

23rd March , 1933

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

1933

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FIFTH SESSION  
OF THE  
FOURTH LEGISLATIVE ASSEMBLY,  
1933



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1933

M97LAD

# Legislative Assembly.

## *President :*

THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E. (Upto 7th March, 1933.)

THE HONOURABLE MR. R. K. SHANMUKHAM CHETTY. (From 14th March, 1933.)

## *Deputy President :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A. (Upto 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A. (From 22nd March, 1933.)

## *Panel of Chairmen :*

SIR HARI SINGH GOUR, KT., M.L.A.

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

SIR LESLIE HUDSON, KT., M.L.A.

MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

## *Secretary :*

MR. S. C. GUPTA, C.I.E., BAR.-AT-LAW.

## *Assistants of the Secretary :*

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

## *Marshal :*

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

## *Committee on Public Petitions :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A., *Chairman*. (Upto to 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman*. (From 22nd March, 1933.)

SIR LESLIE HUDSON, KT., M.L.A.

SIR ABDULLA-AL-MAMÜN SUHRAWARDY, KT., M.L.A.

MR. B. SITARAMARAJU, M.L.A.

MR. C. S. RANGA IYER, M.L.A.

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	PAGES.		PAGES.
THURSDAY, 23RD MARCH, 1933—		FRIDAY, 24TH MARCH, 1933— <i>contd.</i>	
Questions and Answers ..	2415—44	The Nudity Exemption Bill—Introduced ..	2537
Statements laid on the Table ..	2444	The Removal of Doubts about the Application of the Doctrine of Representation, in case of Succession to Stridhan under the Dayabhad Bill—Introduced ..	2538
The Salt Additional Import Duty (Extending) Bill—Discussion not concluded ..	2444—65, 2467—87	The Indian Bar Councils (Amendment) Bill—Introduced ..	2538
Statement of Business ..	2466—67	The Indian Penal Code (Amendment) Bill—Introduced ..	2538
FRIDAY, 24TH MARCH, 1933—		The Imperial Bank of India (Amendment) Bill—Introduced ..	2538
Questions and Answers ..	2489—2503	The Abolition of Capital Punishment Bill—Introduced ..	2538
The Indian Railways (Amendment) Bill—(Amendment of section 51)—Presentation of the Report of the Select Committee ..	2504	The Code of Civil Procedure (Amendment) Bill—Introduced ..	2539
The Child Marriage Restraint (Amendment) Bill—Motion to circulate negatived ..	2504—24	The Hindu Temple Entry Disabilities Removal Bill—Discussion on the motion to circulate not concluded ..	2539—53
The Hindu Temple Entry Disabilities Removal Bill—Introduced ..	2525—32	SATURDAY, 25TH MARCH, 1933—	
The Child Marriage Restraint (Repealing) Bill—Introduced ..	2532	Member Sworn ..	2555
The Girls Protection Bill—Introduced ..	2533	Message from the Council of State ..	2555
The Untouchability Abolition Bill—Introduced ..	2533	Statements laid on the Table ..	2555—56
The Bengal State Prisoners Regulation (Repealing) Bill—Introduced ..	2533	The Salt Additional Import Duty (Extending) Bill—Passed ..	2557—64
The Indian Criminal Law Amendment Bill—Introduced ..	2534	The Indian Finance Bill—Discussion not concluded ..	2564—89, 2589—2606
The Child Marriage Restraint (Amendment) Bill—Introduced ..	2535	Statement of Business ..	2589
The Mussalman Wakf Validating (Amendment) Bill—Introduced ..	2535	MONDAY, 27TH MARCH, 1933—	
The Hindu Widows' Right of Maintenance Bill—Introduced ..	2535	Member Sworn ..	2607
The Code of Criminal Procedure (Amendment) Bill—Introduced ..	2535	Questions and Answers ..	2607—40
The Code of Civil Procedure (Amendment) Bill—Introduced ..	2536	Unstarred Questions and Answers ..	2640—51
The Child Marriage Restraint (Amendment) Bill—Introduced ..	2536	Short Notice Question and Answer ..	2651—52
The Hindu Widows Maintenance Bill—Introduced ..	2536	Motion for Adjournment <i>re</i> Lawlessness in Sind—Ruled out of Order ..	2653—56
The Ajmer-Merwara Juveniles Smoking Bill—Introduced ..	2536—37	The Indian Finance Bill—Discussion not concluded ..	2656—91
		Appendix ..	2692
		TUESDAY, 28TH MARCH, 1933—	
		Questions and Answers ..	2695—2723
		Election of Members to the Standing Committee on Emigration ..	2723
		The Indian Finance Bill—Passed as amended ..	2723—53
		Demands for Supplementary Grants ..	2753—67

	PAGES.		PAGES.
<b>WEDNESDAY, 29TH MARCH, 1933—</b>		<b>THURSDAY, 30TH MARCH, 1933—</b>	
Motion for Adjournment <i>re</i> Order of expulsion served on four Chet- tiyar bankers of Saigon by the Government of Indo-China—Post- poned till next day ..	2769—71	Unstarred Questions and Answers	2825—28
Election of Members to the Stand- ing Finance Committee for Rail- ways and the Standing Com- mittee on Roads .. ..	2772	Motion for Adjournment <i>re</i> Order of expulsion served on four Chettiyar bankers of Saigon by the Government of Indo-China— Withdrawn .. ..	2828, 2877—92
Statements laid on the Table	2773—74	Election of Members to the Central Advisory Council for Railways ..	2829
Proposals for Indian Constitutional Reform—Discussion not con- cluded .. ..	2774—2823	Election of Members to the Stand- ing Committee for the Depart- ment of Education, Health and Lands .. ..	2829
		Message from the Council of State	2829
		Proposal for Indian Constitutional Reform— <i>contd.</i> .. ..	2829—92

# LEGISLATIVE ASSEMBLY.

*Thursday, 23rd March 1933.*

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

## QUESTIONS AND ANSWERS.

### SINO-JAPANESE WAR.

877. **\*Mr. Bhuput Sing:** (a) Have any special arrangements and preparations been made to guard the eastern and northern frontiers of India against possible attacks of enemies during the Sino-Japanese war? If so, what?

(b) Has there been any correspondence between the Government of India and the British Government on the subject?

(c) What was the attitude of the Indian representative at the League of Nations towards the Draft Report of the Committee of Nineteen on the Sino-Japanese dispute?

**Mr. H. A. F. Metcalfe:** (a) It would not be in the public interest to give a reply to this part of the question.

(b) No.

(c) The Indian representative at the League of Nations was not in a position to adopt any attitude with reference to the Report of the Committee of Nineteen.

### RESTRICTIONS ON THE PASSPORT GRANTED TO MR. SUBHAS CHANDRA BOSE.

878. **\*Mr. S. C. Mitra:** (a) What is the practice in granting passports regarding the mentioning of countries to which the holder of the passport can proceed?

(b) Is it the practice to mention that the holder of the passport cannot enter some countries? If so, are there any cases of such exclusion and endorsement during the last five years?

(c) Is it a fact that on the passport issued to Mr. Subhas Chandra Bose it is stated that he cannot enter the United Kingdom and Germany?

(d) Will Government be pleased to state what reasons induced them to prevent Mr. Subhas Chandra Bose entering Germany?

(e) Has there been any communication from the German Government or the representative of the German Government in India on the subject?

(f) In whose interest has this exclusion been made?

(g) What are the reasons for excluding Mr. Subhas Chandra Bose from the United Kingdom?

(h) Have His Majesty's Government expressed any desire that Mr. Subhas Chandra Bose should be so excluded?

(i) Have not His Majesty's subjects in India the right to go freely to Great Britain?

(j) In whose interest and for what reasons has this exclusion been ordered?

**The Honourable Sir Harry Haig:** (a) and (b). The practice is to endorse a passport for the countries proposed to be visited, which are named. It is also not uncommon to indicate on the passport countries for which it is not valid.

(c) Yes.

(d) to (j). I should like to make it quite clear to the Honourable Member that the withdrawal of the order against Mr. Bose under Regulation III for the purpose of enabling him to visit Europe was due solely to the state of his health. The reasons for which Mr. Bose was confined still hold good, and there is no reason to believe that he has severed his connection with the movement of revolutionary violence. The Government of India, therefore, considered it undesirable that he should go to countries other than those which it was necessary for him to visit in order to obtain the medical treatment which has been recommended for him. His passport was, therefore, endorsed for France, Switzerland, Italy and Austria only. The German Government were not consulted.

#### WITHDRAWAL OF ORDER UNDER REGULATION III OF 1818 PASSED ON MR. SUBHAS CHANDRA BOSE.

879. **\*Mr. S. C. Mitra:** (a) Has the order under Regulation III of 1818 passed on Mr. Subhas Chandra Bose been withdrawn? If so, when?

(b) Has the order been communicated either to Mr. Subhas Chandra Bose or to any member of his family?

**The Honourable Sir Harry Haig:** (a) and (b). The warrant under Regulation III of 1818 has been withdrawn with effect from the date on which Mr. Subhas Chandra Bose left India. He and his relatives were previously informed that this would be done.

#### FUTURE STATUS OF BERAR.

880. **\*Mr. S. G. Jog:** (a) Will Government state whether the negotiations which are in progress on the question of the future status of Berar have been concluded?

(b) If so, will Government state the result of these negotiations?

(c) Will Government make a general statement on the whole position?

(d) Has the question of Berar been included in the White Paper?

(e) If not, will Government please state when and at what stage the question will be considered?

(f) Will Government please state whether the representatives of Berar will be afforded an opportunity of expressing their views on the question of treating Berar as a federating unit? If so, when?

**Mr. H. A. F. Metcalfe:** (a) No.

(b) The question does not arise.

(c) The only general statement that I am able to make is that in the discussions at present proceeding between the Government of India and His Exalted Highness the Nizam, the handing over of the administration of Berar to the Government of His Exalted Highness has not been contemplated by either party. What is under consideration is the exact method by which Berar, in view of its peculiar constitutional position, should be brought into a Federal Constitution.

(d) and (e). The Honourable Member's attention is invited to paragraph 45 of the Introduction to, and paragraph 61 of the Proposals in, the White Paper.

(f) The representatives of Berar have already had opportunities of expressing their views on this question both in this House and in other places. There will doubtless be further opportunities before any final decision is taken.

**Sir Muhammad Yakub:** Were the people of Berar consulted when the administration of Berar was taken from His Exalted Highness the Nizam by the Government of India?

**Mr. H. A. F. Metcalfe:** To the best of my knowledge, they were not consulted at that time.

**Sir Muhammad Yakub:** Was any undertaking given to the people of Berar at that time that they would be consulted when the administration of Berar would again be made over to its rightful owner?

**Mr. H. A. F. Metcalfe:** The answer is no doubt in the negative. At that time, there was no machinery for consulting or ascertaining the wishes of the people of Berar.

**Dr. Ziauddin Ahmad:** Were the people of India consulted as to whether they would remain under the British Government? (Laughter.)

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That question does not arise.

#### CLOSED HOLIDAYS IN THE GOVERNMENT OF INDIA OFFICES FALLING ON SUNDAYS.

881. **\*Mr. S. G. Jog:** (a) Is it a fact that the holiday for Christmas Day, 1932, fell on Sunday, the 25th December, 1932?

(b) Is it a fact that another closed holiday on account of the New Year Day, 1933, for the Government of India offices also fell on Sunday?

(c) Is it also a fact that as these holidays fell on Sunday the Government of India offices were given closed holidays on the following days?

(d) If the replies to the above be in the affirmative, were any holidays similarly given in lieu of the following holidays which also fell on Sunday in 1932 and 1933; (i) Guru Nanak's Birthday, and (ii) Dhulandi? If not, why not?

(e) Are Government prepared to see that when any closed holiday falls on a Sunday, in lieu of that day another closed holiday is granted on the following day? If not, why not?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) and (c). A closed holiday is given on account of Proclamation Day but as New Year Day this year fell on a Sunday, Proclamation Day on which a parade of troops takes place was observed on Monday, the 2nd January, and a closed holiday was given on that day. X'mas Day last year fell on a Sunday and closed holiday was given on another day as a special case.

(d) No. The ordinary rule is that when a closed holiday falls on a Sunday, no other day is declared as a holiday in compensation.

(e) Government do not consider that any change is required.

**Mr. S. G. Jog:** Will Government say as to how many days in the year out of the closed holidays fall on Sundays?

**The Honourable Sir Harry Haig:** That, I think, depends on the particular year.

**Sir Cowasji Jehangir:** Do not the Government think it a mercy when a public holiday falls on a Sunday?

**The Honourable Sir Harry Haig:** I do not think Government servants would take that view.

**Mr. S. G. Jog:** It is not more than one or two days at the most that fall on a Sunday out of the closed holidays. Will not Government consider it desirable to grant this small concession of one or two days in the year at the most?

**The Honourable Sir Harry Haig:** On the whole, the Government think that the present system of holidays is adequate.

**Mr. Gaya Prasad Singh:** Is it not a fact that the number of gazetted holidays on account of some religious festival is fixed for every year under the Negotiable Instruments Act or any other law in force?

**The Honourable Sir Harry Haig:** I believe there is a fixed number of holidays under the Negotiable Instruments Act, but in the Government offices there is a special list of holidays observed. Some of them are closed holidays and some of them are partial holidays.

**Mr. Gaya Prasad Singh:** If the number of holidays in a particular year is fixed and if one or two holidays fall on Sundays, is it the contention of Government that the employees are deprived of the holidays which fall on Sundays?

**The Honourable Sir Harry Haig:** I think the Honourable Member is not distinguishing between two different things. Holidays under the Negotiable Instruments Act, I understand, apply to banks.



**Mr. S. G. Jog:** Is it not a fact that in the Delhi Province people get 35 holidays in the year, whereas in the Government of India they get only 14 holidays?

**The Honourable Sir Harry Haig:** The Government of India, Sir, is a very hard working institution.

**Diwan Bahadur A. Ramaswami Mudaliar:** Do the Government of India contemplate any revision of the holidays in view of the fact that there are more holidays in this country than in any civilised country in the world?

**The Honourable Sir Harry Haig:** We have gone into this question, so far as the Government of India are concerned, very carefully, and I do not think that the number of closed holidays can be regarded as excessive.

**Mr. Gaya Prasad Singh:** Are Government aware that the number of religions practised in this country is more than in any other country in the world?

**The Honourable Sir Harry Haig:** That, I agree, is the case.

**Sir Cowasji Jehangir:** Are Government aware that commerce and industry in this country require the same facilities as to working days as any other country?

**The Honourable Sir Harry Haig:** I think, Sir, I must repeat my previous answer—that the number of holidays which are taken by the Government of India offices cannot reasonably be regarded as excessive.

**Sir Cowasji Jehangir:** I am not talking of the Government of India holidays, Mr. President. I am referring to the bank holidays under the Negotiable Instruments Act. The Government of India can take as many holidays as they choose. I am only concerned with the holidays under the Negotiable Instruments Act, and the question was, whether, if a holiday, which existed under the Negotiable Instruments Act, fell on a Sunday, a holiday should not be given on another day. But my own question to the Honourable Member was: "Are not there sufficient holidays already under the Negotiable Instruments Act to inconvenience industry and commerce, and whether my Honourable friend would restrict them rather than extend them?"

**The Honourable Sir Harry Haig:** I think there are quite a sufficient number of holidays under the Negotiable Instruments Act, and they cannot be extended. There is no question of extending them.

**Sir Cowasji Jehangir:** They can be, if Government choose to declare another day as a holiday instead of a Sunday,—Government may decide to do so due to pressure from this Honourable House.

**The Honourable Sir Harry Haig:** My original answer made it plain that Government did not propose to do it under pressure from this Honourable House. (Hear, hear.)

**Mr. Gaya Prasad Singh:** That is complimentary to this House.

**Mr. S. C. Mitra:** There is no pressure from the House.

**CONSTRUCTION OF A ROAD FROM DELHI TO VILLAGE BASTI CHIRAGH.**

882. \***Mr. M. Maswood Ahmad** (on behalf of Shaikh Fazal Haq Piracha): (a) Are Government aware that in village Basti Chiragh in the Delhi Province, lies the tomb of a holy Musalman Saint named Hazrut Khwaja Nasiruddin Mohammed Chiragh Dehlwi?

(b) Are Government aware that he is very respectfully looked upon by the Muslim community and is considered to be a great religious leader of his time, and has got hundreds of thousands of his followers in all parts of India?

(c) Are Government aware that thousands of people go to visit the tomb every year from all parts of the country?

(d) Are Government aware that no road leads to the tomb of this holy *Peshwa* (leader) of the Muslim community and people feel great difficulty and inconvenience, by going on foot to the tomb?

(e) Will Government please state how many miles from Delhi is the tomb situated and how many miles it is from any metalled or unmetalled road, on which tongas or motors can run?

(f) Will Government be pleased to state if they are prepared to consider the desirability of getting a road made to this tomb? If not, why not?

(g) Will Government please state if the tomb is preserved by Government under the Preservation of Ancient Monuments Act? If not, why not?

(h) If the tomb has not been preserved by Government, are they prepared to apply the Act to this tomb?

(i) Who is in charge of the tomb now, and who pays for the upkeep of the tomb?

(j) Is it a fact that His Exalted Highness the Nizam of Hyderabad has donated a large amount for the making of a road to this tomb?

(k) If the answer to part (j) above is in the affirmative, what is the amount donated and when will the road work be started?

**Mr. G. S. Bajpai:** Information is being collected and will be laid on the table of the House in due course.

**COMPOSITION AND NATIONALITIES OF THE STAFF IN THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA.**

883. \***Mr. Muhammad Muazzam Sahib Bahadur:** (a) Will Government be pleased to state the composition of the staff in the office of the High Commissioner for India, with special reference to their nationalities?

(b) Do Government consider it desirable to requisition men from the Government of India Secretariats for service in the High Commissioners' staff? If not, why not?

**The Honourable Sir Joseph Bhore** (a) Excluding the industrial and menial staff, the number of persons serving under the High Commissioner for India on the 1st January, 1938, was 392 consisting of 833 Europeans, 80 Hindus, 13 Anglo-Indians, eight Indian Christians, four Moslems, two Burmese, one Parsee and one Sikh.

(b) No, Sir. The work in the High Commissioner's office is in many respects different in character from that of the Government of India Secretariat, the grading and pay differ considerably from the Indian Secretariat Scale and the expense involved on passages for personnel transferred from India to England would be unjustifiable.

**Mr. M. Maswood Ahmad:** Will Government please state if employees are recruited in this Department by the High Commissioner himself, or through the Government of India?

**The Honourable Sir Joseph Bhoré:** By the High Commissioner himself.

**MOPLAHS IN THE ANDAMANS CONVICTED IN CONNECTION WITH THE MALABAR REBELLION.**

**1984. \*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) how many Moplahs convicted in connection with the Malabar rebellion are now in the Andamans;
- (b) out of these how many of them are still undergoing imprisonment and how many of them have taken their families under the Andaman colonisation scheme;
- (c) how many of these have been kept there even after the expiry of their term of imprisonment and how long has each one of these been there;
- (d) how many of this set have their families with them in the Andamans;
- (e) why are those whose terms have expired still kept in the Andamans;
- (f) how do these Moplahs and their family earn their livelihood; and
- (g) whether Government have made any arrangement for the education, especially religious education, of their children, if so, what?

**The Honourable Sir Harry Haig:** (a) About 210.

(b) No Moplah prisoners in the Andamans are confined in the Cellular Jail, Port Blair. They all reside in the Settlement and 96 have their families with them.

(c) 83 have remained since the expiry of their term of imprisonment, two since 1928, three since 1929 and the remainder from 1930 onwards.

(d) The information required by the Honourable Member is not readily available.

(e) They are at liberty to leave the Andamans as soon as they pay back their *takavi* loans.

(f) They work as cultivators, fishermen, servants, coolies, Hotel Keepers and in Government Service as village headmen and in similar posts.

(g) The schools of the Settlement are available for the education of Moplah children. Religious instruction is not given in the schools but there are mosques in important Moplah villages.

**Dr. Ziauddin Ahmad:** May I ask whether, if any of these Moplahs desire to come back to their country, Government would provide facilities for them and would pay for their expenses back?

**The Honourable Sir Harry Haig:** No, Sir. I do not think there is any system under which Government can pay for their passages back. They have elected to settle in the Andamans and if, on the expiry of their sentences, they elect to remain on, then I think there is no system under which Government later can give them an opportunity of changing their minds.

**Dr. Ziauddin Ahmad:** Is it not a fact that Government, at their own expense, have taken them to the Andamans? And now, if they choose to come back, is it not the duty of Government to provide for their expenses back to their homes?

**The Honourable Sir Harry Haig:** Well, Sir, I am not satisfied that there really is a demand on the part of these people to leave the Andamans.

**Dr. Ziauddin Ahmad:** The demand is there. I am given to understand that they would like to come back if the Government grant them facilities.

**The Honourable Sir Harry Haig:** For these questions, Sir, we have to obtain answers by telegraphic correspondence, which is somewhat costly, with the Chief Commissioner, Andamans, but I am perfectly prepared to make more detailed inquiries in this matter by letter.

**Dr. Ziauddin Ahmad:** Thank you very much; and if any Moplahs want to come back, then will facilities be provided for them?

**The Honourable Sir Harry Haig:** I cannot say, but I am prepared to look into the question.

**Dr. Ziauddin Ahmad:** Thank you very much.

**Maulvi Sayyid Murtuza Saheb Bahadur:** Are Government aware that during the time of our late lamented Home Member, Sir Alexander Muddiman, a deputation of three Muslims and one Parsi gentleman was sent to the Andamans of which I had the honour to be one, and that a majority of three reported that all these prisoners should be sent back to India with their families, but that the Government of India acted up to the minority report of one gentleman against three?

**The Honourable Sir Harry Haig:** I am aware that the Government of India took a different view to that of the Committee mentioned by my Honourable friend and of which he was a member, but I would remind him that my predecessor at that time himself visited the Andamans and was able to form an opinion of his own.

**Maulvi Sayyid Murtuza Saheb Bahadur:** May I know what was the necessity of sending a deputation all the way from here to the Andamans when the then Home Member was in a position to go over there and make personal inquiries into the matter?

**The Honourable Sir Harry Haig:** Well, Sir, that is an incident of past history which, I am afraid, I cannot go into now.

**Mr. M. Maswood Ahmad:** Is it a fact that the Government accepted the minority report and rejected the majority report as stated by the Honourable gentleman?

