claim for this Committee is exactly what has been stated in this paragraph. If, therefore, a question like the mechanisation of the army is to be discussed, it is not a question which can be discussed without some reference to the industrial structure of the country. Do you mean to suggest seriously that those who happen to be in the high command of the Army Department are competent to judge about the usefulness, about the exact size of the industrial plant in the country. You must associate with them men who have something to say on that subject. It is absolutely necessary that there must be co-operation not only in the various Departments of the Government but co-operation with the industrial and commercial world in the country. The industrial organisation must be so organised in peace time that in a given state of war, whatever may be its size and extent, it can be easily converted into an organisation which will be fit and proper for a country engaged in war. If that is the rough outline of plan and programme accepted by other countries in the world, I fail to see why this Government should take so narrow a view of this matter. I say that this is really a case in which the sincerity of the Government will be put to test. With one voice you say that there is not enough talent, there is not enough well-informed criticism and when opportunity is asked for which will enable the Indian talent to be well informed, you turn round and say 'No, it cannot be done' on the wrong pretext that military secrets will be out. I want to know, if military secrets are not out on account of the constitution of the Committee of Imperial Defence, why should there be a different experience in this country. I want to know whether the Official Secrets Act is more dishonoured in this country than in England. If that is not the case, then why should there be a sort of distrust in associating non-official elected Members of the Central Legislature with the working of the Army Department. I, therefore, submit that this is a case in which at least the Government of India should represent to His Majesty's Government that because His Majesty's Government is pledged to constitute such a committee or council they must agree with the considered voice and verdict of this House. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved:

"This Assembly recommends to the Governor General in Council that in order to associate the elected Members of the Central Legislature with the Indian Army, early provision should be made for the election of a Standing Committee of Indian Army."

Mr. K. Santhanam (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I rise to support the Resolution moved by my Honourable friend,

Mr. Gadgil. There has always been a divorce in this country
4 P.M. between the people and the civil Government and the Army Department, and the divorce between the people and the army has been greater than the divorce between the people and the civil Government. So far as the provinces are concerned, a step has been taken to bridge the divorce between the people and the civil Government. It has widened the gulf between the people and the civil Government at the Centre and it has widened the gulf between the people and the army. Perhaps if some form of responsible government is established at the Centre, then the gulf between the people and the army will grow much wider. I suggest that this gulf is a dangerous one and unless early steps are taken to bridge it, it may end in disaster for this country. This Resolution is a small step and a desirable step towards bridging that gulf which now exists between the people and the army.

Now, today no Indian feels proud of the Indian army. You may mechanise it. You may make it very efficient. It may cover itself with glory in the fields of France. You may say it has got a great record in Palestine and other fields of action, but every time we read about it, we feel that it is not our army but an army of occupation imposed on us by a foreign Government, and though two-thirds of the army is composed of Indian nationals, yet it is more or less a hireling army. This evil should go. If it does not go, it is bound to create all kinds of difficulties in the future. It is not enough that you should Indianize the ranks of the army. It is not enough that you should Indianize even the officer ranks of the army. We should see that the people come to feel that, whatever the composition of the army, it is an army which stands for the Indian people, for the protection of the Indian people, and the appointment of a Standing Committee will help to some extent to create that feeling. The Standing Committee will bring to the notice of the Government, which as my friend has pointed out is the ultimate authority to decide on all matters, the feelings of the people.

For instance, with regard to recruitment, we in the south of India have got a great grievance. Madrasees are not allowed admission into the army, they are considered to be a non-martial class. The feeling is growing in the south that we must establish our own army,—at least a section of the army must be composed of Madrasees, and that we must play a part in the defence of our own hearths and homes. It is because there is no link composed of non-officials between the Army chiefs and the people that this iniquity is being persisted in. After all, in modern warfare physical strength counts only to some extent. We want brain power. We want accuracy of judgment. We want resource. We want real mental valour. All this may co-exist with some deficiency even of physical strength. We have often heard of great generals who were physical weaklings and I have read that the great General Moltke had to be carried in an ambulance cart.