**The Honourable Sir Harry Haig:** As far as I know, the Government did not accept the description of conditions given in the majority report as being a fair description.

**Mr. Gaya Prasad Singh:** May I know why the members of the Deputation were allowed to return from the Andamans at all? (Laughter.)

**The Honourable Sir Harry Haig:** Well, Sir, I am not sure that they were chosen specially as likely to make good settlers. (Laughter.)

#### INDEBTEDNESS OF MOPLAHS IN THE ANDAMANS.

**885. \*Mr. Uppi Sahab Bahadur:** Will Government be pleased to state:

- (a) whether it is a fact that Moplahs who are staying in the Andamans after the expiry of their respective terms of imprisonment are detained there because they are indebted to Government for advances paid to them under the Andaman colonisation scheme to take their family to the Andamans or under any other scheme;
- (b) if so, how many of them are thus indebted and for how much each of them;
- (c) whether Government have taken any undertaking from them to remain in the Andamans till such advances are made good;
- (d) if so, whether the families of such persons are also bound to remain in the Andamans;
- (e) if not, are they at liberty to leave the Andamans;
- (f) what the terms of such contract are;
- (g) whether there are any means for them there to pay up their debts by other than manual labour to Government?

**The Honourable Sir Harry Haig:** (a) They are not allowed to leave till they pay off their *takavi* dues.

(b) I do not know the precise number of Moplahs affected but I am informed that the amount of *takavi* advances due from them in no case exceeds Rs. 250.

(c) No.

(d) No.

(e) Yes.

(f) Does not arise

(g) They can obtain private employment in various capacities.

**Mr. Uppi Saheb Bahadur:** May I ask whether these *takavi* loans were forced on these Moplahs in order to enable them to take their families to the Andamans?

**The Honourable Sir Harry Haig:** No, Sir. The loans had nothing to do with the cost of bringing families to the Andamans, which was borne by the Government. The *takavi* loans were ordinary agricultural advances.

**Mr. Uppi Saheb Bahadur:** May I ask, if it is not the case that while the families of these Moplahs were taken to the Andamans at Government expense and were practically thrown on these prisoners, the latter were forced to take *takavi* loans from Government?

**The Honourable Sir Harry Haig:** I do not think that any Moplah families were sent to the Andamans except at the express request of the Moplahs concerned.

**Maulvi Sayyid Murtuza Saheb Bahadur:** Are Government aware that the terms of the *takavi* loans are written in Persian—a language which the Moplahs are ignorant of?

**The Honourable Sir Harry Haig:** I am not aware, Sir, in what language the transaction is recorded, but I have no doubt that the terms of it are explained in a language which is intelligible to the Moplahs.

**Mr. Uppi Saheb Bahadur:** Is it not a fact that the Moplahs did not want this Colonization scheme? On the other hand, the Honourable the Home Member has just told us that this scheme was in accordance with the wishes of the Moplahs. Since this scheme came out, there was a strong agitation in Malabar and outside Malabar, and in the Madras Legislative Council and outside it: so much so that it became an All-India affair.

**The Honourable Sir Harry Haig:** It is perfectly true that at the time to which my Honourable friend refers, there was an agitation in regard to this Moplah settlement and, as a result of the committee in which my Honourable friend, Sayyid Murtuza Saheb Bahadur, participated, it was provided that any of the present Moplah settlers, that is to say, up to 1926, who wished to return to jails in India and send their wives and families back to Malabar, would be allowed to do so.

#### PROVISION OF MONEY AND OTHER FACILITIES TO MOPLAHS TO RETURN TO MALABAR.

886. **\*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) whether they are bound to take back to Malabar at Government expense the families of the Moplah convicts in the Andamans who were taken there by Government under the Andaman colonisation scheme, if the families are desirous of returning to Malabar;
- (b) whether it is a fact that a number of Moplahs whose terms of imprisonment have expired and their families who were taken there by Government under the Andaman colonisation scheme are still in the Andamans because they have no money to pay the passage back to Malabar;

- (c) if so, how many of them are there; how many are *ex-Moplah* convicts; how many who belong to their families and were taken there by Government under the Andaman colonisation scheme;
- (d) if the answer to part (a) is in the affirmative, the reasons for not taking them back to Malabar;
- (e) whether Government ever considered the necessity or advisability of providing them with funds and other facilities to return to Malabar?

**The Honourable Sir Harry Haig:** (a) No.

(b) and (c). Nine Moplah *ex-convicts* expressed their intention of remaining in the Settlement as they had no money to pay for the passages of their families back to Malabar.

(d) Does not arise.

(e) No. I may add that the Chief Commissioner, Andamans, reports that the Moplahs made no complaints about their general treatment, and that in fact they have been generously treated.

**Dr. Ziauddin Ahmad:** May I ask, Sir, who paid for the travelling of these families from Malabar to the Andamans?

**The Honourable Sir Harry Haig:** The Government.

**Dr. Ziauddin Ahmad:** Then is it not the duty of the Government to pay the expenses of their going back?

**The Honourable Sir Harry Haig:** No, Sir. On the face of it, that does not seem to me to be a reasonable proposition, but I have promised to look into the whole question.

#### FORCED DETENTION OF A CERTAIN MOPLAH OWING TO HIS INABILITY TO PAY UP DEBTS DUE TO GOVERNMENT.

**887. \*Mr. Uppl Sahab Bahadur:** Will Government be pleased to state:

- (a) whether a Moplah named Palempadiyan Aydroo, who was convicted for offences connected with Malabar rebellion, and his family were forced to remain in the Andamans for four years after the expiry of his term of imprisonment owing to his inability to pay up debts due to Government;
- (b) whether his family was taken to the Andamans by Government under the Andaman colonisation scheme;
- (c) what the amount advanced to him under the scheme was;
- (d) what amount he owed to Government at the time of the expiry of his term of imprisonment;
- (e) whether he represented to the authorities that he was unable to pay the debts and that he should be permitted to go back to Malabar without paying such debts;
- (f) if so, whether such permission was given to him;
- (g) if permission was refused, why;
- (h) whether he also requested Government to give free passage to his family to be taken with him to Malabar; if so, what the reply of the authorities was;

- (i) whether it is a fact that this man was permitted to leave the Andamans only after he discharged fully his debt due to Government by toiling for four years;
- (j) whether it is a fact that he or his family were not granted free passage to Malabar and that he had to spend money for the travelling expenses of himself and his family; if so, why; and
- (k) who is responsible for his expenses whether it is the Government of India or the Government of Madras?

**The Honourable Sir Harry Haig:** (a) The Moplah in question remained in the Andamans voluntarily.

- (b) Yes, he imported his family at Government expense.
- (c) A *lakavi* loan of Rs. 220.
- (d) Rs. 200 principal *plus* Rs. 16-7-0 interest. He repaid the whole amount in 1932.
- (e) and (f). No.
- (g) Does not arise.
- (h) No.
- (i) He remained in the Andamans of his own accord.
- (j) After he had elected to settle down in the Andamans, passages back to Malabar were not admissible for his family.
- (k) Neither the Andamans Administration nor the Government of Madras are responsible for his expenses. If he had left immediately on release, the Andamans Administration would have paid his passage by sea and the Government of Madras would have met his expenses from Madras to his home.

#### GRANT OF PERMISSION TO INDIANS TO SETTLE IN THE ANDAMANS.

888. **\*Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) whether Indians are permitted to go and settle in the Andamans freely and colonise the country;
- (b) if so, whether Government have any particular scheme for such colonisation; and
- (c) if not, will Government allow Indians to go and colonise the Andamans freely? If not, why not?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) I would refer the Honourable Member to the Home Department Resolution No. F.20/26-Jails. dated the 27th February, 1926, in which full particulars of the Colonization Scheme are given.

(c) Does not arise.

#### REPORT OF THE TELEGRAPH ESTABLISHMENT ENQUIRY COMMITTEE.

889 **\*Mr. Nabakumar Sing Dudhoria:** Will Government please state:

- (a) (i) when the Telegraph Establishment Enquiry Committee will submit its report to Government, and (ii) the date from which effect will be given to the same; and



- (b) whether it is a fact that, according to the Director-General's Special General Circular, No. 44, dated the 28th January, 1933, retrenchment concessions will cease after 31st March, 1933 so far as the Posts and Telegraphs staff is concerned;
- (c) if the reply to part (b) be in the affirmative, whether Government propose to extend the period of retrenchment concessions to those who are likely to be affected as a result of the report of the Telegraph Establishment Enquiry Committee; if not, why not?

**Sir Thomas Ryan:** (a) The report has been received by Government. It has not yet been possible to study it, and it cannot yet be stated how soon it will be found possible to give effect to the Committee's recommendations.

(b) and (c). The question of extending the concessions beyond the 31st March, 1933, in respect of the Posts and Telegraphs Department is under examination.

#### SCHEME FOR REORGANISATION OF THE POSTS AND TELEGRAPHS DEPARTMENT.

**890. \*Mr. Nabakumar Sing Dudhoria:** Will Government be pleased to state if the scheme of Government for any reorganisation of the Posts and Telegraphs Department as a result of the report of the Telegraph Establishment Enquiry Committee will (a) be discussed with the representative organisations of the service and also (b) be placed before the House for examination of the far reaching result of the same? If not, why not?

**Sir Thomas Ryan:** It is hoped that the report of the Committee will be available in print next month, and representative telegraph service organisations will then be given an opportunity of studying it and discussing its recommendations. Government, however, do not propose to place the Report before this House for discussion in view of its technical and departmental character.

#### PAUCITY OF MUSLIMS IN THE LEGISLATIVE DEPARTMENT.

**891. \*Mr. M. Maswood Ahmad:** (a) Is it a fact that the communal composition of the clerical staff of the Legislative Department in 1931 was as follows:

	Per cent.
Hindus . . . . .	58.49
Muslims . . . . .	11.32
Anglo-Indians and Europeans . . . . .	26.41
Sikhs . . . . .	1.89
Indian Christians . . . . .	1.89 ?

(b) Will Government kindly state how many permanent vacancies or vacancies which subsequently became permanent, in each of the following posts, in each year separately, occurred since 1926—the year in which the Home Department memorandum regarding the representation of minority communities was issued—and how many were filled by (i) Hindus, (ii) Muslims, (iii) Anglo-Indians and Europeans, and (iv) others:

- (1) Superintendents, (2) Council Reporters, (3) Upper Division Clerks, (4) Second Division Clerks, (5) Routine Division Clerks, and (6) Stenographers?

(c) Is it a fact that the percentage of Muslims in this Department is lower than in any other Department of the Government of India (Secretariat proper only)?

**Mr. D. G. Mitchell:** (a) Yes.

(b) A statement giving the information desired is laid on the table.

(c) I have reason to believe that the answer is in the negative.

*Statement showing the number of permanent vacancies which occurred in the clerical establishment of the Legislative Department from 1926 to 1932 and the communities to which the candidates recruited to fill those vacancies belonged.*

Year.	No. of vacancies which occurred in the grade of —							Communities to which the candidates recruited belonged.						Remarks.
	Superintendents.	Council Reporters.	Upper Division Assistants.	Second Division Clerks.	Routine Division Clerks.	Stenographers.	Translator.	Hindus.	Muslims.	Anglo-Indians and Europeans.	Sikhs.	Indian Christians.	Other communities.	
1926	..	..	..	1	..	..	..	1	..	..	..	..	..	
1927	..	..	2	..	..	..	..	1	..	1	..	..	..	Two of the Upper Division vacancies were filled by the direct recruitment of one Hindu and one Muslim. The remaining six were filled by promotion in the office and the outsiders recruited were to the Second and Routine Divisions.
1928	..	..	..	..	..	..	..	..	..	..	..	..	..	
1929	..	..	4	5	..	..	..	6	2	..	1	..	..	
1930	..	..	2	..	..	..	..	1	..	1	..	..	..	
1931	..	..	..	..	..	..	..	..	..	..	..	..	..	
1932	2	..	..	1	..	..	1	..	1	..	..	1	..	The vacancies of Superintendents were filled by the promotion of Assistants in the office and the posts left vacant were abolished.

**Mr. Amar Nath Dutt:** May I know, Sir, how the Government arrive at a percentage of the different communities to be appointed in the State service, whether according to the percentage of the educated population or according to the whole population of a community, educated or uneducated of a particular province? I would like to know the principle on which this communal representation in the services is made?

**Mr. D. G. Mitchell:** I must have notice of that question.

**Sardar Sant Singh:** May I ask, Sir, if any effort has been made to employ any Sikh in the Upper Division of the Legislative Department?

**Mr. D. G. Mitchell:** I am not aware of any Sikh being recently appointed in the Legislative Department.

**Mr. Amar Nath Dutt:** May I know whether the Government think that such communal representation in the services is detrimental to nationalism? If it is so, are they prepared to do away with all communal representation and make appointments in various services on national lines and not on communal lines?

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state if there is a fixed policy of the Government with regard to this communal proportion or whether it is done at random?

**The Honourable Sir Harry Haig:** There is, as the Honourable House is well aware, a fixed principle about this and orders have been issued by the Home Department in accordance with which recruitment is made to the various Departments and offices under the Government of India.

**Sir Muhammad Yakub:** Will the Government be pleased to state what is communalism and what is nationalism in India?

**The Honourable Sir Harry Haig:** A definition of that sort ought perhaps to be given by my Honourable colleague, the Law Member. I feel out of my depth.

**Mr. H. P. Mody:** Would it not be a better system to appoint men in the Legislative Department according to the proportion of the various communities in this House?

**The Honourable Sir Harry Haig:** That is not the system that we have adopted in the case of other Departments.

**Sir Muhammad Yakub:** Will the Government adopt the system that the larger the number of questions put by the members of any community in the Assembly, the greater the patronage to be shown to the members of that community? In other words, appointments will be made according to the number of questions put by the members of various communities in this House?

**Mr. Amar Nath Dutt:** May I know whether the Government intend to foster communalism or nationalism in the matter of distributing appointments?

**The Honourable Sir Harry Haig:** I would remind the House of what has been said very often before, that before we laid down these rules for the distribution of recruitment among various communities, there were very bitter complaints by the minority communities that the system, which some of my Honourable friends opposite describe as a nationalistic system, was yielding very unfair results.

**Mr. H. P. Mody:** Can the Honourable Member think of any system which would make it possible occasionally for a Parsee to creep into the Government service at Headquarters?

**The Honourable Sir Harry Haig:** The Parsees, Sir, are one of the fortunate minorities which require no protection.

**Mr. Amar Nath Dutt:** May I know, Sir, whether the Government are prepared to sacrifice efficiency in order to make appointments on communal basis?

**The Honourable Sir Harry Haig:** No, Sir. They insist that there should be a minimum of efficiency, but they do think that it is important on broad general grounds that the services should not become the monopoly of any particular community.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state that as that bitter complaint has now been reduced, rules should be modified or at any rate, revised in such a manner that, as there is no bitter complaint, appointments should not be made on a communal basis?

**The Honourable Sir Harry Haig:** I am afraid I did not quite follow the purport of my Honourable friend's question. It appeared to be that as our existing rules have removed the complaint which they were designed to remove, therefore the rules should be changed. I do not quite follow the argument.

**Mr. Lalchand Navalrai:** I will explain to the Honourable Member. Now that there is a desire amongst the Muslims also that there should be recruitment by competition and that there have been actually applications to that effect, as I know personally, has not the time come when this system of communal representation should be changed?

**The Honourable Sir Harry Haig:** When the community itself declares that it no longer requires any protection, we shall be very glad to alter our rules.

**Sir Cowasji Jehangir:** May I ask the Honourable Member, whether, in the opinion of Government, these questions tend to create good feelings between the different communities in this country?

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): That is asking for an expression of opinion which is not permitted.

**Mr. Gaya Prasad Singh:** Do Government consider the desirability of employing more largely the members of that community from which they receive votes in the Legislative Assembly during divisions?

**The Honourable Sir Harry Haig:** No, Sir, that is not the principle. As I have explained, before these rules were introduced, the minority communities, and particularly the very large and important Muslim community, were not getting what we should regard as a fair share in the services of the country.

**Mr. Gaya Prasad Singh:** By minority communities, do I understand that minorities like Parsees, Sikhs, Indian Christians and Buddhists are also to be included?

**The Honourable Sir Harry Haig:** The other communities are certainly considered wherever it appears that they also require some protection.

**Mr. Lalchand Navalrai:** Will the Honourable Member be pleased to state if the Hindus in Sind are a minority or a majority?

**The Honourable Sir Harry Haig:** I think the Honourable Member had already addressed a question on that subject to me some weeks ago, and I was able to give him an answer which, I hope, satisfied him.

**Bhai Parma Nand:** The Honourable Member said that there are certain services in which the minorities were treated unfairly. Are there not other kinds of services, the army and the police for example, where the minority community, i.e., Muslims, predominate, and Hindus are treated very unfairly?

**The Honourable Sir Harry Haig:** No, Sir; I do not think that is the case. I am afraid, I cannot answer for the army, but in the police, I do not think it can be said that Hindus are treated in any way unfairly?

**Sardar Sant Singh:** Are Government prepared to lay on the table the different proportions fixed for each Department of Government for the various communities?

**The Honourable Sir Harry Haig:** Government did not fix a special proportion for each Department. The Government orders are of a general character. They have been laid on the table of the House and they are, I think, at present in the Library. We have repeatedly referred to those orders and I think Honourable Members who take an interest in this question must be fully aware of what the orders are.

**Mr. Amar Nath Dutt:** Is it a fact that real minority communities like Parsees and Anglo-Indians have never pressed for communal representation?

**The Honourable Sir Harry Haig:** The Parsees, I think, stand by themselves in a particularly fortunate position, but I do not think it is accurate to say that the Anglo-Indians have never asked for consideration.

**Lieut.-Colonel Sir Henry Gidney:** In view of the Honourable Member's reply to my friend, Mr. Mody, that the Parsee community requires no protection, will the Honourable Member state whether it is not a fact that the cotton and Mody element of that community does certainly require protection? (Laughter.)

### PAUCITY OF MUSLIMS IN THE LEGISLATIVE DEPARTMENT.

892. \***Mr. M. Maswood Ahmad:** (a) Is it a fact that one Anglo-Indian (Mr. Ollenbach) was recruited in 1927 and confirmed in 1929 and another Anglo-Indian (Mr. Ayo) was recruited and confirmed in 1930 in the Legislative Department? If so, what are the academic qualifications of these Anglo-Indians? Have they qualified themselves at the Public Service Commission examination? Were no Muslims of the requisite qualifications available?

(b) Is it also a fact that these two persons were holding permanent appointments in other Departments under Government? If so, what was the special necessity of bringing them into the Legislative Department?

(c) Will Government please state whether these two persons were recruited through the Public Service Commission? If not, why was it done? Are Government aware of the definite orders of the Home Department, viz., to recruit men only through the Public Service Commission? If so, why were the orders not obeyed in recruiting these two persons?

(d) Will Government please lay a copy of the establishment seniority list of the Legislative Department on the table of the House or at least place it in the Library? If not, why not?

(e) What steps do Government propose to take to ensure that the claims of the Muslims are not neglected in future when vacancies in the Legislative Department occur?

**Mr. D. G. Mitchell:** (a) Yes. Mr. Ollenbach had passed the Senior Cambridge and Mr. Ayo the Middle School Examination. Mr. Ollenbach had qualified at the Staff Selection Board Examination corresponding with the present Public Service Commission Examination, while Mr. Ayo who had not so qualified was recruited with the concurrence of the Commission by reason of his possession of the special qualifications required for the post for which he was appointed. There was no Muslim applicant for the post to which Mr. Ollenbach was appointed, while the Muslims applying for the other post were not so well-qualified for it as Mr. Ayo.

(b) Yes. The Department was anxious to secure a man with some previous experience of Government service for the post to which Mr. Ollenbach was appointed, while the qualifications required for the other post were most likely to be possessed by persons already employed in the Government Press.

(c) Mr. Ollenbach was appointed without reference to the Public Service Commission and Mr. Ayo with their concurrence. The Honourable Member is under a misapprehension if he supposes that the orders in force, when Mr. Ollenbach was appointed, prohibited the appointment without reference to the Public Service Commission of a person already in Government service who had passed the Staff Selection Board Examination.

(d) The document referred to is intended for official use only and I regret that I am unable to lay it on the table. The Honourable Member is referred to the answer given by Sir James Orerar to question No. 476, asked by Mr. Anwar-ul-Azim on the 5th March, 1930.

(e) The claims of Muslims are not neglected and no steps are required.

**Mr. M. Maswood Ahmad:** Will Government be pleased to state what is the confidential nature of that document mentioned in part (d)?

**Mr. D. G. Mitchell:** As I have already answered, it is published for official use only and general orders have already been passed that it should not be laid on the table of the House.

**Mr. M. Maswood Ahmad:** Are Government afraid that, if the list is open to inspection, the injustices which have been done and are being done to Muslims will become public, and that that is why they do not want to show the list?

**Mr. D. G. Mitchell:** No, Sir.

**Mr. Amar Nath Dutt:** May I know whether the answers given apply only to the Legislative Department or do they include the Legislative Assembly Department also?

**Mr. D. G. Mitchell:** I am able to answer for the Legislative Department only. With regard to the general question, I am not in a position to say anything.

**Mr. M. Maswood Ahmad:** As we find daily that Muslims are superseded, what is the source from which we may know whether the Muslims are senior or junior?

**Mr. D. G. Mitchell:** I think the Honourable Member has shown that he is not entirely unable to get the information.

**Mr. M. Maswood Ahmad:** Why is the list of service not published? What is the point in keeping it back from the public?

**Mr. D. G. Mitchell:** It is a general order, and I am unable to give any reasons for it. I can only obey the order.

**Mr. M. Maswood Ahmad:** Whose order is it? Is it a departmental order?

**Mr. D. G. Mitchell:** It is a Government of India order.

**Mr. M. Maswood Ahmad:** Can we see this list in the Department?

**Mr. D. G. Mitchell:** No, Sir.

**Mr. G. O. Biswas:** Is there any presumption that any Muslim employee, about whom any questions may be put in the Assembly, must be "senior"?

**Mr. M. Maswood Ahmad:** Is it a fact that Mr. Ayo was exempted from the Public Service Commission examination?

**Mr. D. G. Mitchell:** I think, Sir, I have covered all the facts which the Honourable Member wishes to know.

**Mr. Amar Nath Dutt:** May I ask a question of the questioner himself? Does he wish that British rule should be substituted by Muslim rule?