Then again there is another question. I believe that a large amount of material connected with the army is being actually manufactured in this country. Well, this information is not given to the people and the people have a feeling that all materials consumed by the Indian army are being bought only from Britain, and this feeling is creating a great deal of irritation towards the army and the Central Government. Now a standing committee conversant with these affairs and which knows how much material is being produced in India and how much is being bought from abroad would be a great help to the Central Government in dispelling such an impression.

Then, again, there is the question of the civilian control over the army. It is easy to say that the Governor General is in charge and that his Executive Council can order the army about, but as a matter of actual practice, unless the Executive Council is strengthened by non-official hands, the military chiefs will always be insubordinate; they will have their own way; they will say, "you must find crores of rupees", and the Finance Member of the Executive Government will have no power to refuse. If on the other hand there is a Standing Committee composed of responsible Members of the Legislature with which to confront the military chiefs and say to them, "we cannot get the approval of the people to this, and if you persist, we will have trouble", then their hands will be greatly strengthened. Sir, any civilian control over the army is always dependent upon the support which the civilian Government gets from the people, and today the Central Government in Delhi has no support from the people and, therefore, at the slightest trouble, they are utterly dependent upon the eccentricities of the military chiefs and they will have to take orders from them. I say when we are thinking of Federation and Provincial Autonomy, we should also not forget that this is a great danger in India and—it may be the Indian army or it may be the British army—ultimately, the idea of civilian control will have to be implanted, and unless this idea spreads, there will be no safety for the Federation or for the unity of India. We must begin even from now to cultivate this idea and to establish a civilian Standing Committee, before whom the military chiefs would have to come to explain their proposals for reorganization, their budgets and so on. We will also thereby educate the military chiefs to attend to non-official opinion and to see that they command the approval of the non-official public. It is a matter of vital importance. Also it will help the military chiefs in India to do propaganda for themselves. Sir, I remember that some pamphlets were issued by the Army Department and I know that they supplied much useful information, but the very fact that they were issued by the Military Department, that all this was composed by and for the Military Department had made even the actual figures suspect in the eyes of the people. I have really seen comments in newspapers casting doubts on the facts and figures given, suggesting that they were all cooked up. Now, if in this matter an impartial standing committee was associated with the Government, then they would be able to put up a better defence in all legitimate matters.

For instance, there is a legitimate case, I think, for improving the navy and the air force. I believe the land army is being fattened at the expense of the more essential services. Today, as I see it, there is no use for a big land army in India. There is no great power threatening it by land. But on the other hand our defence on the sea and in the

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air is extremely poor. For instance, if 25 per cent. of the military expenditure can be diverted to building a stronger fleet, India will be much safer. It is no use letting the invader land in India and then trying to fight him with big mechanised regiments. It is better to fight him in the air or on the sea but not on land. Therefore, it might be better to build a better fleet and a better air force and to decrease the land forces. For all this, a Standing Committee would be positively helpful to the Government. Of course, the responsibility for final decision will always rest with the Executive Government, but as an advisory body it will render an useful purpose to the people and to the Government, and I heartily support this Resolution.

Mr. Abdul Qaiyum (North-West Frontier Province: General): Sir, I rise to support this Resolution which has been moved by my Honourable friend, Mr. Gadgil. It is a very necessary Resolution because the time has come when the Government of India should take stock of the public opinion in this country, and should boldly come out with a scheme whereby the people of this country through their elected representatives will be associated with the control of the army. But it seems that, as usual, the Government of India are either quite out of touch with public opinion or refuse to bend their proud heads before it. The reason why the Government of India will not have a Standing Committee of this House to scrutinise the affairs of the army are two or three.

The first and the foremost reason—and this reason is obvious not only to all sections of the House but to all the thinking people in India—is this that in spite of years of association with the British, in spite of the fact that Indians have fought for the British Empire in various theatres of war all over the world, the fact remains that the British element in India is still actuated and working under a sense of distrust of the Indians. Even those Indians who are supposed to be very loyal and who have not hesitated to shed their blood for the cause of British imperialism are suspects in the eyes of those very people for whom they have made these sacrifices.

The second reason why it is not desired by this Government that the elected element should be associated with the control of the army is that the army in India is maintained, not for the purpose of the defence of India but for Imperial purposes. If we look at the history of the last fifty or sixty years, there have been many occasions when at a moment's notice troops have been rushed out of India to various theatres of war where British imperialism was threatened and these troops and the money that was collected from the taxpayers in this country were used for purposes which were purely meant for strengthening British imperialism.