### SUPPLY OF ELECTRIC LIGHT IN "E" TYPE QUARTERS IN TIMARPUR, DELHI.

893. \***Mr. B. N. Misra** (on behalf of Rao Bahadur M. C. Rajah): (a) Will Government be pleased to state whether it is a fact that:

- (i) Government servants occupying Government quarters in Timarpur or New Delhi have to pay a uniform rate of rent at 10 per cent. of their pay; and
- (ii) Government employees who occupy the "E" type quarters in New Delhi have the benefit of electric installations in their quarters, while those occupying a similar type of quarters in Old Delhi have not got electric installations in their quarters though they pay rent at the same rate as those in New Delhi?

(b) If the answer to the above be in the affirmative, will Government kindly state whether they propose to make arrangements for the supply of electric light to Government servants occupying the "E" type quarters at Old Delhi? If not, why not?

**The Honourable Sir Frank Noyce:** (a) (i) No. A Government servant occupying Government quarters is liable to pay the standard rent of the quarters subject to a limit of 10 per cent. of his emoluments.

(ii) E-type quarters in New Delhi have electric light, while E-type quarters in Old Delhi have not. But the standard rent of the former is Rs. 16, while that of the latter is only Rs. 5-12-0.

(b) This hardly arises, but I may say that Government are not at present prepared to incur expenditure on installing electric light in the E-type quarters at Timarpur.

### WATER SUPPLY IN ORTHODOX QUARTERS IN TIMARPUR, DELHI.

894. \***Mr. B. N. Misra** (on behalf of Rao Bahadur M. C. Rajah): (a) Will Government be pleased to state whether it is a fact that:

- (i) Government servants occupying orthodox quarters in New Delhi pay water tax at the rate of Rs. 1-8-0 per tap and -/8/- for every additional tap provided in their quarters and the supply of water is for all the 24 hours of the day;
- (ii) Government servants occupying orthodox quarters in Timarpur have to pay Rs. 2-8-0 as water tax irrespective of the number of taps provided and the supply of water is for a limited number of hours only; and
- (iii) The Secretary, Notified Area Committee, and the Chief Commissioner, Delhi, paid no heed to the representation submitted by Government tenants against this differential treatment meted out to them?

(b) If the answer to the above be in the affirmative, will Government kindly state what action they propose to take in order to remove this anomaly in the water tax imposed on Government tenants?

**Mr. G. S. Bajpai:** (a) (i). Charges levied for the unmetered supply of filtered water in the various types of orthodox clerks quarters in New Delhi vary according to the type of quarter. The charge for the lowest class is Rs. 1/8/- per mensem plus -/8/- per mensem for each additional tap.



(a) (ii). The Honourable Member's information is correct. The number of hours to which the supply is restricted is ten

(a) (iii) and (b). The representations received were placed before the Notified Area Committee, Civil Lines, Delhi, whom the matter primarily concerns, but the Committee found itself unable to do anything as the rates now charged hardly cover the price of water and the cost of maintenance.

**PROMOTIONS IN THE READING BRANCH OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.**

895. \***Mr. B. N. Misra** (on behalf of Rao Bahadur M. C. Rajah): (a) Are Government aware that:

(i) promotions in the Reading Branch of the Government of India Press, New Delhi, have been made from Copyholders and Revisers to Readers' posts sometimes by seniority in service and sometimes by competitive examinations; and

(ii) the existing practice gives opportunities for favouritism?

(b) If the answer to the above be in the affirmative, will Government be pleased to state if they are prepared to issue orders to the effect that all future promotions in the Reading Branch of the Government of India Press to the First Readers' posts should be made alternately according to seniority in service and competitive examination, which will be open to all Revisers and Copy-holders alike?

**The Honourable Sir Frank Noyce:** (a) (i). Promotions in the Reading Branch of the Government of India Press, New Delhi, are usually made according to seniority, subject to the attainment of a standard of efficiency. Examinations are held when there is doubt as to the proficiency of the candidates.

(ii) No.

(b) The matter lies within the competence of the Controller of Printing and Stationery, and a copy of the Honourable Member's question and this answer will be sent to him for any action which he considers necessary.

**RECRUITMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE NORTH WESTERN RAILWAY ACCOUNTS DEPARTMENT.**

896. \***Bhai Parma Nand:** (a) Is it a fact that all first clerical appointments in the Accounts Department under the administrative control of the Financial Commissioner, Railways, are to be made through competitive examination with due regard to communal proportion after the separation of Audit from Accounts?

(b) Is it a fact that members of minority communities were recruited from time to time by the North Western Railway Accounts Department after 1st April, 1929, otherwise than through recruitment examination?

(c) Is it a fact that an undertaking was taken from the men recruited otherwise than through the recruitment examination to the effect that they have no right for retention in service irrespective of the community to which they belong?

(d) If the reply be in the affirmative, will Government please state why the Muslims mentioned in part (c) above, have been retained although Hindus recruited through competitive examination have been discharged from service?

**Mr. P. R. Rau:** (a), (b) and (c). The reply is in the affirmative.

(d) I would invite attention to my reply to the similar question No. 656 asked by my Honourable friend on the 6th March, 1933.

**Mr. Lalchand Navarai:** Will the Honourable Member please say, if the answer to (a) is in the affirmative, why was it that the competitive examination was done away with and these accountants are being recruited by selection or otherwise?

**Mr. P. R. Rau:** The competitive examination was for permanent recruits. The men referred to in clause (b) of the question were taken on as a temporary measure.

**Mr. Lalchand Navarai:** I did not follow the Honourable Member with regard to clause (d). Is it a fact that the Hindus, who were recruited through competitive examination, had been discharged from services?

**Mr. P. R. Rau:** I drew attention to my reply given to a similar question on the 6th March, 1933, where I said that all the clerks who had passed this examination and had been retrenched have since been re-employed and the question does not now arise.

#### RAISING OF THE PROPORTION OF HINDUS ON THE NORTH WESTERN RAILWAY.

897. **\*Bhai Parma Nand:** Is it a fact that Muhammadan employees of the North Western Railway are in an overwhelming majority (*vide* statement below) as compared with Hindu employees? If so, will Government please state what measures have been or are being taken to raise the proportion of Hindus?

1931-32.

	Hindus.	Muslims.	Total.
Gazetted Officers . . . . .	67	20	259
Non-gazetted officers. . . . .	38,017	59,836	1,08,948

**Mr. P. R. Rau:** The figures given by the Honourable Member are, I believe, correct if in the term non-Gazetted Officers he includes all employees exclusive of gazetted officers. Government do not consider that these figures show that any measures are required to raise the proportion of Hindus.

#### INADEQUATE REPRESENTATION OF HINDUS IN THE EDUCATION DEPARTMENT, DELHI.

898. **\*Bhai Parma Nand:** (a) Is it a fact that previous to the appointment of Mr. Chatterjee, as Superintendent of Education for Delhi, Ajmer-Marwara and Central India, the Educational Commissioner with the Government of India, was working in the place of the present incumbent in addition to his own duties and was getting an allowance of Rs. 150 for this additional work?

(b) Will Government be pleased to inform this House as to what was the necessity for creating this new job and giving up the more economical arrangement?

(c) Is it a fact that the main work of the Superintendent is inspection of the schools? Had Mr. Chatterjee, the present incumbent, any experience in that line previous to his appointment and was there any protest lodged against the appointment?

(d) Is it a fact that there has been no Hindu clerk until a few months back when one Hindu clerk was recently recruited and there is no Hindu officer in the whole of the Delhi Educational Department?

(e) Are Government aware that there is a strong feeling of discontent among the Hindus of Delhi, that their community is not properly represented in the Educational Department of Delhi?

**Mr. G. S. Bajpai:** (a) The Educational Commissioner with the Government of India was put in charge of the duties of the Superintendent of Education, Delhi and Ajmer-Merwara, in addition to his own as a measure of economy and was given either a free house in Delhi or a compensatory allowance in lieu thereof for this additional work.

(b) The Honourable Member's attention is invited to the reply given in this House by the Honourable Sir Fazl-i-Husain on the 2nd February, 1931, to Lala Jagan Nath Aggarwal's starred question No. 260.

(c) The duty of the Superintendent of Education is to administer the Education Departments of Delhi, Ajmer-Merwara and Central India. Mr Chatterjee's appointment was made on the advice of the Public Service Commission. Government did not receive any protest against the appointment.

(d) No, there are four permanent Hindu clerks and one temporary. Two out of the four officers of the District Inspecting staff as well as the Secretary, Board of Secondary Education, are Hindus.

(e) No.

**Mr. M. Maswood Ahmad:** Is it a fact that at that time the Educational Commissioner had to do a lot of educational work in the North-West Frontier Province, when its education was directly under the control of the Government of India, and that, since the introduction of reforms in the Province, the amount of work of the Educational Commissioner for that area has decreased a good deal?

**Mr. G. S. Bajpai:** No, Sir. The position is that even before the Reforms were introduced in the North-West Frontier Province, that province had its own Director of Public Instruction.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member kindly inform the House whether it is not a fact that the appointment of Mr. Chatterjee to this Ajmer-Merwara education administration was the outcome of dire necessity and that he was well qualified for this particular appointment?

**Mr. G. S. Bajpai:** As regards the necessity I have already referred the Honourable questioner to an answer which was given in this House two years ago. The necessity has been established not merely by the scrutiny

of the position by Government, but by the recommendation of two Special Committees, namely, by the Primary Education Committee and by the Hartog Committee, which was an auxiliary Committee on Education associated with the Simon Commission, and, as regards the fitness of Mr. Chatterjee, that again I have answered here by referring to the fact that the Public Service Commission were consulted and they recommended him out of 46 applicants.

**Mr. M. Maswood Ahmad:** Is it a fact that Mr. Wilson, Inspector of Schools, Ambala Division, was also a candidate for the post of the Superintendent of Education, and was he not a better qualified candidate than the present incumbent?

**Mr. G. S. Bajpai:** I have stated, Sir, that the Public Service Commission considered 46 applications and they put Mr. Chatterjee first. My Honourable friend may think that Mr. Wilson, assuming that he did apply, was superior, but my Honourable friend is also aware that the convention of the Government is to take the opinion of the Public Service Commission.

**Mr. M. Maswood Ahmad:** Is it a fact that Mr. Wilson did apply or not?

**Mr. G. S. Bajpai:** I regret, Sir, that it is not possible for me to carry in my head the names of 46 applicants who may have applied not direct to the Government, but to the Public Service Commission two years ago.

**Mr. M. Maswood Ahmad:** Are Government aware that a large number of questions have been put to Government in the last two years about the Educational Superintendent, Ajmer-Merwara and Delhi?

**Mr. G. S. Bajpai:** I can testify from my personal experience that the amount of time and labour that I have had to spend upon questions relating to this particular officer are not justified either by the character of his work or by the importance of the subject.

**Mr. Amar Nath Dutt:** Sir, are there not interested persons to ask more questions?

**Mr. G. S. Bajpai:** I am afraid, it is not my business to reflect upon the motives of individual Members who ask these questions.

**Dr. Ziauddin Ahmad:** Sir, I strongly object to the insinuation made by the Honourable Member, Mr. Amar Nath Dutt, who challenges the honesty of Members of this House. I should like to know if that is in order?

**Mr. Amar Nath Dutt:** There is no insinuation, Sir. Interested parties come to us and ask us to put questions on their behalf.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): A point of order has been raised by the Honourable Dr. Ziauddin Ahmad whether the question of the Honourable Mr. Amar Nath Dutt is in order. I did not see in the question of the Honourable Member that he was casting any insinuation upon any Honourable Member of this House.

POPULATION OF NEW DELHI.

899. **\*Bhai Parma Nand:** Is it a fact that in the annual report of 1931-32 of New Delhi Municipal Committee, the population of this Municipality is recorded as follows:

Hindus . . . . .	46,710
Muhammadans . . . . .	12,111
Christians . . . . .	3,541
Others . . . . .	2,493
Total . . . . .	64,855 P

**Mr. G. S. Bajpai:** Yes.

NOMINATION OF HINDUS AS MEMBERS OF THE NEW DELHI MUNICIPAL COMMITTEE.

900. **\*Bhai Parma Nand:** (a) Is it a fact that in the New Delhi Municipal Committee non-official members have been nominated as follows:

One European for Europeans who are about 2,500;

One Muslim for Muhammadans in population of 12,111;

One Sikh for Sikh population which is about 2,000;

One Hindu for a Hindu population of 46,710?

(b) Will Government kindly explain why the proper number of Hindus has not been nominated in proportion to their number?

**Mr. G. S. Bajpai:** (a) and (b). The Municipality, which is an entirely nominated body, has not been constituted on the basis of the population of the different communities.

**Mr. Gaya Prasad Singh:** Is it the principle of nomination that the more the percentage of population of any community, the less their representation?

**Mr. G. S. Bajpai:** I confess that I cannot avail myself of the opportunity provided by this occasion to make a disquisition upon principles of nomination.

**Mr. Gaya Prasad Singh:** Will Government please explain why one European has been nominated for about 2,500 people only, whilst only one Hindu has been nominated for a Hindu population of 46,710 people?

**Mr. G. S. Bajpai:** I have stated, Sir, that nominations have not been on the basis of the population of different communities. The bulk of the property in New Delhi belongs to Government. The bulk of interest also belongs to Government, and, therefore, while we have a Committee on which the official interest predominates, we have at the same time associated with the Committee a number of private gentlemen to represent the interests of the non-official residents of Delhi as a whole.

### REDUCTION IN THE NUMBER OF INDIAN NON-OFFICIAL MEMBERS OF THE NEW DELHI MUNICIPAL COMMITTEE.

901. **\*Bhai Parma Nand:** (a) Is it a fact that in the new constitution for the New Delhi Municipal Committee the number of Indian non-official members has been reduced from 5 to 3?

(b) Will Government kindly explain why in the present atmosphere of reforms this number has been reduced?

**Mr. G. S. Bajpai:** (a) and (b). The attention of the Honourable Member is invited to the reply given to part (c) of Mr. Gaya Prasad Singh's starred question No. 67 on the 6th September, 1932.

### APPOINTMENT OF HINDUS AS HONORARY MAGISTRATES IN NEW DELHI.

902 **\*Bhai Parma Nand:** (a) Is it a fact that among the Honorary Magistrates of New Delhi, one is a Hindu, one is a Sikh and two are Muhammadans?

(b) Will Government kindly explain why a proper number of Hindu Magistrates is not appointed in proportion to their number in population?

**The Honourable Sir Harry Haig:** (a) There is at present in New Delhi a Bench of Honorary Magistrates consisting of one Sikh and two Muhammadans. There is in addition a Hindu Honorary Magistrate who sits singly and exercises second class powers.

(b) Government cannot accept the principle of appointment of Honorary Magistrates suggested by the Honourable Member.

### ALLOWANCES ALLOWED TO STATE PRISONER MR. BHAWANI SAHAI, DETAINED IN THE DELHI JAIL.

903. **\*Mr. Gaya Prasad Singh:** (a) Will Government please state as to what allowance is allowed to Mr. Bhawani Sahai, a State Prisoner, detained in the Delhi Jail, under Regulation III of 1918?

(b) Is it a fact that the jail authorities are regularly deducting some amount from his pocket allowance which is Rs. 10 p. m., to cover the cost of warm clothes that were provided to him during this winter?

(c) Will Government please state the rules about the interviews allowed to the State Prisoners? How many interviews have so far been granted to Bhawani Sahai, since his detention in March, 1932?

(d) Is it a fact that he has been kept apart from other State Prisoners detained in the same jail under the same Regulation?

(e) Is it a fact that Mr. Bhawani Sahai is keeping indifferent health these days; if so, are Government aware that it is due at least partly to his being kept apart from other prisoners?

(f) Is it a fact that Mr. Bhawani Sahai is allowed to subscribe for the *Statesman* only?

**The Honourable Sir Harry Haig:** (a) The following allowances were sanctioned for the State Prisoners:

	Rs.	a.	p.
1. Dietary allowance . . . . .	0	12	0 per diem.
2. Monthly allowance . . . . .	10	0	0
3. Lump sum on account of initial expenditure on necessary articles . . . . .	60	0	0

(b) A special allowance of Rs. 56 for warm clothing was also sanctioned. Pending formal sanction, the cost was debited to his monthly allowance. The amount so debited is now being credited to his account.

(c) He is allowed one interview a week under the rules. No interview has so far been refused. His brother applied for an interview on four occasions and these were all sanctioned though he only interviewed him thrice.

(d) No. There were no other State Prisoners in the Delhi Jail.

(e) No. On the contrary he is keeping good health.

(f) The *Statesman* was the paper of his choice.

**Sir Muhammad Yakub:** Are Government aware that all these allowances which are given to State Prisoners encourage many unemployed educated Indian youths to become State Prisoners? (Laughter.)

**The Honourable Sir Harry Haig:** I think that is an exaggerated view.

**Sir Muhammad Yakub:** What is the real point of view, the unexaggerated point of view?

**The Honourable Sir Harry Haig:** I do not think that many people would compete for the post of a State Prisoner even on these terms.

#### CUSTOMS DUTIES ON BARYTES.

904. **\*Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Will Government be pleased to state the number of barytes mines and their annual out-put from 1928 and the rate of barytes per ton in India?

(b) How much barytes is exported every year and to which countries?

(c) Is it a fact that barytes is being imported from foreign countries? If so, how much and from which countries?

(d) What are the custom duties levied on barytes per ton imported from outside?

(e) Are Government aware that Indian mine-owners are badly affected, owing to the new imports?

(f) Are Government prepared to consider the desirability of helping the Indian mine-owners by way of increasing the custom duties?

**The Honourable Sir Joseph Bhore:** (a) and (c). I place on the table two statements giving the information as far as it is available.

(b) Exports of barytes are not separately recorded in the sea-borne trade returns and the information is not therefore available.

(d) The present rate of import duty is 25 per cent. *ad valorem*.

(e) No, Sir.

(f) Does not arise.

*Statement showing number of Barytes mines which come under the Indian Mines Act, total annual production of barytes in India and the current market rate per ton.*

Year.	No. of Barytes mines which come under the Indian Mines Act.	Total production in India.	Current market rate per ton.
(1)	(2)	(3)	(4)
		Cwts.	
1928 . . . . .	6	61,920	As this mineral is not quoted in any market report quotations for previous years are not available.
1929 . . . . .	7	75,000	
1930 . . . . .	15	135,940	
1931 . . . . .	4	113,080	Current quotations so far as they can be ascertained are—
			for finely powdered pure white barytes Rs. 95 per ton.
			for pure white lump barytes Rs. 65 per ton.
1932 . . . . .	Figures not available.		

*N. B.*—The figures in column 3 relate to output from all Barytes mines in India including the Indian States. No figures are available regarding the total number of Barytes mines in India, but the numbers of such mines in British India coming under the Indian Mines Act are shown in column 2.

#### *Imports of Barytes.*

Statistics of imports of barytes with countries of origin for the five years ending 1931-32 are given on page 384 of Volume I of the Sea-borne Trade Accounts for the year ending 31st March, 1932, a copy of which is in the Library of the Legislature. Figures of imports during the ten months April, 1932, to January, 1933, were as follows:—

	Quantity.	Value.
	Cwts.	Rs.
From the United Kingdom . . . . .	70	577
„ Germany . . . . .	8,235	24,403
„ the Netherlands . . . . .	3,539	8,255
„ Belgium . . . . .	24,634	50,280
„ Italy . . . . .	513	1,878



INTRODUCTION OF THE ANTI-UNTOUCHABILITY AND TEMPLE ENTRY  
BILLS.

905. \***Pandit Ram Krishna Jha:** (a) Has the attention of the Government been drawn to the Free Press message given in the *National Call* of March 10th, 1933, under the heading "Assembly President warned"?

(b) Is it a fact that the Honourable Sir Brojendra Mitter, Leader of the House, has received a telegram from Mr. Harkara of Poona to the effect:

"Pray prevent the inevitable prosecution of yourself and others under section 124 of the Government of India Act for disobeying Queen's Proclamation regarding religious oppression of Sanatanists, if you permit the introduction of the Anti-Untouchability and Temple Entry Bills"

or to any other effect?

(c) If so, what action do Government propose to take in this matter?

**The Honourable Sir Brojendra Mitter:** (a) I have seen the article.

(b) I received a wire to the effect mentioned.

(c) None.

PERCENTAGE OF THE ARMY BUDGET SPENT IN INDIA UNDER CERTAIN HEADS.

906. \***Mr. F. E. James:** Will Government be pleased to state what percentage in round figures of the Army Budget (1932-33) is spent in India under the following heads: (a) Pay, (b) Equipment, (c) Stores and other supplies, (d) Rations, and (e) Munitions of war?

**Mr. G. R. F. Tottenham:** I am afraid I cannot give figures in the precise form in which the Honourable Member has asked for them, but I invite his attention to the statement on page 4 of the Budget Estimates for 1932-33, which shows under each main head the total gross expenditure and the distribution of that total between India and England.

The corresponding table on page 4 of the 1933-34 estimates has recently been analysed for another purpose and I hope before long to be able to communicate the results of this analysis to Honourable Members. Meanwhile the following broad facts may be of interest to the House.

The total gross allotment from current revenue for the maintenance of the Army, the Air Force and the Royal Indian Marine is roughly Rs. 49½ crores, of which about 77 per cent. is allotted for expenditure in India and 23 per cent. for expenditure in England. Of this 23 per cent., i.e., roughly Rs. 11½ crores, by far the largest item is pensions, which account for about 5 crores, and only about 1 crore goes on the purchase of articles and raw materials which are not made, stocked or produced in India. The main items are 28½ lakhs for aeroplanes and aviation stores, 20 lakhs for ordnance stores such as certain machine guns and optical stores, and 11½ lakhs for medical stores and instruments. The Army factories in India are now able to produce practically all our requirements in the way of guns, rifles and ammunition.

The total allotment for pay and allowances comes to about Rs. 25½ crores, of which only 8 per cent. or about 2 crores is for expenditure in England on leave pay, etc. It is difficult to say definitely how much of

the pay disbursed in India is actually spent in India, but from such calculations as we have been able to make it would probably be safe to assume that not more than Rs. 1½ crores leave India in the form of remittances for educational and other purposes, and that the balance of Rs. 22½ crores is finally spent in India.

The net result of these statistics is that not less than Rs. 37½ crores, out of a total Rs. 49½ crores, is actually spent in India.

**Mr. Gaya Prasad Singh:** I did not quite catch what the Honourable Member said as to the amount spent on military aeroplanes in India.

**Mr. G. R. F. Tottenham:** I explained that one crore goes on expenditure on stores and other articles in England and, out of that one crore, about 23½ lakhs go on aeroplanes and aviation stores which are manufactured in England.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House whether the total military estimate of 47 and odd crores includes in it the expenditure on armed police, the Irregular Levy Corps and the military *cum* political item of expenditure?

**Mr. G. R. F. Tottenham:** No, Sir.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House the approximate total of that expenditure?

**Mr. G. R. F. Tottenham:** I must ask for notice.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform this House in the military expenditure what is the proportion between expenditure on Headquarters Commands including the upper and lower commands, and the other personnel of the Army?

**Mr. G. R. F. Tottenham:** I am afraid I shall require notice of that question also. I do not carry the figures in my head.

### STATEMENTS LAID ON THE TABLE.

**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir, I lay on the table statements\* showing the retrenchments effected in the expenditure under the control of the Foreign and Political Department.

### THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

**The Honourable Sir George Schuster** (Finance Member): Sir, I beg to move . . . . .

**Sir Gowasji Jehangir** (Bombay City: Non-Muhammadan Urban): I rise to a point of order, Sir. So far as we understood from the Leader of the House, the consideration of the Finance Bill was to be continued

\*Not printed in these debates, but a few copies have been placed in the Library of the House.

and then the Salt Bill was to be taken up. This is the second time that Government, by some of their own Bills, have cut up the discussion on the Finance Bill. So far as this side of the House understood him, I repeat that the Leader of the House stated that the Salt Bill would be taken after the Finance Bill was finished.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): It was only yesterday that they said so: they are altering the agenda every day.

**The Honourable Sir Brojendra Mitter** (Leader of the House): So far as my recollection goes, the order of business for the day is in strict accordance with what I stated on a previous occasion.

**Mr. S. C. Mitra:** Will the Honourable Member please refer to yesterday's agenda? Mr. President, it is very difficult even to follow the agenda. Every day it is said "Consideration of any business entered in the List of Business for the previous day" and then, if we refer to the previous day's agenda, it says the same thing and it is altogether very difficult to follow the procedure. But I think I am right when I say that yesterday the programme was that after the Finance Bill was finished the Salt Bill was to come on. Now, again, another Bill intervenes before the Finance Bill goes to vote: if the Government want that before the 31st March the Finance Bill and the Salt Bill should both be finished, then what is the reason for again altering the agenda and putting the Non-Official Members in a very difficult position?

**Mr. Gaya Prasad Singh** (Muzaffarpur cum Champaran: Non-Muhammadan Rural): It is rather unfair.

**The Honourable Sir Brojendra Mitter:** So far as the Finance Bill is concerned, it is not necessary that it should be passed before the 31st March, but so far as the Salt Bill is concerned, it is necessary.

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): But in any case it will tend to the greater convenience of Members of the House if the discussion is continued from day to day until it is finished. I should think there is no difficulty in finishing the Salt Bill before the 31st March. I do not think the Government will experience any difficulty whatsoever.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Sir, I was also under the impression that the Salt Bill would not come up  
12 NOON. today, and I am informed that many of the Honourable Members have not even brought with them the literature on the subject. I am myself not prepared for the Salt Bill discussion today, and, therefore, I feel that if the Salt Bill is taken up for discussion today, it will be very unfair to this side of the House.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Now that the attention of the Chair has been drawn to this question, the Chair realises the importance of preparing the Agenda in a manner that will not unduly cause inconvenience to Honourable Members of this House,

[Mr. President.]

especially on the non-official side. No doubt, on days set apart for official business, the Governor General in Council has the fullest discretion to set down on the Order Paper the business which they consider to be the most important, but, at the same time, the Chair would insist that, in exercise of that discretion, the Government should not cause any inconvenience to Non-Official Members of this House.

So far as the difficulty pointed out for today is concerned the attention of the Chair has been drawn to the fact that the Agenda for today was made available to Honourable Members on the 21st of March, that is, the day before yesterday, and, in that Agenda Paper, the legislative business has been put down to include the consideration of the salt duty as the first item. Therefore, if Honourable Members had looked into the Agenda Paper, which was made available to them two days back, they would have realised that today the first item on the legislative business would be the consideration of the Salt Additional Import Duty (extending) Bill; so, at least for today it does not appear to the Chair that there is any just cause for complaint. But the Chair would, at the same time, suggest to Government that it would require very strong reasons to cut short the discussion of a Bill in the middle and go on to another Bill. If it was found that it was necessary to finish the Finance Bill before the 31st of March, then it would have on the whole been better if the Salt Bill had been put down on the agenda yesterday, and, after finishing it, to take the Finance Bill. In any case, the Chair can certainly assure Honourable Members that it will see that undue inconvenience is not caused to Honourable Members.

**The Honourable Sir George Schuster:** Sir, I beg to move:

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration.”

Sir, as the Member in charge who is responsible both for the Finance Bill and for the Salt Bill, I must say that I personally agree very strongly with what you have just said, and I should have much preferred to continue the discussion of the Finance Bill until it was concluded, and not to have inserted this Salt Bill to interrupt the Finance Bill proceedings. But the opinion on the Government side was that there was a reasonable chance that the other two small Tariff Bills would be got through quite quickly and that there might be time to get the Finance Bill through before this Salt Bill was taken up. As regards the Honourable Members who complained that they had come unprepared for this discussion, I trust that they will not suffer any very great inconvenience in the matter, for, Sir, the House is already very familiar with the whole position which is involved in this measure. It has already been fully discussed on two previous occasions, and, I think, I am entitled to say in this particular case, more perhaps than any other, that the House ought to be familiar with the position, because in this case Government's whole line and purpose has been to be guided, as far as possible, by the advice and the wishes of the representatives of the public who sit in the Legislature. This perhaps more than any other measure I might describe as one which has been sponsored by the Government with the desire to act in a manner responsive to the wishes of the majority of the Legislature.

Now, Sir, in the discussion of the matter with the representatives of the public, it is of course the case that the discussion has chiefly taken place at the meetings of the Committee appointed by this Assembly, and I think that the Report which has now been presented takes any one who cares to read it very clearly through the course of those discussions. I think all Honourable Members would agree that the Report sets out very fairly the considerations on either side. The Report reveals certain differences of opinion, and perhaps I may say that if there is one point on which there is general agreement, it is this, that the choice of the right course in this particular matter is one of very great complexity and difficulty. In fact, it is fair to say that the choice is only easy for those stalwart individuals like my friend, Mr. Biswas, and possibly my friend, Mr. Morgan, who are in the happy position of being able to look at it from one side only, who are able to feel that their duty is done if they have represented the interests of the consumers in Bengal or in Bihar and Orissa and Assam, the two other provinces that consume imported salt of this kind. I think further that I may say that those who are in that position and think the matter an easy one are also to some extent limited as regards time in their vision, for they are looking at the matter solely from the point of view of present conditions, and perhaps—to put it, I think, not unfairly—without due regard to possible developments in the future. The rest of us who cannot take this limited and one-sided view have felt that we cannot ignore in the first place that the origin of this whole policy, which started with the inauguration of the Tariff Board Inquiry, was a very strongly expressed public feeling that India ought to be made self-supporting as regards salt. We cannot ignore in the second place that the Tariff Board reported that it would be definitely in the national interest of India if the inland sources of supply could be developed, and they further reported that if the price of salt was stabilised at a reasonable level, then the object of making India self-supporting in this way could be achieved without, in the long run, putting any undue burden on the consumer. And, lastly, those of us who have felt it necessary to take a more comprehensive view have been bound to feel that although the course of events since the Tariff Board originally reported has been such as to make it necessary to question some of the premises on which their conclusions were based, nevertheless we cannot ignore that the policy hitherto followed has created certain conditions, of which we must now take account. On the whole, in a very difficult situation I think that the plan which has been recommended by the Committee of this Assembly represents a very fair compromise between the various conflicting considerations, and I put it forward myself with great confidence as representing the best course which can be taken at the present moment. I have no doubt that it will be attacked from certain quarters and that, in due course, I shall hear heavy guns opening to my front and on my right flank, but I propose to wait until those batteries have disclosed their position before I attempt myself to knock them out. Apart from that, I shall listen with very great interest to the course of this debate, for, as I stated at the outset, our whole desire in this matter is to give effect to the general desire of the Indian public. I do not think it is necessary for me to take the House through the actual words of this Report and I could not find words to state the case better than those which form the substance of this Report. I, therefore, do not propose to say anything more at present. Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration."

**Mr. G. Morgan** (Bengal: European): The guns on the right flank are now going to be unmasked.

**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): Have a barrage.

**Mr. G. Morgan**: It is a most unfortunate thing that one is always getting on one's feet to protect Bengal, but I feel happier today, because during the debate yesterday my Honourable friends on my right said that they would have every sympathy with any case put up by Bengal which they considered worthy of attention. In opposing the motion put forward by the Honourable the Finance Member, I claim in this particular matter that Bengal has a very strong case.

This import duty on foreign salt only applies really to Bengal, Bihar and Orissa, and Assam. It is not a question of putting a duty on foreign salt which is imported for the consumption of the whole of India. Sir, the story goes over the last two years, and as the Honourable the Finance Member will acknowledge, I have strenuously fought against this import duty from the very commencement. I pointed out the various difficulties that would arise, and today, if my Honourable friends will read the report of the Assembly Committee, they will find that these difficulties have been intensified and have become very real. Now, Sir, in paragraph 5 of the report it is said:

"..... we do not think that it is by any means established that that burden has been fully equivalent to the sum produced by applying the rate of the additional import duty to the total quantity of salt consumed by them."

But we hold that it is a burden for the actual quantity of salt which is imported from the duty free ports, and I think that that claim can be established. Considering the price at which salt is sold in Calcutta, any Honourable Member can see that for a certain proportion which comes from the duty free ports, we do have to pay more than we consider necessary, taking the market rates into consideration. The Bengal and Bihar and Orissa Governments have stated their cases very fully and very clearly. They have definitely stated with reference to the question of a stabilised price that they are quite prepared to take the risks of a fluctuation in price. They are not at all frightened by any combine or the possibility of prices being raised against them, for anything more than a very limited time. As you will see from the report, the Government themselves seriously considered the question of a complete abandonment of the policy originally undertaken, and discontinuance of the additional import duty. That shows that Government were not at all certain of the position, and they have made it doubly so with regard to the manufacturers' position. So far as the Indian manufacturers are concerned—the quantity which the manufacturers on the sea-board of India can supply is not likely to be a quantity sufficient to supply the needs of Bengal. The standard of quality laid down by the Tariff Board was Indo-Aden fine salt standard, and, from the last two years production, we can see that the

quantity of that salt from indigenous places would be very far below the 550,000 or 560,000 tons required for Bengal. Then the question comes up about Aden. There is a remark in paragraph 10 of the report, and, if I remember rightly, the British Government are still considering what the position of Aden will be under the new Constitution Act. At the present moment, it is being treated as part of India, and, so far as this Bill is concerned, it must continue to be so. The position with regard to Khewra is one which I have always pointed out would not bear out, on the face of it, the view that the Government of India had as to the possibility of Khewra being able to supply the Bengal market. I do not think I need say any more about Khewra, because it has not been tested and I am perfectly certain that unless you give it the benefit of a rate of freight which would be out of all proportion to the freight for carrying other produce in India, Khewra will never be able to compete in the Bengal market.

Sir, I do not want to detain the House by making any further remarks. But I do hold that Bengal's case for the abolition of the duty is a very strong one and I look for sympathy from my Honourable friends on my right who put forward such a strong case on the Wheat Duty Bill. Sir, I oppose the Bill.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I oppose the motion, and, in doing so, I will say something about the history of this Bill. First of all, in 1924-25, on a recommendation of the Indian Cess Enquiry Committee, this matter began and the Government of India consulted the Central Board of Revenue on the question whether they should make a reference to the Tariff Board. I am only briefly relating the history of the matter so that the time of the House may not be wasted. Then, Sir, the Central Board of Revenue made an inquiry and concluded that there was no *prima facie* case for such reference and the Government of India also concurred in this finding, but, in 1929, the Government of India referred this matter to the Tariff Board and the Tariff Board submitted its report. Some of the findings of the Tariff Board on the subject are in paragraph 15. They say that, in the existing circumstances, any attempt to determine the normal price of imported salt would manifestly be fruitless. Further, in paragraph 65, they have dealt with the protective duty and the protection of salt. This is a very important paragraph in this report. It says:

"From the economic point of view, there is no case for protection in the proper sense of the term so far as Indian sea borne salt is concerned."

Further, they say:

"The salt works at Aden have for many years faced foreign competition unaided, and, since we have found that these works form part of the Indian industry, no claim, for protection of the industry as a whole can be substantiated."

Again, they say:

"Further, even if the works at Aden are excluded from consideration and the salt manufactured at Karachi and Okha is regarded as a nascent industry assisted on a strictly economic ground, this cannot be justified."

They then say:

"These works on the whole possess no advantage over works situated on the Red Sea coast in respect of natural facilities for the production of salt including freight and, in consequence, no economy could ultimately be expected in the case of salt to the consumer in Bengal such as would justify the case for protection on ordinary economic grounds."

[Mr. M. Maswood Ahmad.]

Two more sentences I will quote:

"Moreover it has not been proved to our satisfaction that they could ever face competition unaided save in respect of a small proportion of the possible output. Consequently, the position contemplated by the Fiscal Commission in which internal competition will eventually so reduce the price below the level of imported salt as to compensate the consumer for the sacrifices incurred during the period of protection is not likely to be established."

In paragraph 69, they say:

"The case for the imposition of a protective duty cannot be sustained, but, in spite of these findings and in spite of these remarks, they recommended that Government should at once assume control over imported salt."

Then Government asked the Legislature and a Committee was formed, and, on the strength of its recommendation, the salt Additional Import Duty Bill was almost immediately introduced in the Legislative Assembly. The provinces of Bengal, Bihar and Orissa and Assam, which were to be penalised so heavily, were not consulted. The result was that, on account of this additional duty, the price of salt went high by 25 per cent. and Bihar and Orissa, which was consuming about 41 lakhs of maunds per annum, paid 11½ lakhs more for their salt. The result was that, by this increase, the whole rate on salt was raised by 25 per cent. and now, by this Act, though it has been reduced to 2½ annas, the result will be that Bihar will pay about six lakhs 41 thousand more if Bihar will consume the same amount of 41 lakhs of maunds of salt. About Bengal the Tariff Board have themselves pointed out that an export duty of even two annas would result in an additional burden of nearly 20 lakhs of rupees on Bengal consumers.

Now, Sir, I am always opposed to the protective duties, but here the case is quite different. This is not even a protective duty. Apart from the opinion of the Tariff Board, the Committee appointed by the Legislature say:

"Although we have always made it clear that the additional duty which we recommended was not to be regarded as a protective duty in the ordinary sense."

The Committee itself was of opinion that this taxation was not in an ordinary sense a protective duty. Further, the great trouble was that the Tariff Board, while coming to the fair selling price, said that this should be Rs. 66 per hundred maunds. They themselves did not give the data on which they came to this conclusion and the Committee itself have said on page 3 that the full material, upon which the Tariff Board fixed its fair selling price, has not been recorded and further they say that they had no data on which to criticise its correctness. That is the view of the Committee. Now, I will say that this is not a protective duty. This is only a Barra Sahib's *bakshish* to the millionaires who manufacture salt. When they say about fair selling price, may I ask one question of the Treasury Benches in that connection? Have they ever considered about the fair selling price of rice? The reply is: "No". The fair selling price is considered for all those things which are produced by millionaires, by men having millions of rupees in their pocket, but when the question comes of the fair selling price of rice, they never care. Bihar and Bengal lose very much in this connection. The attitude of the Government of India towards Bihar and Bengal is just like a step-mother. In the shape of jute export



duty, Bengal pays the Central Government, and a large amount of money is taken from Bengal. In the shape of additional salt duty, they want to take a large amount of money from Bihar and Bengal and Assam, and Government, sometimes in the garb of protection, and sometimes in other forms, impose these duties on us. They want to take more money from the public and they use these words. I know the feeling of Bihar, Chota Nagpur and Orissa.

**Mr. B. Das** (Orissa Division : Non-Muhammadan) : Not all.

**Mr. M. Maswood Ahmad** : Well, up to now, I am the representative of the whole of Orissa. I have seen some letters in which our friends there have said that they absolutely oppose this additional duty on salt. They say that if Government want to help the industry and to protect the industry, the best course would be for Government to pay something in the shape of a bounty. Sir, if this industry is to be protected in the interest of the welfare of India, then the whole of India should pay something towards this. (Hear, hear.) Why should only Bihar, Bengal and Assam be asked to feed a particular industry? Further, Sir, you will find that the Bengal and the Bihar Governments have opposed this idea. In this report of the Salt Industry Committee they have said :

“The principal points made by the Provincial Governments’ representatives who appeared before us are....”

and then they go on to mention certain things which I do not want to read out. Now, in conclusion the Committee says :

“We cannot agree on all points with the case thus stated by the provincial representatives.”

Here I do not find any reason mentioned; I expected that clause by clause and part by part there would have been something mentioned as to why they do not agree, in spite of these findings, in spite of saying that this is not of a protective nature, and in spite of all these remarks they came to the conclusion and recommend four annas six pies as additional duty. The Committee here, in spite of this, have again come to the conclusion that it should be two annas and six pies for the next year. Sir, this is a most injurious measure for my part of the country and, therefore, we oppose the entire additional salt duty. Sir, you have heard much of the poor man’s salt. I quite agree that everyone must pay towards the cost of administration, but the poor man nowadays pays in a higher ratio to what he earns in comparison with the ratio of the rich man’s payments of tax to what they earn. Sir, with these words, I oppose this motion. (Applause.)

**Mr. B. Das** : Sir, I am surprised that my friend, Mr. Maswood Ahmad, who also represents the same constituency as I do, rather his constituency represents my constituency as also that of Patna, should say that the people of Orissa are opposed to any scheme of protection of salt. Sir, if my Honourable friend says that the salt duties should be abolished, I think the people of Orissa may agree with him, but as my friend knows, Government cannot at present abolish entirely the salt duty and that question we are not discussing at present. We are now discussing the question whether India can be self-supporting as regards her salt requirements, and whether India can manufacture her entire requirements of salt. I think India is in a

[Mr. B. Das.]

position to supply all her requirements of salt, and this has been not only the cry of those who are fighting here, but the cry of the Congress: and if the Congress wants the abolition of the salt duty and wants the manufacture of all the requirements of salt in India, the Congress wants also that there should be no imported salt from any foreign countries.

Now, what does the Assembly Select Committee ask for? They ask that by this present measure of protection, which has been reduced from four annas six pies to two annas and six pies, the salt industry engaged in certain parts in India and also the salt manufacturers in Madras and the Orissa coast will try to manufacture as much salt as they can, with the ultimate view in their minds that they will eventually supply the whole demand of salt for India. Of course, much of the previous calculations have gone wrong. Two years ago, the Salt Survey Committee reported that it was expected that Khewra would be able to develop its internal resources, so that Khewra could capture much of the Bengal market. I listened very attentively to my Honourable friend, Mr. Morgan, he knows it as much as I do that the Central Board of Revenue have purchased machinery and are trying to develop the resources of Khewra. But, up to now, they have not got the chance of developing it to their full capacity and the Committee was not in a position to say that the country cannot supply the requirements of Bengal or Bihar; and we must give it a fair trial and so this time we recommended that Khewra should receive a certain bounty from Government. My friend, Mr. Maswood Ahmad, has indirectly supported the same idea, and my friend further suggests that we should abolish the salt duty. Now, what will then happen to the salt manufacturers of Tuticorin and on the coast of the Ganjam district and also the manufacturers in Bombay, Okha and Karachi?

**Mr. Muhammad Anwar-ul-Azim** (Chittagong Division: Muhammadan Rural): He possibly thinks this particular salt is not likely to reach Tuticorin and other places.

**Mr. B. Das:** Now, my Honourable friend, Mr. Morgan, has got a particular amendment regarding preference to Liverpool salt which he will move later on and then I should like to deal with it in detail. I know my friend, Mr. Anwar-ul-Azim, comes from the province of Bengal. Now, Bengal has developed a taste for this peculiar kind of Liverpool salt, but I am not in any way bound to that, and, I believe, the people of Orissa, who do not consume any foreign salt, not even the Aden salt and the Okha salt, all consume the Madras and Ganjam salt. I know that my friend, Mr. S. C. Mitra, was at one time an enthusiast for the manufacture of salt in Mindapore and the Chittagong coast.

**Mr. S. C. Mitra:** I still hold that view.

**Mr. B. Das:** I am glad he still adheres to the same opinion and that he still hopes that his country will in future use all the salt of their own sea-coasts and will not require any foreign salt. Sir, I do hope the House will take into consideration and read minutely the report which has been submitted by the Salt Committee. If salt is the most essential necessity of a human being, it should be protected first and foremost. We are protecting anything and everything: we are protecting paper, and

what not. Even the sugar-candy-wallahs and others from Bombay and elsewhere all want protection. Now, many of these are luxuries without any doubt. Even with regard to the demand of the Bombay millowners for protection of piecegoods, I should say, these are luxuries, but salt is a most essential necessity of life. If any particular article wants to be protected, I think salt must be protected first and foremost. Sir, before the British occupation of India, we could manufacture our whole requirement of salt and could even export salt by internal transport to Afghanistan and Persia and Central Asia. Why should we today not encourage India to be self-supporting in the manufacture of salt simply because my friends from Bengal have developed a peculiar taste for foreign salt? I know several of my Bengali friends who had developed a taste for the piecegoods of Manchester used to go about clad in very fine *dhotis*, but today I find my Honourable friend, Mr. S. C. Mitra, clad in very decent khaddar cloth. If Bengal has changed her taste for clothes, I cannot understand why she should not cultivate a taste for salt that is manufactured on the Madras coast or the Orissa coast.

**Mr. M. Maswood Ahmad:** Ask the manufacturers to sell salt at a cheaper rate.

**Mr. B. Das:** In spite of this protective duty today, the Bengal and the Bihar consumer is getting salt at a price that has not prevailed during the last 12 or 13 years. In spite of the protective duty, we are getting piecegoods today at a price which was never anticipated. It is almost at par with the pre-war price. (*A Voice:* "It is due to depression in the market.") My friend, Mr. Morgan, also referred to Aden and just hinted that it was going to pass out of the hands of India.