But the time has come when I submit that even this Government, irresponsible though it is, cannot refuse to ignore public opinion any longer. I may assure the Government that the people of this country are determined to have control over the army; they are determined to have control over the finances; and they are determined to have control over foreign affairs. You may put off the day by 10 or 15 or 20 years, but I assure this Government that the time is not far off when the people of this country will take charge of the army which will become a national army in the true sense of the word. It will cease to be the mercenary army which is being used for purely British purposes at present.

We are told that the British control of the army is necessary for purposes of discipline and for purposes of its more efficient control. I know something about the army coming as I do from a province which is the main centre of the activities of the British army in India. I know that in spite of all the tall talk of this Government, there is a terrible discontent in Indian officers who have come either through the Sandhurst or the Indian Military Academy at Dehra Dun. I know that the present Government is so utterly unsympathetic that it does not move at all in this direction. It does not want to remove the grievances of the Indian officers. Not long ago a very interesting incident happened at Razmak. In spite of this talk of equality, the Colonel of the regiment objected to the Indian officers playing Indian music in the Mess. When they protested that they would like to play the Indian music, he told them that if they wished to carry on the Indian music, they could go and eat cowdung in their villages. When the officers protested against the objectionable remarks of the Colonel, they were hauled up before a Court of inquiry and it was with much difficulty that they managed to extricate themselves from the clutches of the military law.

There are so many other matters which could be rectified if the Army Department takes into its confidence the elected Members of this House. For instance, there is a great discontent among the officers who have come out of the Indian Military Academy, Dehra Dun, because both with regard to their pay and allowances they are treated in a very bad manner. It is a well known fact and it cannot be challenged even by the military authorities that an officer who comes out of the Indian Military Academy cannot draw the pay which a British Lieutenant from the Sandhurst draws on the very first day even after 9 and possibly 11 years of service. Even the quarters which are built for these Indian officers are very inferior to those which are built for officers who come direct from Sandhurst. I know it for a fact that the Indian officers have to pay 5 per cent. for the quarters occupied by them, and the British officers who draw their lodging allowances are actually given a remission for their kindness in using those quarters which are intended for Indians if and when they are forced by circumstances to occupy them. It is a very strange thing that an Indian officer coming from Dehra Dun should have to part with 5 per cent. of his pay while a British officer is granted a remission in his lodging allowance for the trouble of using inferior quarters which are intended for his Indian colleague. It is not only this, but there are so many rules and regulations in the army which tell very heavily on the Indian officer. For instance, an officer has to put in, I think, a year and a half's training at Sandhurst

Mr. President (The Honourable Sir Abdur Rahim): I think the Honourable Member is covering a very wide field.

Mr. Abdul Qaiyum: This was the last point which I was making out and the reason why I was trying

Mr. President (The Honourable Sir Abdur Rahim): I can understand that, but he need not go so far.

Mr. Abdul Qaiyum: I will not develop that point, but I can say it for certain that the Indian officers who come out of Sandhurst are deliberately placed below their British colleagues. Their date of appointment is

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put three days after the date of British officers so that they can never get the same facilities for promotion which people from Sandhurst do. All these facts go to show that there is discontent in the army. On the top of that we find that the Officers Commanding insist that Indian officers should go in for hunting, should join the Club and keep horses even though their pay is inferior to that of the British officers. In spite of all this talk that the army is very efficiently managed, the fact remains that there is bitter discontent amongst the Indian element.

Mr. President (The Honourable Sir Abdur Rahim): I think the Honourable Member must confine himself to the Resolution.

Mr. Abdul Qaiyum: I will do so. The fact remains that all the money which is spent on the Indian army comes out of the pockets of Indians, and there is absolutely no reason why a gentleman like the Defence Secretary, who comes from 1000 miles, should have the sole control of the management of the army and the people who have to pay for the army should be kept outside the door. It is not only illogical but it is highly inequitable, and it is high time that the military authorities took stock of the situation in the country, and also took stock of the fact that the public opinion is bent upon having the control of the army. I can assure the Honourable the Defence Secretary that, in spite of his mechanized battalions, the time is not far off when the people of this country will have the control of the army. With these words, Sir, I support the Resolution.