Sir, nearly 2½ years ago, when the Honourable the Finance Member introduced an item in his Budget that £ 250,000 should be the amount which the Government of India should pay for the maintenance of the British garrison at Aden and that England would manage the military station, some of us apprehended that Aden would pass out of India's hands. That has come to pass and I would at heart be sorry to part with Aden. But, having regard to the fact that Aden has damaged the salt industry of India, I would be glad if she is out of India today. There are Italian manufacturers in Aden who manufacture very large quantities of salt and who are competing with Aden's Indian manufacturers. I entirely agree with Mr. Biswas that we should take off the protective duty from the salt manufactured at Aden. But unfortunately at present Aden happens to be part of British India and, although we discussed this subject in the Committee for three days, we could not come to any conclusion by which we could exclude it. I must mention that there are two Indian firms in Aden who are manufacturing salt for a long time. They have made large profits in the past and, notwithstanding the Italian firms competing with them, they will continue to be in a position to derive profit from their salt factories.

Then, Sir, there is another matter that I wish to say with regard to Kathiawar States. Okha salt works are situated in Kathiawar and the Committee have recommended:

"It has been pointed out by some of us that the salt works in the Kathiawar States have, for the reasons just mentioned, less claims than Aden for the adoption of the scheme and the forthcoming proposals for a Federal Constitution may be taken into account."

[Mr. B. Das.]

Sir, the Committee did not know at the time that one of the representatives of the Kathiawar States, the Maharaja of Nawanagar, will hoist the flag of revolt against the Federation. Somehow the Committee had that suspicion at the time and they recommended that in case Indian States should back out of the Federation, they will be treated as foreign territories and equal amount of duty will be levied for any article that would be manufactured in those states and imported to British India. The last few days have proved that the Kathiawar States are not going to be part of the Federated India and I do hope that, within a month or two when the Princes of the Kathiawar States finally decide not to join the Federation, the Honourable the Finance Member and the Government of India will take executive action and leave out all Kathiawar salt and treat it as foreign salt.

**An Honourable Member:** What about Okha salt?

**Mr. B. Das:** Okha is in Kathiawar and, if the owner of the territory, in which Okha lies, does not federate, then Okha salt should be treated as foreign salt.

Sir, as an Oriya, I am very much interested that the salt manufacture on the Orissa coast should develop. I do not agree with one word of the statement that the representative of the Bihar Government made before the Salt Committee although he happened to be the Commissioner of Orissa Division. I do not think that he understood or appreciated the spirit that actuated this Legislature to put the protective duty and which persuaded even the Tariff Board, the Salt Committee and even Mr. Pitt when he inquired on the Orissa coast about the resources of Orissa with regard to salt manufacture. Orissa can be self-supporting and can manufacture salt in sufficient quantity, even to capture a reasonable share of the Calcutta market. I entirely disagree with the opinion of the Bihar Government. Similarly, I entirely disagree with the opinion of the Bengal Government and the views expressed by the representative of the Bengal Government before the Salt Committee. My friend, the Finance Member, knows that since the Gandhi-Irwin Pact was entered into two years ago, when a reasonable amount of salt was allowed to be manufactured on the sea coast from earth and sea water by the villagers, large amount of salt is being manufactured on the coasts in Midnapur and in Orissa and people are not buying any salt in those areas. It may be that the salt is impure. There may be five per cent. impurity in it, but that does not matter. There are people who are accustomed to take such salt for thousands of years and when the present economic depression has reduced the earning power of the people and when the poor man's income comes to only one anna per day, he cannot afford to buy salt even by spending half a pice. So, I am grateful to the Honourable the Finance Member that he agreed with Mahatma Gandhi at the time and permitted the manufacture of salt on the sea coast. But it may be a problem in Bengal. I know Bengalees like *Sandesh* and fine clothes and I do hope that they will give up their taste for foreign things. Mr. Morgan put forward the argument that the Bengalee's taste has been so much vitiated that he cannot do without the Liverpool salt. I would like to hear from Mr. Mitra, later on, when he would refute the arguments of Mr. Morgan that the Bengali likes the Liverpool salt. I think Mr. Morgan's statement is due to the fact that the Bengal consumers and the salt importers in Bengal have assured him

that they do want a certain amount of refined Liverpool salt for a change. I do not know whether my friend, Mr. Mitra, read the note submitted by the Indian Salt Association. This representation was made from Bombay. Sir, this House has suffered many calamities from Bombay and the whole of India has suffered many a calamity from Bombay. The first Imperial Preference was given because of Bombay. When the Steel Protection Bill came, to satisfy Bombay, we gave Imperial Preference. Then the cotton mill industry came. It is Bombay alone that wanted the Imperial Preference, and we had to swallow the pill.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): May I correct the Honourable Member? He made a reference to the Tata Works which are situated in Bihar and Orissa.

**Mr. B. Das**: But the management is entirely from Bombay. Here is a representation from the Indian Salt Association. They are all Bombay people and the signatory is one Mr. Kapilram H. Vakil, Honorary Secretary of the Indian Salt Association. It says:

"In considering this estimate, the Association has taken into consideration the demand of a certain class of consumers in Bengal and Bihar and Orissa for boiled or *panga* salt which had been supplied by Liverpool and Hamburg."

What did the Bombay salt manufacturers do? They had come to certain arrangement with the Calcutta importers of Liverpool and Hamburg salt that Liverpool and Hamburg salt should be allowed to be imported free of this additional duty. My Honourable friend, Mr. Mitra, just now questioned me, how do I know that the Bengal taste has been defiled and changed? Here is an instance. Mr. Mitra can denounce the Bombay salt producers for having told this lie. It is a lie, I tell you, Sir, and if Bombay can get a little more money into their pockets, they can sell their country, and here the salt manufacturers have sold the country. I hope, when the Finance Member replies, he will give me a list of firms which constitute this Indian Salt Association. Are they Indians? Are they blood-suckers or are they patriots?

**Mr. C. C. Biswas** (Calcutta: Non-Muhammadan Urban): Is my friend, Mr. Das, opposing or supporting the Bill?

**Mr. B. Das**: I am condemning the salt manufacturers who are blood-suckers and who are so unpatriotic.

**Mr. C. C. Biswas**: But whose blood is going to be enriched by this Bill.

**Mr. B. Das**: I do hope the Finance Member will give me the names of those firms who manufacture salt. I want to know whether they are Indians and I want their names to be published in the press of India so that India will condemn such unpatriotic citizens of the country.

Now, Sir, I am glad that Bengal and Orissa agreed and my friend, Mr. Biswas, also agreed,—the only fly in his ointment is Aden and mine is Kathiawar,—I am glad we agreed that protection should be given to the salt industry. This is a provisional protection. I hope in the meantime the Central Board of Revenue will extend its activities and I hope the Finance Member will place a few lakhs at their disposal to buy more machinery and also put pressure on his colleague, the Railway Member,

[Mr. B. Das.]

to reduce the railway freight for Khewra salt for Bihar and Bengal. At the same time, I do hope the people in Madras and Orissa will increase their output so that they will capture part of the Calcutta market, and I do hope in the meanwhile that Bengalees will change their taste for salt and will make an effort to manufacture salt on their sea-board.

**Mr. O. C. Biswas:** Sir, I have no desire, much less the capacity, to hurl thunders at my friend, the Finance Member. I attempted the experiment more than once, and I still remember the crushing defeat I sustained each time. I must, however, quite candidly admit that this year I found my friend in a much more reasonable frame of mind, and that is reflected in the report which the Assembly Committee have submitted this year. We have to be thankful for small mercies, and if we have not been able to secure the total repeal of the additional duty, we have at any rate the satisfaction of feeling that we were able to persuade the Finance Member to agree to a reduction to the extent of two annas per maund. I do not, however, resile from the position I have all along maintained and I hold today even more strongly, than I did two years ago, that there is no case whatsoever for the imposition or retention of this additional duty. So far as the object of making India self-supporting in the matter of its salt supply is concerned, I believe we are all agreed that that is a consummation devoutly to be wished for, and if there were real, sincere and genuine efforts in that direction, no province in India would have been wanting to help forward that movement. The question of making India self-supporting is, however, not the same as that of putting money into the pockets of a few merchants at Aden. That is the crux of the position, Sir, so far as the present controversy is concerned

As my Honourable friend, Mr. Maswood Ahmad, pointed out, it was several years ago that this question was raised and the attention of Government was directed to the necessity of exploring methods for the purpose of making India self-supporting, so far as salt was concerned. I believe, Sir, I am correct in stating that a recommendation to that effect was made by the Indian Taxation Enquiry Committee. That recommendation came to be considered by the Government of India, and for that purpose they called for a report from the Central Board of Revenue. The Central Board of Revenue examined the matter and came to certain conclusions, and, on the strength of those conclusions, the Government of India then thought that the time was not ripe for undertaking an investigation of the nature suggested. A few years later, however, the question was raised again on the floor of this House by way of a cut motion during the course of the Budget discussion, and then the Finance Member or the Commerce Member, I forget who, promised that a reference would be made to the Tariff Board. That reference was made, and we had a very careful and elaborate report from the Tariff Board on the whole subject. As the Tariff Board pointed out, the question of making India self-supporting really reduced itself to one of supplying the markets of Bengal, Bihar, Assam and Orissa, because they found that the bulk of the foreign salt which was received in India was consumed in those provinces. I believe,

1 P.M. Sir, the total consumption of these Provinces was put down at 500,000 tons, of which 320,000 tons came from foreign sources and the balance of 180,000 tons came from Aden. Sir, when we talk of making

India self-supporting in the matter of salt, we naturally think of the continent of India, with its extensive sea coasts and its extensive facilities for the manufacture of this essential article of human consumption. Aden might be politically a part of India, but when we speak of India in connection with measures of protection, we do not think of Aden, we think only of the mainland of India. The Tariff Board, Sir, went into the matter very thoroughly, as I have said, and they examined the possibility of developing the various sources of supply in the Indian continent. There were certain maritime sources of supply, such as Karachi and Okha. There were also inland sources mostly in Northern India, and in Rajputana.

Sir, my friend, Mr. B. Das, suggested that India ought not to import a single ounce of salt from abroad, if she can help it; with that suggestion I entirely agree. I entirely agree with him also that it is possible to increase the total output from all these sources in India, maritime and inland, in British India and in the Native States, to such an extent that the whole of the Indian demand would be fully supplied; but when we state that, we are not stating the whole position. The question is, whether we can develop these sources in such a way that they will be able to place the salt in the market at a fair economic price. As a matter of fact, Sir, it will be wrong to call upon the consumer, whether in Bengal or in any other province, to pay a price much in excess of what is its economic level. You may for a few years no doubt tax the consumer, but you can tax him in this way and call upon him to bear an additional burden, only if you can secure that ultimately he will obtain the commodity at a reasonable price. I doubt very much, Sir, whether the conditions in India are such that it can be said that the output of salt at the various centres can be marketed in different parts of India at an economic and competitive price. The Tariff Board was faced with this question, and that is why they had to go into the matter of prices very minutely. They came to the conclusion that so far as the maritime sources were concerned, it might be possible to increase their production sufficiently, but it would not admit of sale in the Bengal market at an economic price. They hold that it would not be in the national interest that Bengal should be supplied with salt from these sources. It was the inland sources of supply that the Tariff Board turned their attention to, and they came to the conclusion that it would be in the national interest to develop these sources and supply the Bengal market therefrom. Sir, the main inland sources in Northern India were Khewra and the Rajputana centres. The Tariff Board found that the output at these places would have to be considerably increased. The plant at Khewra, for instance, was such that you could not expect within a reasonable distance of time a sufficient supply for consumption in Bengal and the neighbouring provinces. They suggested, therefore, that steps should be taken at once for the purpose of exploring the possibilities of further development at Khewra and these other Northern India sources: they also suggested that the possibilities of production at other centres should be examined. Sir, they had not time to make these enquiries themselves, and so they made a recommendation to the Government that Government should undertake this investigation. In consequence of that recommendation, Government appointed two Committees—first the Chuni-lal Mehta Committee, and then, the Pitt Committee. Mr. Pitt went into the question principally of Bengal and Bihar and Orissa, whereas Sir Chuni-lal Mehta confined himself to the other sources. Those reports are

[Mr. C. C. Biswas.]

now before us. Sir, if we accept the conclusions which were arrived at by these Committees, the position is this that Khewra admits of development, but only to a limited extent, and that Bengal and Bihar and Orissa cannot be developed at all on a commercial basis. Mr. Pitt's report was, I may mention, forwarded to the Governments of Bengal and Bihar and Orissa, and the Governments of both the provinces concurred in his conclusions. It is just as well that I should state at this stage that the Governments of these provinces were not hostile to the development of salt on such limited scale as was considered possible. As a matter of fact, they were quite prepared to grant licences to private parties who applied for such licences, and undertook to bear the expenses of the preventive staff and other staff necessary for the purpose of supervising these works. But the main point was that they held that it was not possible to manufacture salt on a commercial scale in those places. That being the position, the question we have to consider is this: if you cannot develop Bengal or Bihar and Orissa in that way, can you develop Khewra or other inland sources in such a way that you can replace the foreign salt in Bengal within a reasonable time by supplies from these sources? At the time, in 1931, when this additional duty was imposed, the hope was no doubt entertained that it would be possible so to develop Khewra. Some steps have been taken by Government in that direction: but when I place before you the figures, you will find how long yet we shall have to wait before Khewra can fairly be expected to supply the whole demand in Bengal, Bihar and Orissa. If you look at the report of the Central Board of Revenue on the working of this Act for this year—I believe copies have been made available to Members—you will find at page 5 they state in paragraph 9:

“The plant now being installed is designed for 14 lakhs of maunds or 52,000 tons of crushed salt.”

Just consider this. The plant which they refer to is not yet in full working order: they were expecting that it would be in working order, and it would be possible to market a small quantity as early as May of this year. But I understand that some further hitch has occurred and that the expectation is not likely to be realised—not until September or October next. But even if that is realised, it only means that they would be able to market only seven lakhs of maunds in Bengal in the current year, i.e., 26,000 tons; and when they have the plant in full working order, the quantity they will be able to place in the Bengal market is only 14 lakhs of maunds or 52,000 tons; whereas, as I have mentioned, the total consumption of Bengal is 500,000 tons, at the time the Tariff Board reported and as the two Governments have now reported, the figure should be 550,000 tons. That is the position. Therefore, so far as quantity is concerned, I say, there is no immediate prospect of getting anything like what Bengal and other provinces require from Khewra in the near future. Apart from that, there is the other question . . . . .

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Honourable Member can resume his speech after Lunch. The House now stands adjourned till 2-30 P.M.

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



The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

**Mr. C. C. Biswas:** Sir, when the House rose, I was dealing with the possibilities of developing Khewra, and I was placing before the House the Report of the Central Board of Revenue. This is what is stated in para. 9 of that Report:

"The plant now being installed is designed for 14 lakhs of maunds or 52,000 tons of crushed salt, and it is expected that it will be possible to market 7 lakhs of maunds or 28,000 tons in Bengal in 1933-34, and that crushed salt may be available for Bengal in early May 1933."

As I have already stated, we cannot get this salt in May, 1933, but possibly we may get it in October, 1933. But, Sir, the point is that the total quantity which you can expect from Khewra, when the whole plant is working, is only 52,000 tons against the total consumption of 550,000 tons. So there is hardly any chance of Khewra being able to supply the full quantity of foreign salt which Bengal is now obtaining. Sir, I will at this stage remind my friends of the main purpose of the policy which was adopted by the House in 1931 when they decided to impose this additional duty. If you look at para. 3 of the Third Report of this Assembly, you will find it stated there:

"The main purpose of the policy was two-fold:

- (1) to create conditions in which Indian manufacture of fine white, crushed salt, especially from the inland sources of Northern India, could be developed; and in which such salt would find a place in the Bengal market;
- (2) to achieve this object without putting a burden on the consumers of Bengal and Bihar and Orissa who were accustomed to purchase imported salt."

Therefore, when we are asked to continue this duty, the first question we ought to ask ourselves is this. What has been the result of this policy during the two years that this duty has been in operation? Have the objects been attained? If not, should we be justified in continuing the duty any longer? I venture to submit, Sir, that the policy has been a complete failure. The fundamental objects which we had in view have not been attained at all. Remember that it was not of the essence of the scheme to give protection to Aden. Nothing of the kind. That is a very important consideration which we must always bear in mind. The Tariff Board pointed out that Aden had withstood foreign competition unaided, and that there was no case made out for giving protection to Aden, and that view was endorsed by the Assembly Committee in the First Report, re-affirmed in the Second Report and accepted by this House as well. So it will be wholly a mistake on our part if, in deciding upon our future course of action, we were to pay any undue or exaggerated regard for the interests of Aden. The main question is, whether or not it is possible to obtain for Bengal,—and when I say Bengal in my remarks I mean not merely Bengal, but also the other provinces where the same salt is consumed,—the main question is, whether it is not possible to obtain for Bengal the salt it requires from the inland sources. The House will find that during the two years that have already elapsed since the duty was imposed, not one ounce of salt was placed in the Bengal market from the Northern India sources, but the bulk of her requirements was met from Aden. Aden's supply to Bengal had in fact been doubled. The House may remember that last year the

[Mr. C. C. Biswas.]

Committee of the Assembly pointed out in their Report that the quantities which were coming out from Aden were so large that there was a real danger that Aden might obtain a virtual monopoly of the market in Bengal, thereby defeating the objects which we had in view, and the suggestion was made that a system of allotment by quotas might have to be devised in order to counteract this real danger. This question of allotment by quotas was considered by the Government in the course of the year, but it was rejected by them. There was too much opposition from different quarters. The Aden merchants and the non-Aden merchants did not agree among themselves. I do not wish to go into that question now, but the fact remains that the Government came to the conclusion that that was not a practicable or feasible proposition. There the matter stood. Now, Aden, naturally, encouraged by the favoured treatment which it had received from this House, began to develop its resources much beyond what was required or expected, with the result that, if I may use that expression, the merchants there open their mouths wider and wider. In fact, representations poured in from these merchants that Government should actually abandon the policy of developing Khewra and that they should take all the supplies from Aden and Aden alone. Sir, I do not blame Aden. They are only asking for what anybody in such circumstances would ask for. You have treated Aden with grandmotherly affection, and, naturally, like a spoilt child, it is asking for more. Now, the position is this. Aden has expanded its output to such an extent that it says it has acquired a sort of vested interest, and that no matter what happens to other sources of supplies in the main land of India, nothing should be done which would interfere with the supplies of Aden. The situation has been really complicated by this consideration for what Aden claims to be her vested interests. In fact, if you read the report of the Committee, which has been presented on the present occasion, you will find that one of the main reasons, which influenced the Committee to recommend a continuance of the duty, though on a reduced scale, is this regard for the vested interests of Aden. I submit with confidence that that is a wholly wrong view to take, and that it is really going back on the main purpose of the policy which this House had adopted. I might here give the figures showing the quantities which Aden supplied.

In 1931-32, Aden supplied 318,000 tons out of a total consumption of 514,000 tons. I have got the figures here up to October of the following year 1932-33, and it appears that out of a total quantity of 527,000 tons consumed up to that date, so much as 151,000 tons came from Aden alone. So the only effect of this policy has been to strengthen the position of Aden in the Bengal market, and, so far as the Northern India sources are concerned, there has been very little achieved in that direction. Sir, if you turn to the report of the Committee, you will find that the main reasons why the Governments of Bengal and Bihar and Orissa pressed for an abolition of the duty this year are set out in paragraph 4. If I may say so, that summarises very fairly and very fully the position taken up by these two provincial Governments. The points made are these. First of all, it is pointed out that the immediate result of the policy has been to raise the prices to the consumers substantially in these two provinces. Secondly, they point out that the so-called advantages which were expected to follow from the stabilisation of prices are nebulous, uncertain and indefinite, and in any case, in the present conditions it is not only not necessary but positively harmful to the consumer to insist

upon a stabilisation of prices. The prices of other commodities are unstable, and why should you insist on stabilised prices in the case of salt alone? It is further pointed out that, so far as the Bengal consumer is concerned, he has got to pay for his salt out of the price he realises for his agricultural products. As we all know, he does not get his full prices for these. There has been a catastrophic fall in prices all round, but he has to buy his salt at a very high price. The stabilisation which was contemplated has meant stabilisation at a very high level. Rs. 66 per 100 maunds was the figure adopted, but having regard to the prevailing prices, that must be considered to be a very high level altogether. The next fact to which attention is drawn is that the chances of developing local production in these two provinces on an economic basis are very, very remote indeed. And lastly, they point out that the object which was in view, namely, the development of Khewra and the other inland sources, has not been attained. Dealing with these points, the Committee state in paragraph 5 of their report that they cannot agree on all points with the case, and they say:

“.....it is too early yet to condemn the basic idea of a policy of stabilization of prices or to say on the strength of the exceptional conditions which have prevailed during the past two years that such a policy must necessarily be in the long run disadvantageous to the consumers.”

With great respect I feel bound to challenge that statement. As a matter of fact, as we know, stabilisation of prices was not an end in itself; it was only a means to an end, and the end in view has not been achieved. Two years' experience has shown beyond doubt that the attempt to stabilise the price of salt at Rs. 66 has only imposed an undue burden on the consumer. What is the idea behind stabilisation? It is this that, although the consumer is called upon to pay this high price for a certain number of years, ultimately he is secured against a possible rise of that price as a result of combinations or rings, and so on. But the fears of a possible rise in the price are all illusory, and the dangers of rings and combines are not, as past experience has shown, a real danger. For the first one year and a few months since the new duty was imposed, prices generally ruled at the level which was contemplated, but as soon as there was further competition from two new foreign ports the prices fell down at once. There is one curious fact which I may here point out and which had been overlooked at the time the duty was introduced. It is that in fixing the figure at Rs. 66 as a fair selling price at which it was proposed to stabilise the price, the Tariff Board had calculated freights at a certain rate. As a matter of fact, however, at the time when the new Bill was passed, the freights were very much lower. You can take it that the freights were lower by something like Rs. 9 or Rs. 8 per 100 maunds. The benefit of this reduction in freights was not passed on to the consumer, but went wholly into the pockets of these merchants at Aden! It was only when two new ports started on the Red Sea and they began to import salt into India at much more reasonable rates, that the Aden merchants were compelled to bring down their prices as well. But, for about eighteen or sixteen months, they had been pocketing this difference in sea-freight of Rs. nine per 100 maunds at the expense of the poor consumer in Bengal. Having maintained this so-called stabilised price at that unreasonably high figure of Rs. 66 for a year and four or six months, they brought down the prices in the last few months to something between Rs. 53 and 55. But when that happened, Sir, the usual cry was heard from the Aden merchants. They said: “The time

[Mr. C. C. Biswas.]

has come when the duty which is in force is not enough. You should increase the duty." There is a section in the Act which says that Government might, if so satisfied, increase the duty by one anna per maund. The Aden merchants,—not satisfied with the unholy gains they were making for about one year and a half,—not satisfied with that, had the audacity to suggest that the duty should be further increased. The Government at once appointed an officer to go into the matter and an enquiry was made by the Collector of Customs, Calcutta, Mr. Ward. And what was the report which the Collector of Customs made? He came to the conclusion that there was no foundation whatsoever for the allegation that anything like dumping was going on. What had happened was that the Aden merchants—the appetite grows on what it feeds upon,—were not willing to sell their salt, but were waiting to see if they could induce the Government to increase the duty. So they kept back their salt from the market and huge stocks were piled up in the *golas*. I will not trouble you with extracts from the report of Mr. Ward, but I will give you the substance of it as reported in the Resolution of the Government of India on the subject. This Resolution is dated the 10th December, 1932, and this is what they say:

"In the opinion of the Government, the result of the enquiry is to show conclusively that up to the present time nothing has happened that would justify any increase in the import duty. Since the beginning of the official year 1932-33, there has been an increase in the quantity of salt of different kinds imported. The amount imported has exceeded the demand and in consequence the total stocks in the *golas* in Calcutta have largely increased, while prices have declined. Having regard, however, to the fact that the freights prevailing more appreciably lower during this period than those that formed the basis for the fair selling price fixed by the Tariff Board, it cannot be said that the prices at which foreign salt has hitherto been sold were uneconomic or that there was any justification for the allegations of dumping by foreign manufacturers that have been made. The increase in stocks is confined, so far as the fine white crushed salt of the Aden or Red sea type is concerned,—to Indian salt, including salt from Aden. The only inference to be drawn from this is that sellers of Indian salt have been more reluctant than sellers of foreign salt to bring down their prices to a level which, for the reason given in the preceding paragraph, cannot be regarded as anything but a fair competitive level."

That was the position. The report of the Collector of Customs, Calcutta, makes it abundantly clear that this policy has wholly failed in producing the results which were expected of it, and that the statement which is made in the report of the Assembly Committee is an overstatement of the case altogether. I maintain that this policy of stabilisation of prices has succeeded only in mulcting the consumer. The Committee then say:

"Further, we cannot agree that it has been yet demonstrated that the development of the Northern Indian inland sources supply on an economic and competitive basis is impossible or that the purpose of achieving this development should be finally abandoned as an objective which is in the national interest."

For two years we have waited, and all that we have got is a promise that in September or October this year there may be placed in the market something like seven lakhs of maunds or 26 thousand tons, whereas we require 550 thousand tons in the year. Are we to understand that Bengal has got to bear this burden as long as it takes the Government to put this Khewra factory on a basis, which will enable it to produce 550 thousand tons? Remember this. In spite of the duties, as I was pointing out, prices in Bengal did actually fall below the standard rate of Rs. 64 or Rs. 65, and prices will go on still falling notwithstanding the duty. The further the fall, the further are we getting away from our object, namely, the development of Khewra. As a matter of fact, when you consider the case of Khewra, we must not overlook the question of the price at which it is

possible to market the Khewra product. The tariff Board calculated that the cost of production would be something like Rs. 84 or so. Calculating on that basis, it is fairly clear that Khewra cannot compete with Aden salt in the Bengal market on a competitive basis, even assuming that the selling price in Bengal was Rs. 66. If, however, the selling price further dropped, then, Sir, the chances of Khewra competing with foreign salt becomes still more remote. That is the position. Khewra is getting further and further away from the possibility of competing with Aden salt, unless the Government are prepared to give a very substantial subsidy from central revenues for developing Khewra.

Lastly, the Committee point out:

"Again, when the burden on the consumer is spoken of, we must point out that we have failed to obtain accurate information as to how far the rise or fall in the wholesale prices of salt is felt by the ultimate individual consumer of a small quantity at a time and, even taking the consuming provinces as a whole, regardless of how the burden of higher prices resulting from the Government's policy is distributed, we do not think that it is by any means established that that burden has been fully equivalent to the sum produced by applying the rate of the additional import duty to the total quantity of salt consumed by them."

That may be so, but, at the same time, I ask, is the converse true, that if the duty is taken off, prices will not appreciably fall and the burden correspondingly lightened? It is not fair to draw any conclusion from that as to the future course of action. The framers of this report, with due respect, were really speaking in hesitating accents. They felt in their heart of hearts that there was no case for continuing the duty. There was no case for maintaining it even at a reduced level, but there were the vested interests of Aden to be taken into account,—Aden which had been encouraged by this grandmotherly treatment, which was opening its mouth wider and wider, Aden whose rapacity had got to be gratified. Government possibly felt that it would not be right to throw them overboard all at once. The process had to be softened as much as possible, and, therefore, although the logic of facts made the case for a total repeal unassailable, still they had to find some reasons for continuing this duty for some little time to pave the way for a total disappearance. Having stated on what I submit are wholly untenable grounds that they cannot agree on all points regarding the case of Bengal and Bihar, the Committee go on to say:

"Nevertheless we think that the time has come to take stock of the position once again and to review our whole policy."

They were speaking the truth here. They say:

"Our main reason for this is that since the Tariff Board examined the situation and made their recommendation as to what would be a fair stabilised level for the prices of salt, there has been such a catastrophic change in the general level of prices for all commodities that the considerations which influenced the Tariff Board can hardly be held to apply to the conditions prevailing today."

That, Sir, is the real position. Even here they use very guarded language. The implication is quite obvious, and if you give effect to this implication, then the only course open to you is to take off the duty altogether. The Committee continue:

"We feel, indeed, to put the matter shortly, that in relation to other commodities a price for salt stabilized at Rs. 66 per hundred maunds or even at the lower level of about Rs. 53 which at present rules must now be regarded as definitely high, and it is clear that if free competition were again allowed, the Bengal market could be supplied at substantially lower prices. There are strong grounds for arguing that the advantages of the policy recommended by the Tariff Board are no longer commensurate with the burden put upon the consumers in Bengal, Bihar and Orissa."

[Mr. C. C. Biswas.]

That, Sir, is exactly the point made by Bengal, Bihar and Orissa,—

3 P.M. that, having regard to the catastrophic fall in prices all round,

having regard to the possibility of getting salt at very low prices, having regard to the fact that even the lower level of Rs. 55 per hundred maunds is on the Committee's own showing unduly high, there is not the least justification for retaining this undue burden on the consumer. The Committee, Sir, could not keep the cat in the bag all the time; in paragraph six, the animal peeps out a bit, and you will find that in the middle of that paragraph they are constrained to say:

“For various reasons, however, our final conclusion is that the time has not yet come for such a complete reversal of the original policy, and although we have always made it clear that the additional duty recommended was not to be regarded as a protective duty in the ordinary sense, we are bound to take some account of the conditions created by the imposition of the duty during the last two years and to recognize that the manufacturing interests concerned should be given some reasonable time to adjust their position.”

What is this but a plea that the vested interests must be satisfied? And what are those vested interests? The interests of Aden and Aden alone—not even of Karachi, not even of Okha. Here, then, is the real secret, the key to the whole of this report,—that we have got to take into account the conditions created by the imposition of the duty and recognize that the manufacturing interests concerned should be given some reasonable time to adjust their position. Then, Sir, having said that, the Committee cannot help pointing out that in spite of the proposal they have made, namely, to reduce the duty to two annas six pies, the actual price at which they expect salt will be selling in Bengal will be very much less than what is now the standard price *minus* the reduced duty. The reduced duty works out at Rs. 15-10-0 per 100 maunds; or Rs. 12-8-0 less. Taking the present standard price at Rs. 63-11-0 per 100 maunds, the actual selling price, with the duty reduced, should be Rs. 63-11-0 less Rs. 12-8-0 or Rs. 51-3-0 per 100 maunds. But they themselves admit that it will be selling at somewhere near Rs. 43, if not lower. As a matter of fact, the Committee have reduced the fair selling price. They reduce it, however, by the amount by which the freight has gone down,—that is, they fix it at Rs. 54-12-0. Sir, I need not go very much further into the matter beyond stressing once again the point I made about Khewra. Apart from the fact that it is not possible to expect any large quantity to come from Khewra in the near future, it will be clear that Khewra's chances of capturing the Bengal market will be getting weaker and weaker. The deciding factor is one of price, and that will be very much against Khewra. The Tariff Board calculated that Khewra salt could be placed in the Calcutta market at a f. o. r. price of Rs. 0-13-10 per maund as against a price of 0-13-9 for sea-borne salt, but this was on the basis of an output of 60 lakhs of maunds per annum. But with a very much less output, the price is bound to be higher. On the other hand, as the price of Khewra goes higher, Aden, by reason of its increasingly larger production, will be able to decrease its cost. I repeat, therefore, that taking everything into consideration, there can be no doubt whatsoever that it will be impossible for Khewra within a measurable distance of time to compete with Aden salt. Are we then to understand that Bengal must, all these years, be left entirely at the mercy of Aden? Sir, the Committee point out in one place that this duty is not intended to be a protective duty in the

ordinary sense. But in point of fact it has operated as a protective duty solely in favour of Aden and Aden alone. I maintain, therefore, that there is no justification for continuing this unfair burden upon the Bengal consumer only for the benefit of Aden. Sir, I fail to see why the Bengal consumer should not get the benefit of the all-round reduction in prices, especially when he is not able to sell his own produce except at very low and unremunerative rates. Sir, the pity of it is that although Bengal is called upon to bear this burden in national interests, the "national interests" here mean, on ultimate analysis, the interests only of a few powerful concerns in Aden, of which one is an Italian firm. Sir, talking of this Italian concern, I should like to draw your attention to what the Assembly Committee stated in their last year's report in the last para. but one :

"It should be stated that some of our members are very anxious that in view of the great benefits received by the Aden manufacturers from the policy adopted last year, steps should be taken by the Aden salt works on the lines indicated in paragraph 103 of the Tariff Board's Report to have the concern transferred to a rupee capital, with a suitable proportion of Indian directors."

The Tariff Board were very emphatic in this matter. This is what they said at page 81 :

"We recommend that the same guarantee should extend to the Aden Salt Works provided that the Company is formed and registered under the Indian Companies Act, 1913, that it has a share capital the amount of which is registered in the Memorandum of Association in rupees and such proportion of the Directors as the Governor General in Council has by general or special order prescribed in this behalf consists of Indians."

There was this definite proposal of the Tariff Board, a proposal which was re-affirmed by the Committee of the House in the report of 1932, and yet what do we find they have done? Turn to the report of the Central Board of Revenue where it is said in paragraph 13 :

"The opinion was duly conveyed to the proprietors of the Aden Salt Works and it has been ascertained that they are not willing to carry out the recommendations."

And still, Sir, we must go on feeding this pet child of the Government! That is the position. I am quite willing to recognise that the Honourable the Finance Member has tried to meet us half way. As I said, we are grateful to him for this concession, but we are looking forward to the day when he will complete the process and be able to announce a total abolition of this duty. May it be given to him, Sir, not only to take off this duty, but to make salt free of duty altogether. If he could do so, I can assure him, he will leave his name to be cherished by the people of India with the same veneration as that of Aurelian, who gave the people free salt, was cherished by the citizens of the Roman Empire.

**Mr. Lalchand Navalrai:** Without its own industries!

**Mr. O. C. Biswas:** That is our hope, and in that hope I venture once again to renew my appeal that, at any rate, he might be able to give us some real relief by removing this additional burden from Bengal and Bihar and Orissa. Sir, I oppose this motion.

## STATEMENT OF BUSINESS.

**The Honourable Sir Brojendra Mitter** (Leader of the House): Sir, as the Finance Bill is not yet disposed of, I ask you to direct that the House shall sit on Saturday for the transaction of Government business.

As regards Government business for next week, Honourable Members are already aware that Government have undertaken to provide time for a discussion on the White Paper on Monday, Tuesday and Wednesday of next week; and I have already given notice of a motion for this purpose. The House, however, also knows that the undertaking was subject to the conclusion of the Finance Bill in this House and I must inform Honourable Members that we shall proceed with the Bill on Monday if it is not finished on Saturday.

Certain elections, of which notice has already been given, will be held during the week. In addition, Government will make certain supplementary demands for grants on Thursday, the 30th and on that day also the Report of the Committee on Public Accounts for the year 1930-31 may be presented and taken into consideration. Demands for excess grants for that year may also be made.

As regards legislative business, Government will proceed with the Provincial Criminal Law (Supplementing) Bill and with the Indian Medical Council Bill. I regret that I shall have to ask you, during the course of the week, to direct that the Assembly shall sit on Saturday, the 1st April. The discussion of the White Paper will take up three days we hoped to have for legislative business, and we must try to make good some of the loss.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): In view of the fact that the business of the House is getting congested, the Chair will direct that the House will sit the next Saturday and circulars will accordingly be issued to Honourable Members this evening. Honourable Members are aware that a great many elections to various Committees are due to take place during the course of the next week. In view of the discussion on the White Paper, it has been represented to the Chair by some Honourable Members that the elections to these Committees should, if possible, not be held on those days so that Honourable Members might have as much time as possible for the discussion of the White Paper. In this connection, the Chair has been thinking whether it would not be possible to devise some procedure by which, in the case of elections to various Committees, the time of the House need not unnecessarily be wasted and the convenience of Honourable Members might also be met. The Chair has accordingly decided, as an experimental measure, to adopt a different procedure for those elections that will come on for next week. The present practice is to distribute the ballot papers soon after the questions are over. The Chair has decided that this practice might be discontinued as an experimental measure. On the day fixed for an election the Deputy Secretary will be in his room from half-past ten in the morning till one o'clock. Honourable Members, desiring to take part in the elections, might during these hours go to the room of the Deputy Secretary, get the ballot papers from him, sign a register in recognition of their having taken the ballot paper, record their vote and deposit the ballot paper in the ballot box in the Deputy Secretary's room. The Chair is of the opinion that this procedure will not merely save the time of the House.



but will be an additional convenience to Honourable Members in that according to the present practice, those Honourable Members who do not happen to be in their seats at 11 or 12 o'clock lose the right of taking part in the elections. With a view to reminding the Honourable Members on the day of the election of the fact that elections are going on, placards will be posted in prominent places in the lobby that elections are proceeding for a particular Committee on that day. The Chair hopes that this change in procedure will meet with the convenience of Honourable Members. (Applause.)

### THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL— *contd.*

**Mr. Lalchand Navalrai:** Sir, it is quite plain and the House must have observed it that on this question of the protection of salt there is a dispute between India *minus* Bengal and Bihar *versus* Bengal and Bihar.

Sir, the question about this salt protection as has arisen has two sides. On the one side the case is that India should be allowed to develop her own industry of salt and be self-sufficient and self-contained. On the other side, Bengal and Bihar maintain that no matter whether the Indian industry is developed or not, what they want is the lowest price for salt whether they get it from India or from outside. Sir, this case of the other side, I mean of Bengal and Bihar, at once sets a blow to what India is craving for, namely, to make India self-sufficient and self-contained in all her industries. It is known to the House that I belong to the Presidency of Bombay which includes Sind as well. These are two ports which have got great facilities for increasing this salt industry and I must at once inform the House that I have been put in possession of facts and figures which have at least convinced me that I should come to this House and ask for more protection for this Indian industry in order to develop it to the extent—and very soon too—that the object may be fulfilled. But it is unfortunate that according to rules I cannot ask the House for an increase in duty. The next point is very strong, as is even shown by the reports that are placed in our hands, for keeping the protective duty at *status quo*; that is to say, the protective duty of four annas six pies should be continued. Then also it is again unfortunate that I cannot move that amendment unless I get the sanction of His Excellency the Viceroy. Sir, it seems that after the report of the Salt Industry Committee and the attitude of Government on this point it is not possible for me to take even that step. Therefore, in the last resource, I wholeheartedly support the motion that has been made by Government that this duty may be maintained at least to the extent of two annas six pies with the avowed intention of helping the Indian industry.

Now, Sir, what is the history of this salt protective duty? We know that India was a salt producing country. It has got the sea and it has got many facilities for producing salt. Even in rural areas I used to see myself that there was abundant *kalar*—land, i.e., saltish land from which salt was made in the indigenous manner which was not much expensive. However, that is now past, and the question then arose as to how salt should be supplied to India. The foreign countries, the Italians, etc., considered it an open market for them to import salt. This went on until Indians got aroused. They saw that they had facilities for making salt to supply India with her own salt. It was then that they raised a cry and they agitated over it, and we learn today from

[Mr. Lalchand Navalrai.]

the Finance Member that Government came forward with the set purpose of helping the Indian industry and, with that view, the import duty of four annas six pies was levied. Sir, I have got facts and figures to show that advantage was taken by the Indian people with regard to this protective duty in order to increase their product in salt. But it was only certain parts of India that took that advantage. Bengal and Bihar did not, and they became indolent; and when the other parts of India have shown to be brisk and have taken time by the forelock, they come forward to oppose them and not wish them well. That is a policy which, I think, no Indian would like.

Then, Sir, when India made salt, we find that Bombay, Karachi and Madras took advantage of it and they created their own manufactures. Even in Indian States also, Okha, Naulakhi and Porbunder took advantage of that. Then comes Aden. Aden had facilities for making salt and, as a great cry is now raised against Aden, I must say that as we are constituted at present Aden is a part of India and governed from India. I submit that until and unless Aden is separated from us, we cannot say that theirs is not an Indian product. Besides that, the point is very clear that it is not only the Italian people that make salt in Aden, but it is the Indian people from Bombay and other places as well.

**Mr. A. H. Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): Only Bombay.

**Mr. Lalchand Navalrai:** That may be so, but, after all, they are Indians, just as Bengalees are in India. Sir, what I am to submit is that if you concentrate your idea on helping India in this industry, then, to say that protection should not be given is suicidal. Sir, if agriculture requires coal, we have no objection in other parts of India to send for coal from Mr. Ghuznavi and use it. But the point is that if there are facilities for having an Indian article in a certain part of India, then it should be allowed to develop and if, for that, some other parts of India have to suffer to a certain extent, they should make that sacrifice. I am digressing, Sir, but coming to the point, I have heard my Honourable friend, Mr. Biswas, asking "how long are we going to wait?" He no doubt expects that if "Khewra" is given facilities, it will go to their help and also if the Indian manufacturer of salt in Bombay and other places of India increase the product, they will be helped. But yet he says: "How long should we wait?" The reply is that he should not be hasty. With haste we have not been able to get the constitution that we want. There is no go, but to wait. Here also I advise Bengal and Bihar to wait and not to take away the protection. What I feel is that we have to revive this Indian industry which was unfortunately absolutely destroyed and crushed and that when it has reached now its infancy stage we should encourage it to stand absolutely on its own legs. Sir, the history shows that this protection was given with a particular object, and the only issue that the House should, therefore, consider is whether that object by this time has been fulfilled or it has yet to be accomplished. If India is able to produce salt to the extent of the demand of the whole of India, then remove the protection: but if not, then you have to halt and continue the protection, and I submit that, with the facts available, I think it would have been much better if the *status quo*

with regard to this protection of salt duty had been maintained. I submit that on the Salt Industry Committee—excepting Mr. Anklesaria I do not find any other member from either Bombay Presidency or from Karachi.

**An Honourable Member:** Haji Abdoola Haroon was there.

**Mr. Lalchand Navalrai:** He has not taken any part in it. I do not find his name amongst the signatories. If he had been watchful of the interest of Bombay and Karachi, he would excuse me, he would have signed this report one way or the other and would have taken part in the debate today. Therefore, I submit, that the question whether the object has been fulfilled or not has the reply from every one that the Indian industry yet requires protection and it does not produce so much as to be self-supporting for India. On no other grounds the case need be judged. It should be judged on this issue. that is, when the House has committed itself to this legislation, it should be continued in order to develop more of the Indian industry. I submit, Sir, that there is no reason and no sense in removing at present the protection and allow the industry to fall down and die its own death.

Sir, proceeding further, I submit that the history of the protection shows that after this protection was given—these two years—the Indian salt industry has increased the supply and the foreign salt imported into India has been practically nil or has been much reduced. I will say how it has been increased again, but I am submitting that this salt which for some time used to exploit India came from Italian firms from the Red Sea Ports whose salt began decreasing since the protection. Then, what has happened now? A new danger has arisen and if that danger is not properly protected against, then even the salt industry which is being now developed into India will disappear and that will result in the importation of very much large quantity of salt from the two ports of the Red Sea, i.e., Ras Hafun and Asab, where there are Italian firms. Protection is being given to them by the Italian Government. Sir, having been thus helped by its own Government, one could easily understand what would be the result.

**An Honourable Member:** Where is the evidence for it?

**Mr. Lalchand Navalrai:** There is nothing to contradict it. The evidence in support of it is that these manufacturers or the masters of this industry in India are making an open assertion which, if it is false, would have been contradicted by the Government. Therefore, a new danger has arisen and you have necessarily to provide against it. If you are not going to provide against it only with the zeal and enthusiasm that Bengal should get salt at a lower rate, you will be doing a great harm to Indian industry as a whole. The question then will not only be in one case, i.e., of Bengal, but whenever any such question of development of any other industry would come up, the other parts of India would say: "We do not care for your industry, we want competition with foreign industries and get things at a cheaper rate." The inevitable point then is, why do you open these exhibitions?—Indian Exhibitions and say "Buy Indian"? Therefore, I submit that, on this question of salt which is an industry of a necessity for India, for, without salt, you cannot live, be true to your salt and support at least the little help that the Government are now going to give.