Sardar Mangal Singh (East Punjab: Sikh): Sir, I rise to support the Resolution that has been so ably moved by my Honourable friend, Mr. Gadgil. The Honourable the Mover has, in supporting the Resolution, given conclusive arguments as to the necessity of appointing an Advisory Committee on army matters. The House will remember that a similar Resolution was passed by this House without a division in 1936 and it was hoped that the Government of India would seriously take up that matter and would soon take steps to establish a Committee with which the elected Members of this House would be associated. It is not a question of merely the control of a Department but the question of defence is much wider and is very closely associated with the question of the self-government of this country. I would remind the Honourable Members that at the time of the Round Table Conference a plea was put forward that self-government cannot be granted to Indians as they are not able to defend themselves. They have no army which will be able to defend the country and therefore self-government should not be given to them. From that point of view it is very necessary that the control of the army should be given to the Indians. But by this Resolution we are not demanding that control. The point before the House is simply this, that an Advisory Committee should be appointed which should be consulted on army matters. Our object is not to pry into the secrets of the Government, as regards Army affairs. I recognise that in defence matters there are certain secrets which should only be dealt with by the army authorities. Nor do we wish to embarrass the Government by raising inconvenient questions. If this Committee is appointed, what will happen? Certain matters will be brought before the Committee. As to

which matters should be brought before it, that will be decided by the Government of India. I put it to the Honourable the Army Secretary what is the difficulty about it? There are several matters which can easily be brought before the Committee. For instance, there is the question of the Indianization of the Indian army. There is a feeling in the country that this question is not properly dealt with. The general public is suspicious that the Government will come forward with certain excuses after some time that this experiment has failed.

Then, again, Sir, there are several other matters; for instance, the purchase of supplies, the purchase of equipments, the purchase of arms and other things. No sensible Honourable Member of this House would get up and claim that these are questions of secrecy, that these questions are questions of war strategy. We spend about 45 crores every year on Army and the Members of this House, as representatives of the country, representatives of the tax-payers, are certainly entitled to be consulted in certain matters. This Resolution does not go very far. The Resolution only aims at the appointment of an Advisory Committee—a very modest proposal—although personally I would like to go very far, yet according to this Resolution we only want that a Committee should be appointed. There is an Advisory Committee in each and every other Department. My experience of the last three years shows that though very few matters are brought forward before these Committees—some Committees do not meet at all throughout the year—yet there are Committees in each Department.

An Honourable Member: They are sleeping Committees.

Sardar Mangal Singh: Yes, they are Committees which are perpetually sleeping. Last year the Defence Secretary advanced the argument that such a Committee is not to be found in any other country. But here is a country with 35 crores of people governed by a foreign Government and the Army is controlled by that foreign Government. At the Round Table Conference this question was seriously taken up and it was decided with the consent of the British Government that the defence of India would not be the concern of the British Government alone—this is very important—and that the increasing association of Indians is necessary in this Department. This was the view expressed at the Round Table Conference. Several years have passed and yet nothing has been done to associate Indians with the administration of the Army. Sir, we can legitimately claim, we can legitimately ask the Government of India that they should associate certain Honourable Members of this House with the administration of the Army Department. This Army Department is being carried on like Freemasons society's affairs. I ask the Honourable the Defence Secretary why he so much likes to sit behind the purdah. Is there anything ugly which he wants to hide from the public gaze? Why not raise the purdah, why not take the public into your confidence and then carry on the administration with the help of the elected Members of this House? I would submit that conditions have changed. This is not the India of 1914, which you are dealing with. This is a different India and if war breaks out again, I wish to warn the Government of India that they would not find recruits so easily as they did in those years. Even in those years, when England was threatened in 1918, I would remind the Honourable the Defence Secretary that the then Viceroy called Mahatma Gandhi for consultation. You may refuse this time that you are not going to consult

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us and that you are not going to appoint any Committee, but when the next war breaks out, when England would be threatened again, then you will come forward and you will be forced to consult us and at that time, mind you, Sir, no Indian will give his co-operation which he so foolishly did at the last time.