**An Honourable Member:** True to Karachi or Aden salt?

**Mr. Lalchand Navalrai:** I am part of Bombay as also of Aden. I would much wish that the Italian firms should go away from Aden. Drive them out in some way, but you cannot harm them without harming the Indians that are working there. If you press legislation for driving out Italians, I will join hands with you, if not, you should not grudge them, as there are Indians with common interest who are working for that salt industry there. Sir, I find that Indians have not been slack in taking advantage in the production of salt and that happy day will come when, if Government are in a mood to help this industry, Bengal will come forward here and say, we are happy to have now Indian salt and we have no quarrel with the price. I submit that the figures show that the consumption of Bombay salt in 1930 was 22,700 and in 1931-32, 27,000, that is 18 per cent. increase. in Karachi it was 11,000 and it increased in 1931-32 to 34,000 by 300 per cent. Madras increased it from 1,800 to 9,000, an increase of 500 per cent. Okha in the Indian States increased from 3,300 to 14,000 or 350 per cent. Naulakhi produced 6,200 and Porbunder recently got 4,000 tons. Then, I would submit—and this is again an assertion, though I do not know why you should not believe that assertion—the Bombay and Karachi people have come out with a pamphlet in which they say openly that there will be greater growth of this industry and they say as regards British India:

“Karachi may bring up its last year's figure of 34,000 to 50,000 in this year and Madras from 9,000 to 15,000 and Bombay about 25,000, thus making up 90,000 tons; and the whole quantity of 140,000, being total of all these figures, must be taken as dependent on the arrivals hereafter from Ras Hafun and Asab, because these works have already put in 40,000 tons and at rates which deducting freight and Calcutta charges leave nothing or almost nothing for the value of salt.”

Therefore a case has been made out on that point that this industry should be helped and, I think, it will be right on the part of the House to accept this motion. Then, with regard to the price, I think those, who have read the report of the Salt Industry Committee, would have seen that the Government have got that desire and they are careful about the price and its reduction in Bihar and in Bengal. I will be very happy if it is reduced even more than what is shown by the Government at present. But at present the complaint is that the stabilised price is too high: that is the complaint that my learned friend from Bengal made. But the facts are these that the stabilised price was Rs. 66 per hundred maunds and the ruling price is Rs. 55. But Government, by reduction of this two annas duty, have reduced it to Rs. 43 for 100 maunds; and, if we add freight, etc., to this it fixes the price at Rs. 54-12-0. At present they are charging Rs. 55 and that is reduced to some extent. The desire on the part of the Government is to watch and see if they can get that also reduced. Time will bring it down and, therefore, there is not very much complaint with regard to this; and when the industry improves, it will be of great help to Bengal in purchasing salt at a lower rate. Then, coming to the other facility that Bengal gets and for which also Government are very anxious—namely, Khewra salt—the Government have said that they are giving facilities to Khewra to increase the output there, and there is no reason to believe that the facilities that are now being given to Khewra will not be taken advantage of there. After all, this duty is going to be for only one year; why should there be this hustling on the part of

Bengal and why should they say: "We must get the lowest price now: we cannot wait even for one year." As regards Khewra, it is sufficient for me to refer to a portion of the Report of the Salt Industry Committee at page 4 where they say:

"Thirdly, there is the consideration that the experiment of putting Khewra salt on the market in the western part of the Bengal zone is expected to come to maturity during the forthcoming financial year and it is desirable before a final decision on policy is taken to be able to take into account the results of this experiment."

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) vacated the Chair which was occupied by Sir Abdur Rahim.]

It is a very wise step, therefore, that we should not make any haste, and I hope the Honourable Member from Bengal, Mr. Biswas, will be here in this House to roar again next year and come to tell us that Bengal is still complaining. I think those patriotic people in Bengal, who want Swadeshi, those who stand for everything Indian, would not voice what Mr. Biswas has said in this House today.

**Mr. C. C. Biswas:** Bengal is for all people except the Bengalees.

**Mr. Lalchand Navalrai:** I do not know what the Honourable Member means. What I am saying is that from the mentality of the Bengalees which I know and their temperament and activity, I do feel that there must be many people there who would come and contradict my Honourable friend and say that the Indian industry must be developed. The other day I went into the Kashmir Gate, Delhi Exhibition and saw a shop. The man in charge, who was a Bengalee, called me in and showed me jute products: I rushed in at once and saw he was selling durries and carpets made of jute; and I said: "Well, I am not a Bengalee: I belong to Sind and Bombay; but I do feel for Bengal as well and I want to purchase these things", and I did purchase them even at some higher price. Otherwise, with Mr. Biswas' view I would have gone to a shop from Bombay and purchased there. There must be great many people like me. Therefore, it is not a question of Bengal or Bihar or Bombay or Sind; it is absolutely a question of what is Indian. To continue my quotation:

"We have been given figures which show that, having regard to the manner in which the special freight rates for Khewra salt have been worked out, it would still be possible for Khewra salt to compete in almost the whole of the market west of Calcutta to within 50 or 60 miles of that place, if the ex-ship price of salt at Calcutta is not below about Rs. 50; while past that point the whole of the market would be closed to it. We were reminded that the Tariff Board in paragraph 61 of their report admitted that the railway freights quoted were lower than was necessary to enable rail-borne salt to compete in the market with a stabilised price of Rs. 66 but argued that it was advisable that the Railway authorities should allow a considerable margin in their rates if the additional salt traffic was not to be liable to heavy fluctuations corresponding to variations in sea freights; the main factor in the present position is precisely such a reduction in sea freights. We have already mentioned our expectation that the measure that we now propose will reduce the ex-ship market price of salt in Calcutta well below Rs. 50; and we consider that at least so long as funds are available for the purpose the Government of India would be justified in paying a bounty of Rs. 5 to 10 per hundred maunds in order to cover the difference that has thus been created between the market price and the lowest price at which without the bounty Khewra salt might hope to compete in the western Bengal market. We understand that there are still fairly substantial amounts in reserve out of the one-eighth share reserved for the Central Government from the proceeds of the additional duty on foreign salt. It is at least an advantage of our scheme that the bounty which will have to be given to assist the Khewra salt will be smaller than it would have had to be if no additional import duty at all had been imposed."

[Mr. Lalchand Navalrai.]

This speaks for itself. Then, I submit that if Government wish to give subsidy, as it was suggested last year, I shall grudge it not at all; on the contrary, I will join hands with my friend in asking Government to grant such subsidies to industries of this character. But for the present I do feel that the motion made by the Government is absolutely reasonable, and I support it.

**Mr. A. H. Ghuznavi:** Sir, I may tell my Honourable friend, Diwan Lalchand Navalrai, that we were more patriotic, and more swadeshi than my friend, and we are swadeshi even now. . . .

**Mr. Lalchand Navalrai:** You are going to be swadeshi also.

**Mr. A. H. Ghuznavi:** Sir, in 1905, when we started the Swadeshi movement, we boycotted the Liverpool salt. That great man, the late Sir Surendra Nath Banerjee, at a meeting, where no less than two lakhs of people had assembled, addressing that large gathering said:

"I am the Brahmin of Brahmins, take the dust of my feet, take the solemn vow in the name of Goddess Kali that thou shalt not touch the Liverpool salt."

What happened since then for Bengalees who did not touch the Liverpool salt? How were we treated? Sir, the same old story,—we were bled and bled, for eating the Indian salt, by our esteemed friends from Bombay . . .

**Mr. Lalchand Navalrai:** I cannot see the consistency.

**Mr. A. H. Ghuznavi:** Because you are blind.

**Mr. Lalchand Navalrai:** No, I have no coloured glasses on like you.

**Mr. A. H. Ghuznavi:** Sir, the other day, when I raised my little finger to save Bengal from being bled with regard to the textile duty, roared the lion from Bombay,—I do not see my Honourable friend, Sir Cowasji Jehangir, in his seat here,—he was wild with rage and made a ferocious attack on me. He asked, why did I make those statements which, he said, were not true. The statement that I made that day was a fact and it happened in the year 1905 when my friend was probably in his cradle. He knew nothing of those facts, and he had nothing in his possession to show that those statements were untrue. When the Honourable the Commerce Member will give further protection to Bombay millowners in the next Sessions of the Legislative Assembly when they approach him again with their beggar's bowl, I shall then produce before the Assembly records in Criminal Courts of prosecution of the millowners of Bombay for passing on foreign goods stamping them as "made in India". I have one or two copies in my possession, and I shall bring those copies with me to show to the House that what I said the other day was perfectly true. That is how they made tons of money by bleeding Bengal white, that is how they made lots of money which they lost in heavy speculation, and they now come before this House again with a beggar's bowl asking for further protection. If this duty, which you have imposed, were to help the Bengal salt industry or the Indian salt industry generally, I would be the last person to come here and oppose this measure, but this duty will not help the Indian salt industry at all. It will go into the pockets, again, of Bombay salt merchants, and also into the pockets of the

Italian merchants. From the materials in my possession, I calculated that by imposition of this duty of  $4\frac{1}{2}$  annas, it gave them 43 lakhs of rupees annually, and it has been made a present of by the Honourable the Finance Member to these four firms in Aden. One is an Italian firm. The output of the Italian firm is almost equal to the total output of the three others. And, as for these three other firms,—again the same old story Bombay, Bombay and Bombay. There was a time when people from all parts of India used to say that Bengal has led the country,—but alas that day is gone . . . .

**Mr. N. M. Joshi** (Nominated Non-Official): We are willing to be led by Bengal.

**Mr. A. H. Ghuznavi**: As I said the other day that during Lord Curzon's time the late Mr. Gokhale said in a meeting of the Imperial Legislative Council "What Bengal thinks today, the rest of India will think tomorrow. Pacify Bengal, and the rest of India will be pacified". But, by the policy adopted by the Government of India, poor Bengal has been bled white. When Bombay comes for help of any kind, the Government of India give them whatever Bombay asks for, irrespective of the fact whether such concession to Bombay affects Bengal or any other province. Sir, I will not take the time of this House any more, but I will sincerely congratulate my Honourable friend, Mr. Biswas, on the strong case he has made out to prove that there is no justification now to keep this salt duty even on a reduced scale. Sir, I oppose this Bill, and I support my Honourable friend, Mr. Biswas.

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, I have been feeling somewhat distressed during the last few days at the importation of some amount of provincial feeling into the discussion of economic questions in this House. I have been particularly feeling uncomfortable at the way in which the name of Bengal has been bandied about in this House for opposing measures calculated to further industrial interests of this country. Sir, is it the contention really of Bengal that she must stand in the way of industrial progress of this country? Is it her case that she must have the benefit of a special economic policy,—something different from that which is suitable to the interests and needs of the rest of India? Sir, I feel sure that the points of view that have been urged this morning and this afternoon will not be shared by any right-minded Bengalee.

My friend, Mr. Ghuznavi, has referred to incidents that happened about a quarter of a century back, and he claimed that Bengalees were more Swadeshi than people of other parts of India. Sir, I remember that my friend used to be described as the "wrong Ghuznavi" in those days,—the Ghuznavi who was not with Government, in contradistinction to another Ghuznavi who was a very valued supporter of Government policy of those days. Now, Sir, I do not know whether my friend still claims to be described as the "wrong Ghuznavi" in the year 1933 . . . .

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): He is now the right Ghuznavi.

**Mr. K. C. Neogy**: As my friend, Sir Muhammad Yakub, knows, he has degenerated into the very much right Ghuznavi.

**Sir Muhammad Yakub**: Regenerated.

**Mr. K. C. Neogy:** Now, if my Honourable friend, instead of making vehement and eloquent speeches in this House, were to turn his attention to this particular industry, if he, as a businessman, as an industrialist of experience, were to take advantage of the protection afforded by this measure, if he were to do a bit of pioneering work in the way of starting salt manufacture in Bengal, reviving that lost art which used to flourish in my province at one time, then certainly things would have been very much better in Bengal, and there would have been no necessity for my Honourable friend to get up here and plead the cause of the poor consumer, because what the poor consumer would be losing in one shape by way of additional duty, he would be reaping in another shape by building up a salt industry of his own.

**An Honourable Member:** Where? In the Sunderbans?

**Mr. K. C. Neogy:** One of the provisions of the measure, to which we seek to give an extended life today, is that a substantial portion of the proceeds of the additional duty goes to the provinces concerned, and when this measure was last under discussion in this House, it was confidently hoped not merely by non-official Members, but also by Government that the amount that would go to the coffers of the Provincial Governments in this manner would primarily be devoted to the furtherance of the interests of salt manufacture in those areas. It has to be confessed to our shame that the Government of Bengal have done nothing in this matter. It has to be confessed to our shame, again, that the people of Bengal have done nothing to take advantage of this measure of protection. I do not think . . .

**Mr. B. Das:** The Government of Bihar and Orissa were asked to give a subsidy. They did not give it, but spent all the money for their own purposes.

**Mr. K. C. Neogy:** Similar is the case with the Government of Bengal. She is more concerned in maintaining the policy of repression and all the money that she can get can be spent in only one way. Can it be said that we have tried to take advantage of this opportunity? We who claim to speak in the name of Bengal, in this House,—what have we done for the purpose of seeing that there was an honest and sincere attempt made to revive the long lost industry of salt manufacture on the sea coast of Bengal? Sir, I remember the days when salt manufacture was started as a measure of civil disobedience, and I will make a confession even in the presence of the Honourable the Home Member that in those days I committed the offence occasionally of purchasing contraband salt manufactured by the civil disobedience people. And I can bear testimony to the fine character of the salt that was manufactured near-about Calcutta from the salt swamps that abound in the neighbourhood of that City. Sir, I had the opportunity of having a discussion with some of the principal leaders of the civil disobedience movement who were interesting themselves in salt manufacture at that time. Unfortunately, I have not got the calculations with me, but then certain calculations were given to me to show that salt manufacture could be made a business proposition, on the facts gathered by them during the civil disobedience movement. Unfortunately, the Honourable the Home Member has locked them up for some time with the result that the people who could claim some amount of experience in this line are not in a position to give the benefit of their experience to the country by way



of starting salt manufacture. I do hope that, if not in the interests of the White Paper, at least in the interests of salt manufacture, the Honourable the Home Member will relent in his attitude and set these people at liberty. (Hear, hear.) I must confess that the case, as put forward in the Salt Committee report that we have before us, is not a very strong one. I really do not understand the reason why the northern India salt sources have failed to put into the Bengal market the amount of salt that they were expected to put. I dare say, the Honourable the Finance Member, when he gets up to reply to the debate, will give us a convincing statement as to why it is that we have been disappointed in this matter. In any case I am prepared to give the Government a further chance for one year just for the purpose of seeing once and for all as to whether there is any likelihood of our being able to depend upon the Government salt sources in northern India for the purpose of satisfying the demands that we have in Bengal for salt. If, at the end of the next year, we find that things have not improved in this direction, then certainly I will have to reconsider my position. But meanwhile, I do hope that Honourable Members, including my Honourable friend, Mr. Morgan, will put their heads together and try and find out some means of reviving the salt industry in Bengal.

**Mr. B. V. Jadhav:** I rise to support the motion moved by the Honourable the Finance Member. I think that the measure will be really beneficial to the whole country, at the same time in the long run I am quite sure that it will benefit Bengal also. In the course of the debate today provincial jealousies and better criticisms levelled against particular provinces have marred the harmony of this House. I do not want to contribute to any of these, but I have to say that Bengal and Bombay came under British rule and the merchants of Bombay and the people of Bengal began to imitate their rulers. The Parsee and the Bhatia merchants of Bombay imitated the industrial and trade instincts of the British people and began to thrive. They raised factories and extended their trade in all parts of India. The people of Bengal imitated the tastes of the British people and discarding their own local salt took to Liverpool salt. That is the root of all the trouble. In the last War, it was found that the supply of foreign white salt was not enough for the needs of Bengal and, therefore, profiteering on a very large scale went on and the poor people had to pay very heavily for even their pinch of salt. It then dawned upon Government that it was necessary that in the supply of such an important article of food as salt India ought to be self-contained and independent and, with that object, measures began to be taken.

The object of this legislation is to make India independent. If one were to insist upon a short-sighted policy and assert that no measure should be taken to protect the indigenous industry of salt manufacture and that foreign salt from the African coast and from Europe should be allowed without any taxation, then, Sir, not only the demands of Bengal will be supplied by foreign salt, but the other provinces like Bombay and Madras, which are manufacturing their own salt and supplying their own needs, will soon be glutted with foreign cheap salt and that industry will be totally killed. When an indigenous industry is killed, the foreign importers and the foreign manufacturers make combines, gradually raise prices and make huge profits. That the people suffer is the result. This calamity ought to be prevented and, for that purpose, measures taken by Government to make India self-sufficient in the direction of salt are very sound and good and I heartily support them. Bengal has no doubt on

[Mr. B. V. Jadhav.]

this account to pay a little higher price for the salt they consume, but the higher price they have to pay is much below the price they had to pay even before the War. At that time, the monopoly was with the importers and they were raising the price to suit their convenience. If the present salt industry is killed, then it goes without saying from past experience that the foreign importer and the manufacturer will again not fail to raise the prices and thus exploit the people of Bengal. And, therefore, even in the interest of the people of Bengal, the present measure deserves support. In former times, when foreign salt was not available, the people of Bengal were manufacturing sufficient salt for their own use and as has been just said by the Honourable Member from Dacca, the old manufacture can be revived and Bengal can be made to produce at least a portion of her needs. My Honourable friends from Bengal should, therefore, devote their attention to the revival of this lost industry and in this way make their province independent, not only from foreign manufacture of salt, but at the same time from the merchants of Bombay whom they do not love much. With these words, I very heartily support the motion of my Honourable friend.

**Mr. S. C. Mitra:** Mr. Chairman, I support this Bill. I like to explain my position. I think the Salt Act has served its purpose. The main purpose for which the Salt Import Duties Act was introduced was for steadying the prices and it has succeeded wonderfully in attaining the purpose. If we refer to the report of the Indian Tariff Board, we will find that for many years before the Import Duties Act, the price of salt was varying from Rs. 58 to Rs. 122 per hundred maunds and it was never steady. Nobody knew what should be the wholesale price. As regards the retail price, it was found that there was very little variation, whatever might have been the difference in the wholesale price. Before I committed myself to the principle of the Bill in the Salt Select Committee, I specifically asked to have information from the Government of Bengal as to what was the effect on the retail price of this import duty. The reply of the Government of Bengal is this:

"Retail prices as given in the *Calcutta Gazette* show considerable variations. Prices also take no account of variation in quality which is an important factor in comparing prices before and after April, 1931. Prices show that at 18 District headquarters out of 27, highest price between March, 1931, and April, 1932, was 2·7 pies per seer or more, above the lowest price during the same period. Additional duty plus surcharge is equal to 2·8 pies per seer. Again, at 22 District headquarters, price in April, 1932, was higher than in March, 1931, by a figure varying from one pie to 7·9 pies per seer. Prices appear to point to conclusion that increase in duty is not necessarily accompanied by an immediate increase in retail price. Lag is probably due to stocks held."

This is the latest information. Before we put any burden on the consumer, we wanted to see for ourselves if really the poor consumer suffered. I can now assure the House that it is not the consumer who is very much concerned, whether the duty is lowered or increased by a few annas; but my main complaint is against the Government of Bengal. They are now opposing this duty though it has been lowered from 4½ annas to 2½ annas, but I wanted to know from the Government of Bengal how they helped, at least on an experimental scale, to see that Bengal produced her own salt. From the very beginning I supported this duty on imported salt from the idea that certainly Bengal will be able to produce her own salt. I know that Government did not seriously consider that proposition.

**Sir Muhammad Yakub:** May I ask a question of the Honourable Member? Is it not a fact that they have got a big mountain of black salt in Bengal, which is exported to Simla and Delhi? Why don't they keep it confined to Bengal? Then, there will be no dearth of salt in that province.

**Mr. S. C. Mitra:** I tried to show that Bengal can produce her own salt and the position taken up by the Government of Bengal and also by the Government of India that Bengal cannot be expected to manufacture salt commercially is not correct. But even if Bengal fails to produce her own salt, I do not see why Bengal should not content herself, if India can produce the whole amount of salt necessary for Bengal consumption; and the report of the Chunilal Mehta Committee showed conclusively that even without depending nor the salt from Aden, it could reasonably be expected that India herself would produce sufficient salt for consumption in Bengal. I agree that now we in Bengal have to depend more or less on salt from Aden, and the Indian producers are very seriously apprehensive of the competition from Aden. We in the Committee tried our best, but found that it was not possible under the present laws to discriminate in any way, so long as Aden forms part of India, between Aden salt and Indian manufactured salt; and as regards Aden itself, it should also be stated that 50 per cent. of the salt produced there is from three Indian manufacturers and the big Italian firm produces the other half. But there is a further condition that they cannot sell any of the salt produced in Aden to anybody else except to India, and, so far as I know, all the lands utilised for salt manufacture belong to Government who can always lay down strict terms. So, in case of necessity, the Government of India can regulate the production to a great extent. In the Committee we further thought that under the new constitution if Aden goes out of India, certainly then we shall be in a position to discriminate against Aden. Now, going back to the question of Bengal producing her salt, I must tell my friend, Mr. Jadhav, that it was not due to any peculiar taste for Liverpool salt that the Bengalee has taken to using that salt. I would here refer him to the report of the Indian Tariff Board at page 8 whereof they say:

"In 1898, local manufacture was entirely prohibited."

So, it was not due to their preference for one kind of salt or other, but the local manufacture was entirely prohibited; and they had no other course left but to consume foreign salt. In that connection, I would like to read from page 7 of the Tariff Report to show that Bengal used to produce her own salt in the old days. At page 7, the Tariff Board report says:

"The low salinity of the sea water of the Bay of Bengal and climatic conditions combined to make boiling the only possible process of manufacture in this part of the country. A system of monopoly was developed by the East India Company and survived till 1862. But by 1835 Cheshire salt began to find its way to Calcutta, where partly owing to its superior quality and cheapness and partly perhaps as a result of the direct encouragement of the East India Company its sale rapidly extended. In 1863 Government abandoned the monopoly and local manufacture was permitted subject to an excise duty. Owing to the weakness of the brine supply, lack of fuel and other natural disadvantages, the cost of production of local salt far exceeded the selling price of imported salt and in 1898 local manufacture was entirely prohibited. Since that time, the Bengal salt market has been supplied almost entirely from foreign sources."

I would also like to refer to a book, the author of which is my esteemed friend, Mr. B. Das, about Salt Manufacture in Ancient Orissa. There he refers to certain questions that came up before the House of Commons in

[Mr. S. C. Mitra.]