Again, Sir, the whole structure of the Indian army, the whole composition of the Indian army is based on a complete mistrust of Indians. Under those circumstances, the country can have no confidence in such an army which is being carried on by Freemason's methods. The attitude of the Government of India has so far been very unresponsive and irresponsible. The conditions of the world have changed. Future wars will not be fought by a few uniformed men alone. You will not be able to fight a war successfully unless the whole country is behind that army. It is not merely a few uniformed people, but the resources of the entire nation will have to be mobilised and if you treat us contemptuously, mind you, that when the next war comes, you will not find that co-operation, but there will be non-co-operation and other methods to force your hands to accede to our wishes.

An Honourable Member: I do not believe it.

Sardar Mangal Singh: My Honourable friend may not believe it, but it is a fact. The question before India is, how to get control of the Army. I would ask the Government of India whether it is better for them and for the British Government to let this impression go abroad that we cannot get this control by constitutional methods, that we cannot get this control by passing these Resolutions in the Legislature. Thank God, we have come here with these Resolutions. If this impression goes abroad, then they would follow other methods to get control of the Army, which other countries have followed to get control of the Army. When once we despair, we will be forced to the only conclusion that the control of the Army can only be secured by military and bloody revolutions. I put it to the Government of India, is that course better for the British Government or for the Government of India or for the people of this country? At the present moment thank that great man Mahatma Gandhi who is leading the country by peaceful and constitutional methods. But the youngmen of this country are getting impatient and I wish to warn the Government of India that if that impression is carried to the limit of desperation then the consequences would be very bad for the British Government and for the Government of India and for India also. But a sensible Government who could correctly gauge the feelings of the country would come forward to accept this very modest Resolution. Government would not lose anything by accepting this Resolution.

Up to this time, we are sick of the breach of promises. There have been breaches of faith during the last century and recently, as has been pointed out by my Honourable friend, Mr. Gadgil, there were several promises that this House would be consulted in such and such a contingency but those promises were not fulfilled. When the actual time for consultation comes, they do not consult us at all. Sometimes the promises and assurances given solemnly by the predecessors of the Honourable the Defence Secretary were easily forgotten. Referring to one such pledge,

I may point out to the House that this is what the Defence Secretary said. With reference to the consultation of this House when Indian troops would be sent abroad, he said: "I assure the House that this is a definite pledge and not merely a formula of words." This was the repeated assurance given by the Army Secretary that this is a definite pledge and not a mere formula of words. But a year afterwards, this proved an indefinite pledge and a formula of no words. The Government of India went back and they refused to consult the Legislature. They do not agree to appoint a Committee so that that Committee might be consulted when sending troops abroad. I put it to the Army Secretary that if he consults the proceedings of the House during the last 4 or 5 years he will find that his predecessors have made definite pledges and given definite assurances to this House that the Legislature is to be consulted before the despatch of Indian troops abroad. I ask the Army Secretary whether they have consulted the House even once. When Indian troops were despatched to China some Honourable Members of this House were no doubt privately consulted, but that is no substitute for consultation of the whole House. When Indian troops were sent to Abyssinia the plea was put forward that the House could not be consulted because it was not in Session, and at that time both the Defence Secretary in this House and His Excellency the Commander-in-Chief in the other House gave this impression that if an agreed formula were coming forward, the Government of India would consider it sympathetically and perhaps appoint a Committee. After that an agreed formula was put forward supported by all Parties in the House and a Resolution was passed. Then the Government of India did not do anything. They not only kept quiet but they definitely declared that they were not going to appoint any Committee or consult the Legislature before sending out troops.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Sardar Mangal Singh: Very well, Sir; I support the Resolution.

Mr. Thirumala Rao (East Godavari and West Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, that this Resolution is a very modest one need not be reiterated. One is oppressed with a sense of despair when one sees such very moderate Resolutions not being heeded to by Government. I do not stand to argue my case in favour of this Resolution, but when I stand up I really feel the humiliation that our country is in the unhappy position of being entirely isolated from the defence of its own borders. We are supposed to represent the man in the street here,—such of us as come here as elected Members,—and I want to present to the House what the man in the street feels about this. My Honourable friend, Mr. Gadgil, and those who have spoken before me have explained the constitutional position and all the various promises that have been given by the British Government with regard to the subject. But the man in the street, when he thinks of the condition and how insecure his life is and how insecure the condition of India is at the present moment, he has nothing but despair and he cannot look to any sort of help from the elected representatives of the country. Because, when you see the world situation today it is most alarming.

[Mr. Thirumala Rao.]

Considering the far eastern as well as the western situation, we see that the grip of Britain over the world situation is loosening now. The Mediterranean which is said to be the main artery of the British in all its activities in the east is passing into the hands of Italy; and Mussolini has said that he will convert it into an Italian lake. And at least one military expert has declared that Gibraltar is becoming vulnerable and that the Suez canal could not be saved and the way round the Cape of Good Hope must be explored if Britain is to rule eastern waters. And with regard to Japan it has proclaimed that its ambition is to declare to the world that it is now the turn of the east to rule the west; therefore, it is in a death drive against China and nobody knows when it will enter India. In these circumstances what is our lot?

The military is in the entire hands of the British and it is a closely preserved secret where no Indian, however eminent and however trusted by the British Government, is allowed to have an insight into the administration. And we are asked to be prepared for air raids and gas masks; Bombay, Calcutta and Karachi are given demonstrations in what are called black-outs, and people in Karachi have been asked to make underground cellars to enable them to stay there for 10 or 15 days in order to be prepared to protect themselves against gas raids and air attacks. Government want us to take precautions against all contingencies but they never want to trust us to the extent of having a Standing Committee of the Indian army in this House to discuss small matters which are not directly connected with the policy of the army. The other day the House passed the Military Manœuvres Bill; to that extent Government want the support of the people because their manœuvres have to be carried on to keep their army fit. Their army must be an army of occupation and kept ready only to subdue us and not to defend us. Are you the real defenders of the country? Have you got greater interest than the 35 crores of the people of this country? If you really feel that you must stand by this country because you say you are here to help this country and firmly plant this country on the road to self-government,—as you use the word in your blue books,—you must see that this country is defended properly and the people of this country are given their proper place in the defence of their country. I say this is a very modest request.

Some of our friends say that if Japan comes what is that to Britain? They will leave us to our fate and to Japan. We cannot defend India. If you want to defend India by air it takes at least four days to come to India and it takes 16 days for the navy to come from the West to defend Indian coasts. We are deliberately placed, as a matter of military policy, in this helpless condition, so that we shall always be slaves of Britain and will never wish to get out of the British Empire. But that will be the real reason and the genuine reason for India to demand complete independence and to work for it by all means. Therefore, if your professions are sincere and if you believe that by inaugurating the Federation and by giving Provincial Autonomy in the provinces you are bringing about a state of self-government in this country, you must see that some sort of gesture is made in this connection by accepting this Resolution.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I find that Government have not so far spoken on

this Resolution. As we do not know the mind of Government it is necessary that we should ask Government to take this House into their confidence and to accept the advice which is contained in this Resolution. When a similar Resolution was moved in 1936, Government did not divide on it, and we expect that on this also they will follow the same principle. The Resolution is only to the effect that Government should accept a Standing Army Committee just as we have got other similar Committees in this House. The absence of such a Committee undoubtedly creates a sort of suspicion in the minds of Members of this House and also of the public at large. Can it be said that Government distrust the people? When there is a big Indian Army and the majority of it is Indian, why should Government place themselves in a position of being distrusted by the people? Why should there be any difference of principle in the mind of the Government of India between the proposed Committee and other Standing Committees? The Government of India accept the salutary advice of the Standing Finance Committee which the Honourable the Finance Member is sometimes chary to dispense with . . .

Mr. N. M. Joshi (Nominated: Non-Official): It has been abolished!

Mr. Muhammad Azhar Ali: That is all the more serious then. However, I would ask the Army Secretary to consider this point very seriously. It should not only be not a matter of distrust but it ought to be a matter of courtesy on the part of the Government of India to establish a Committee for the army. The Committee is sure to give good advice as there might be occasions when the Government of India or the Army Department might be committing some mistakes. If such a Committee is established a great responsibility will be removed from the shoulders of the Government of India.

We know what world conditions are at present: the big powers are trying to humiliate the British Government. We know it for a fact that Italy has been trying its best to humiliate Great Britain, and Germany also is trying to do the same. We are undoubtedly connected with the British Government to this extent that at present we are said to be its subjects—we are an appanage of it. If we have a Committee like this, we would certainly advise the British Government to proceed in such manner as not to make the Indian people hostile. For purposes of propaganda and the like—such as the German and Italian propaganda against Indians—and also in a matter like helping China, this Committee will be of great advantage to the British Government. I do not want to criticise the British Government now, because the budget will come and that will be the occasion for the whole House to criticise the army budget and all other matters; but I would ask the Army Secretary today to consider the point that they should establish a sort of Committee for the sake of advising and making representations.

As my friend, Mr. Abdul Qaiyum, was saying about the complaints which the Indian people have against the army, if there were a Committee it would have been possible for the Committee to explain several matters to the Government and to the people. If the Army Secretary were allowed by His Excellency the Commander-in-Chief to make a speech on this subject and enlighten the House, the remarks which have been made about the deficiencies of the army would perhaps not have been made. The army is as dear to the Indians as it may be dear to the

[Mr. Muhammad Azhar Ali.]

Britisher. We know that although it is an army of occupation, it is an army which will in time of need protect us and, therefore, whatever subjects may arise—military manœuvres or anything—we will be willing to advise the Army Department according to our own ideas. I am not speaking today in any hostile spirit, but I merely ask them to consider the position. Why should they allow mistrust to grow? Why should they not take us into their confidence and avoid the troubles which they have all along been having? There are very few families in the Punjab and the United Provinces where people have not got their relations in the Army: the Indian Army has served the British people everywhere on different fronts; and, therefore, the relations and the representatives of the people have got a right to ask the Government of India to take them into confidence and act according to the advice that they can give. With these words, I support the Resolution.

Captain Sardar Sir Sher Muhammad Khan (Nominated Non-Official): Sir, I rise to make a few observations and to oppose this Resolution. The previous speakers who think they are experts in the army affairs have asked for a Committee to control the Indian Army. Not a single one of them has mentioned the functions of this Committee

Mr. N. V. Gadgil: I have done it.

Captain Sardar Sir Sher Muhammad Khan: One of the speakers said that the duty of purchase and supply should be given to this Committee. Is it fair that elected Members of this House should be asked to purchase grass and grain and supply water for the army? As a matter of fact they have not made up their minds as to what the functions of the Committee should be. My friend from the Frontier Province said that every matter in the Indian Army should be discussed in this Committee and he quoted a few examples of disciplinary action. If two officers play music in a mess and fight on that, will this Committee set the matter right? I would have welcomed the Resolution if it had been one to speed up Indianisation.

What do we find in England? There is a Committee of Imperial Defence and all the heads of the three arms are members of that Committee. No Committee would be worth a paper on which it is written if no experts are on it. I just remember a story that in olden times, that is, in the time of Sultan Salauddin, when he went for *Jehad* or a holy war, some mullahs were left behind to preach *Jehad*, but they said "Let us go to the battle field and die to get *shahids' Rutba* (rank)". They requested the Sultan to permit them to fight. He said: "No, your business is not to fight in the battle field, but to do preaching and preparing the nation for the holy war". They did not agree but insisted on going to fight. The next morning the Sultan asked his General that when you capture any prisoners, tie down their arms and legs and lay them on the ground, and order the very mullahs to cut their heads with their swords till he comes back. So he (the General) did, but he was surprised, when he came back, to see that not a single prisoner's head was cut. Poor mullahs said: "Sir, we tried to obey your order; but every time we tried to go near them they shouted on us with anger to retire". If this sort of Committee is formed then God protect the Indian Army! My

friend the last speaker, Mr. Azhar Ali, said that Japan is now fighting with China, and if such a Committee as this is appointed, they will be able to save us from Japanese invasion. (*Some Honourable Members*: "He never said so.") How can they do it? They are not experts. And they want only elected Members to be put on that Committee. I would tell my friend, Mr. Gadgil, that we are just having a national army, let us create experts first and then appoint such a Committee, not till then.

Mr. President (The Honourable Sir Abdur Rahim): I suppose the Army
5 P.M. Secretary wishes to speak on this Resolution.

Some Honourable Members: Only one minute more, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Then we will adjourn.

The Assembly then adjourned till Eleven of the Clock on Monday, the 7th February, 1938.