1853. Mr. Frederick J. Halliday, Home Secretary to the Government of India, in his evidence before the Select Committee, said this. The question (No. 7596) was:

"Will you state to the Committee, supposing all duty were taken off the import of salt and the Government abandoned any interest in the manufacture of salt, leaving the manufacture of salt free to the natives, without any excise duty, or any impediment, what in your opinion would be the effect upon the importation of salt in India? . . . . It is generally understood by those best acquainted with the subject, and it cannot be denied by anyone, who looks into the details, that the present price of the Government manufactured salt in Bengal is very much raised to the consumers in the market by the necessary want of economy, not to say extravagances, connected with the Government system of manufacture and by those many speculations and extortions and corruptions which are inevitable in such a system and carried on with such instruments. It has seemed almost certain under these circumstances, to persons informed upon the subject that if the Government were to withdraw, if there were no duty imposed and the whole were left perfectly free, the native manufacturer in Bengal would forthwith completely and entirely undersell the imported salt and there would not be a grain of salt imported into Bengal."

So the theory that salt cannot be produced in Bengal, I say, is of great importance. The facts do not conclusively go against local manufacture. Even in Mr. Pitt's report in Chapter II, he does not say that he had any conclusive evidence. I shall refer to his report on the investigation into the possibilities of salt production in Bengal and Bihar. On page 4, in paragraph 5, he says:

"In the case of the present enquiry, since no works yet exist nor have, any but suggestions regarding projects, supported with somewhat scant detail, been submitted for examination, I am able only to report on the possibilities of the areas, where it is considered that salt might be manufactured, in a general manner. I have, by the courtesy of prospective manufacturers and local officials, been able to form what may prove to be roughly accurate estimates of costs relative to salt manufacture, but it must be borne in mind that the figures given are estimates only, and may be subject to considerable modification in the light of actual experience."

Later on, in para. 7, he goes on to say:

"Scrutiny of the history of salt manufacture in Bengal and Orissa reveals the fact that on the coast of Bengal salt has never been manufactured by the process of solar evaporation; the same statement appears to hold good in respect of the coast of Orissa as far south as the Chilka Lake, at which point manufacture by solar evaporation was formerly in vogue. Since, however, no salt manufacture has been done on the Bengal and northern Orissa coast for some 40 years, it appeared to be worth while investigating the meteorological data which would influence the production of an evaporation source in these areas, in view of the facts that no attempt to manufacture salt in this way on modern lines has been made, that there is undoubted advantage in respect of economy in working by this method, and that Bombay, where meteorological conditions do not at first sight appear to be markedly different to those in the areas under reference, produces large quantities of salt by solar evaporation."

So far as I can see, I find that what he says is that by solar evaporation it may not be possible to manufacture salt economically in Bengal; in all previous cases it was by the other process of boiling that salt was produced and that depends mainly upon the strength of the brine. With that point he deals in his paras. 12 and 14 thus:

"In my opinion it would be desirable to commence immediately compiling a series of readings of the strengths of brine at different points along the coast throughout the year, in order to discover during which period the strength of the brine rises to a density suitable for manufacture of salt. The collection of brine samples from different areas might be made by officers of the Local Governments who could, with respect to their normal duties, most conveniently carry out this work and the analysis might be made by the Government Test House, Alipore, any cost incurred in this way being charged to the special import duty fund."

In his last paragraph he said that the evidence is not reliable. He says:

"I have indicated that the absence of working records of salt production has, in some degree, hampered this enquiry. The reliability of evidence taken in the coast villages is, I fear, vitiated by the fact that the persons from whom enquiries were made were under the impression that I wished to purchase firewood in large quantities, to hire several of their boats, or to take other action which might affect them personally."

So, what Mr. Pitt wanted was a thorough examination and he wished that the Government of Bengal, through the Government Test House, Alipore, should make proper experiments. Now, the Government of India, during the first year, gave the Bengal Government more than five lakhs for 12 months and for the next six months more than three lakhs to make experiments and to find out whether there was any chance for Bengal to produce her own quantity of salt.

[At this stage Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) resumed the Chair.]

My friend, Mr. Neogy, said that no efforts were made by the local people. I know from my personal experience that several people tried, but they were not encouraged in the least by the Government of Bengal. Perhaps they have not spent a pice out of this quota of seven-eighths that the Government of India were pleased to send back to the Government of Bengal. The amount was spent perhaps for law and order or other expenses, but no serious attempt has yet been made to see if salt can be manufactured on a larger scale and economically in Bengal. Therefore, I say that the Government of Bengal has no case to complain. On behalf of the villagers, namely, those who buy in the retail market, they are getting salt at a rate which is not at all high. I have my grave doubts that if there had been no duty, there would have been combines and there would have been other troubles by which the consumers in Bengal could not have expected even to get salt at the price at which they are getting it now. Even if you calculate at Rs. 66, which is a very fair price, the price of salt comes to one pice per seer. But the Bengal consumers are getting salt at about Rs. 45 per hundred maunds now, which means that the price of one seer of salt is two pias, i.e., two thirds of a pice. On these grounds, I think that there cannot be much legitimate criticism even from the poor consumer's standpoint about Government putting duty on the imported salt and trying by the surplus amount of money to develop the Northern India sources so that at some time, if not in the near future, especially in times of war, it will be possible for India to be self-sufficient even without depending upon any assistance from Aden. On these grounds, I support this Bill.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): I move that the question be now put.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): I accept the closure. The question is that the question be now put.

The motion was adopted.

**The Honourable Sir George Schuster**: Sir, this has been a very good Swadeshi debate and I do not want to spoil it by the introduction of too much foreign matter. So that I will try to be as brief as possible. In

[Sir George Schuster.]

any case I should feel some trepidation in descending into the arena between the combatants on both sides in this fight between Bombay and Bengal, or, within narrower limits, between the so-called right-minded and wrong-minded Bengalees, or, if one might narrow it still further—I see Mr. Ghuznavi is not in his seat,—between the internal conflict that seemed to be going on between the “right” Ghuznavi and the “wrong” Ghuznavi.

I was grateful to my Honourable friend, who has just spoken, because on many points I think he has recalled the course of the debate to the points which are really relevant. He mentioned at the outset of his speech the fact that the main object of this whole scheme was to create a position of stabilized prices and to avoid fluctuations in prices and that, in that respect, at any rate, the plan had been entirely successful. My Honourable friend also referred to a point which, I think, is of very great importance and that is that in considering the effect on the consumer it is important to know exactly what the effect is on the ultimate retail consumer. It is after all the poor man who buys salt in small quantities whom we all have in mind when we talk about consumer's interests. Now, on that particular point, the evidence is not very full and I am not at all satisfied myself that we have sufficient evidence to show us exactly what happens as regards the ultimate retail price. But on one thing I am fairly clear and that is that when the wholesale prices of salt are liable to serious and wide fluctuations, it is probable that the ultimate retail consumer gets the worst of the bargain; that is to say, that he does not get the full benefit of any sudden drop in price, but rather that the retail price will tend to remain at the higher level of the two points between which the price can fluctuate. It would be very interesting if we could get more accurate evidence than is available of what was the position in the days when the wholesale price of salt was fluctuating very violently.

Now, Sir, in what has been said I find that I stand between those who have attacked this motion and those who have supported it or at least some of those who have supported it. It has been spoken of, for instance, particularly by my Honourable friend from Karachi, Mr. Lalchand Navalrai, in terms of a scheme of protection. I wish to clear up that particular point. We have always been—I mean those of us who had to try and consider what should be done in this matter—in a very great difficulty because, the Tariff Board, in the earlier part of their report, made it quite clear that there was no real case for protection either for Aden or for the sources of supply in India proper at least so far as concerns the sea coast sources, such as, Karachi, Okha, etc. On the other hand, in their final conclusion they recommended a scheme which, in effect, would have operated in its practical effect very much like a scheme of protection. Now, what is the essential difference between the scheme which they recommended and a protective scheme? If we understand this, we really get to the key of the matter. It has always seemed to me that the position is this. The Tariff Board said that if the salt industry could be guaranteed a stable price at a fair level, then the Indian industry could develop on the one hand and on the other hand the consumer would not on an average have to pay more than he would pay if the market was left to take its own course. That is the basis of the whole idea. Now, the Tariff Board, as is well known, proposed that this plan should be worked out by Government undertaking a sort of marketing board and actually themselves purchasing

all the salt that had to be imported from abroad to supply Bengal's needs as well as all the internally produced salt. We found that that was not a practicable scheme and, therefore, we tried to find a means of producing the same result. The means that we proposed looked even more like protection than the Tariff Board's own plan. We proposed to produce the same result of stabilised price level by imposing an import duty on foreign salt at such a level as would bring the price when added to the current market price for that quality of salt to Rs. 66 per hundred maunds which was the price which the Tariff Board thought would produce the results which were desired. If we had left it at that, we should have introduced a frank scheme of protection. But, balancing that proposal, was the other proposal which is of vital importance, and which has not, I think, been mentioned sufficiently by those who have attacked this scheme, that Government should take power to purchase salt from all those producers of salt who were in a position to take advantage of the import duty at the fair selling price of Rs. 66 a hundred maunds. Therefore, we had a control both ways; we introduced measures which would keep the price from going too low and, on the other hand, we had the balancing power to keep the price from going too high. Now, if the original premise is correct and if the price that we fixed did represent a price which on an average would not be higher than the average price which the consumer would have to pay if the market were left to itself, then I think no one could criticise the plan. But since the Tariff Board reported the essential difficulty which has come into the picture and the reason why we have felt it necessary to reconsider the whole position is that the general price level for all commodities has fallen to such a tremendous extent that one can hardly continue to accept without question that price of Rs. 66 a hundred maunds which the Tariff Board fixed 2½ years ago. It seemed to us that the guarantee to the consumer of being able to buy salt at that price had lost its attraction, that in relation to the prices of other commodities we had to think in terms of something very much lower than Rs. 66 a hundred maunds in order to provide a justification for our scheme, and that, in fact, if we tried to keep the price up to anything like Rs. 66 a hundred maunds, we should really be putting a very substantial burden on the consumer. That was our view of the position and it was not because we felt that the scheme has been proved to be wrong, but because the price level, on which the original plan was based, seemed to have got out of adjustment with realities that we felt it necessary to reconsider the matter. Having arrived at that position, those, who had to consider what ought to be the principles, found themselves in a very difficult position. The original price of Rs. 66 a hundred maunds had been fixed after careful inquiry by the Tariff Board. On what basis were we to assess a new level? Well, frankly we found ourselves unable to suggest any scientific basis. There was indeed one factor which had definitely altered, on which we had got absolutely reliable and accurate evidence, and that was the sea freight factor, and that seemed to make it justifiable to reduce the price by Rs. 9-4-0 a hundred maunds. But, beyond that, it was quite clear that other factors were at work, because the competition which had developed inside the tariff wall had already forced the price down to considerably lower than Rs. 66 a hundred maunds, and indeed lower than that by more than the fall in the general level of freights. Well, Sir, we have made it quite clear in our report that what we are now proposing is frankly an experimental measure. So far as the maximum price at which Government can buy is concerned, we have worked

[Sir George Schuster.]

on the basis of the Tariff Board's figure less the drop in freights. But, so far as the duty is concerned, we have provided for a much bigger drop; that is to say, if we take the current price of duty-free salt less duty and add to it the reduced duty which we now propose of Rs. 2-6-0 a maund, it may be expected that salt will sell in Calcutta at something like Rs. 43 a hundred maunds, as compared with the maximum price at which we are taking the power to purchase salt, of Rs. 58-12-0, including commission. It is frankly an experiment and we want to see what will happen as a result of this measure. We think the consumer will get his salt at a price very little above what he would have to pay even in these times of depressed prices without any Government intervention. But the merit of the proposal must not be tested merely by the comparison of what the consumer would have to pay today if the market were free with what he has to pay with the scheme imposed. When prices are low, obviously he has to pay rather more than he would otherwise pay, but we hope that when prices rise, the consumer will get a substantial advantage on the other side of the account by virtue of the Government's power to keep the price down to a certain maximum figure. That, Sir, is how we view the position; but we feel that the proposal being entirely experimental the Bill should have force for 12 months only and that the whole situation must be reviewed again at the end of the 12 months. If, at the end of the 12 months, it could be established,—and I say “if” because it will be a difficult thing to establish,—that even this lower price, which will be the result of our reducing the duty, now represents something more than can be regarded as a reasonable average expectation for a price level of salt for a period of years, then I think we should have to say that the scheme was putting a substantial burden on the consumer; and in that case it would not be justifiable to continue the measure further. If that resulted, it would then be necessary to consider whether the development of the inland sources of supply, such as Khewra, was sufficiently in the national interest to justify the Government in subsidising the production of salt at Khewra. We should then have to reconsider the whole position in different circumstances. That, Sir, as clearly as I can put it, is the way in which I view the position. I feel sure that in all the circumstances the measure which we are now putting forward is the best proposal that could be made at present and is the fairest to all the interests concerned. I trust, therefore, that the House will agree with the Government view in the matter and with the view of their own committee. The matter has, I think, been very fully debated and I think the House can accept it that whatever view is expressed now is a thoroughly informed view.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration.”

The motion was adopted.

Clause 2 was added to the Bill.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 3 stand part of the Bill.



**Mr. G. Morgan:** Sir, I beg to move the amendment which stands in my name:

"That in clause 3 of the Bill, after the words 'said Act' the following be inserted:

'after the word 'salt' the words 'other than Liverpool salt' shall be inserted and '."

This is really a question of Imperial Preference, and I base the claim for that on the fact that Liverpool salt, only a certain quantity of it, which is consumed is about 60 to 70 thousand tons of a special quality. And my argument is strengthened from the fact that all the interests of the Indian salt industry came to the conclusion that Liverpool salt, being of a special quality and selling at a different price and not competing with any salt made by the Indian industry, could safely be allowed to come in free of duty. That is really all that I have to say in the matter and I leave it to the House. Sir, I move.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That in clause 3 of the Bill, after the words 'said Act' the following be inserted:

'after the word 'salt' the words 'other than Liverpool salt' shall be inserted and '."

**Mr. K. C. Neogy:** Sir, I would not have participated in the debate on this amendment at all but for the fact that my Honourable friend, Mr. Morgan, sought to justify it on the ground of Imperial Preference. If I had my own way and if my friends on this side had their own way in the matter, they would have imposed a higher duty on Liverpool salt, having regard to the past history of the salt industry in Bengal.

I had occasion once to go into the full history of how the salt industry of Bengal was destroyed in the interest of Liverpool salt. That was a few years ago in connection with the discussion that was raised on a motion moved by Mr. Kelkar as a result of which the salt enquiry was entrusted to the Tariff Board. I am speaking from recollection, but it is as well that I should give a brief history of the manner in which the salt industry of Bengal was destroyed in the interests of the British manufacturers. Sir, during the early days of the East India Company, it was found that the Company's servants could not be kept from corruption and the authorities of the East India Company set about trying to devise measures for the purpose of preventing corruption, and the measure that was ultimately adopted was something in the nature of Lee Concessions, giving them some more emoluments, so as to improve their morality in this matter. But wherefrom was additional revenue to come? Salt manufacture in those days was a matter of entirely private concern. It was, therefore, decided that the Company must take over the manufacture of salt as a monopoly in order to enable the Company to give additional emoluments to its servants out of the profits that the Company would be making from the salt manufacture. This is the history of how the East India Company came to acquire the monopolist interest in the salt manufacture in Bengal. Some time passed and then it was suggested by the manufacturers of salt . . . . .

**The Honourable Sir George Schuster:** Sir, I do not wish to interrupt my Honourable friend's eloquence, but as we are nearing the conclusion of this matter, I think it might perhaps shorten the discussion if I explained what the Government's attitude on this amendment would be. Our position in

[Sir George Schuster.]

the matter is this that this proposal is quite outside the scope of the plan which was considered by the Salt Assembly Committee, and I feel that we must also regard it as outside the intention of the Assembly when they referred the matter to the Salt Assembly Committee. I do not by that mean to say that the plan is necessarily a bad one, because if it could be established that Liverpool salt was not competitive, then in the interest of the consumer it might be quite justifiable not to impose a duty at the same rate on the Liverpool salt. But we could not possibly support such a plan on the Government side without a full enquiry in the matter and that enquiry has not yet been held, so that, at the present stage, Sir, Government's attitude would have to be one of opposing this amendment.

**Mr. K. O. Neogy:** Sir, I think I may be allowed just two minutes to complete my argument against the principle of Imperial Preference for the recognition of which my Honourable friend pressed his amendment.

Now, Sir, to resume the story, the manufacturers in England approached the East India Company in those days and pointed out that if it was revenue alone that they wanted, why could not they realise the revenue with the help of the salt that might be imported from England. They pointed out that it was very wrong that Indians should be made to consume salt which was not quite as clean as the Liverpool salt. Then started the inflow of foreign salt from England. The East India Company found that it was far easier to depend upon Liverpool industry to supply the necessary salt to India, than continue its manufacture in the country as a monopoly, while, at the same time, they would be assured of the necessary funds for the purpose of paying the Lee Concessions to their officials. When, for the first time, this clean Liverpool salt was introduced into Bengal, it was found that the people would not take to it, because of the very fact that it was much cleaner than the salt to which they were accustomed, the Swadeshi manufacture. This is very relevant to the point that was raised a few minutes ago as regards the taste of Bengal, as to the manner in which the taste of Bengal was determined, and these worthies actually used to mix a percentage of dirt into Liverpool salt in order to palm it off as the Swadeshi manufactured salt (Laughter), so that the objection on the part of the Bengalee consumers could be removed. This is how gradually the salt imports from England substituted the home industry in Bengal. I do not think it necessary for me to make any further comments on this subject, but I think I may once more repeat that, if we had our own way, we would have put a much higher duty against Liverpool salt than against non-British foreign salt.

**Mr. B. Das:** Sir, I entirely agree with what has fallen from the lips of

the Honourable the Finance Member. I can appreciate the spirit of Mr. Morgan in asking for the removal of protection duties for the interests (the British commercial interests) which he represents in this House, but on the floor of this House I condemn the Bombay Salt Manufacturer's Association which has had the audacity to send this atrocious telegram to the Government of India. I will just read the particular atrocious passage from that telegram :

"Discontinuance at present stage will mean ruination of all new concerns. In view of larger outputs already made by Indian works in 1932 and in view of steadily increasing quantities year by year Association confident that between India and Aden together with special qualities from Liverpool as also Khewra, foreign imports need not be allowed except Liverpool to extent of its last year's imports and not exceeding fifty thousand tons."

Sir, I call the Bombay salt manufacturers traitors; they are traitors to Mother India and I condemn them as such.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in clause 3 of the Bill, after the words 'said Act' the following be inserted:

'after the word 'salt' the words 'other than Liverpool salt' shall be inserted and'."

The motion was negatived.

**Mr. G. Morgan**: Sir, I beg to move:

"That after the word 'substituted' the following be inserted:

'and after the words 'per maund' the words 'provided that in the case of Liverpool salt the additional duty shall be levied at the rate of one anna per maund' shall be inserted'."

I have no other arguments to advance in favour of this amendment, but, from what I tell from my Honourable friend, the Finance Member, I shall be very glad to withdraw this amendment if he will give me an assurance that Government will inquire into the position of Liverpool salt in the Bengal market, so that when we have this so-called experimental measure coming up again, we might be in a better position to judge as to how we should treat certain classes of salt for the Bengal market.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Motion moved:

"That after the word 'substituted' the following be inserted:

'and after the words 'per maund' the words 'provided that in the case of Liverpool salt the additional duty shall be levied at the rate of one anna per maund' shall be inserted'."

**Mr. B. Das**: Sir I oppose it.

**The Honourable Sir George Schuster**: Sir, I have no objection at all to undertaking to carry out departmental inquiries into this matter and including a report upon it in the report which the Central Board of Revenue furnish every year to the Assembly and to the Salt Committee on the working of the whole of the Import Duty Act for the year. But, obviously, in giving that undertaking, I cannot commit the Government or the House to accepting any principle of this character. I am quite prepared, as I say, to give my Honourable friend the undertaking that we will inquire into it and include information upon it . . . . .

**Mr. S. C. Mitra**: What is the inquiry about? From what point of view?

**The Honourable Sir George Schuster**: An inquiry into the position of Liverpool salt in the Calcutta market. I understand that what my Honourable friend wishes to do is this: to ascertain whether any useful purpose as regards the Indian production of salt is served by imposing a duty on Liverpool salt. If it can be established that Liverpool salt is an entirely special article which has its own market and its own price in no

[Sir George Schuster.]

way competing with Indian salt, then a case might presumably be made out for reducing the duty on Liverpool salt and thereby relieving the consumer. That is the point which I understand my Honourable friend wishes to have information about. What I am prepared to say is that we are quite ready to give instructions to the Central Board of Revenue to include a paragraph or paragraphs on that subject in the report which they will furnish on the operation of the additional Salt Duty Act for the year 1933.

**Mr. G. Morgan:** Sir, in view of what the Honourable the Finance Member has said, I beg leave of the House to withdraw my amendment.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): Is it the pleasure of the House to give leave to Mr. Morgan to withdraw his amendment?

**Several Honourable Members:** No. no.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That after the word 'substituted' the following be inserted:

'and after the words 'per maund' the words 'provided that in the case of Liverpool salt the additional duty shall be levied at the rate of one anna per maund' shall be inserted'."

The motion was negatived.

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 3 stand part of the Bill

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

**The Honourable Sir George Schuster:** Sir, I move that the Bill be passed.

**Mr. Gaya Prasad Singh:** Sir, as the question of my province has been mentioned more than once in the debate, I think it is my duty to offer a few observations. While I yield to none in my desire to prevent any undue burden being placed on the poor consumers of my province, I think it also patriotic on the part of my countrymen to try their best to displace foreign salt, especially the Liverpool salt, from the markets of India; and for this purpose even if a small additional duty for the time being has to be imposed upon foreign salt, I think we should cheerfully bear that burden in the interests of the country. The Taxation Inquiry Committee reported a few years back that India should be made self-supporting in the matter of salt supply, and I understand the policy of the Government has been directed to achieve that end. The Tariff Board made an

inquiry into this question, and it was also gone into by the Central Board of Revenue which at first, as I understand, reported that there was no case for an inquiry. Later on, this House appointed a Committee, and that Committee has been producing its reports periodically. That Committee also reported that an additional duty is necessary in the interests of protecting the indigenous industry. Liverpool salt is tainted with immoral associations as has been pointed out by my friend, Mr. Neogy . . . .

**Mr. F. E. James** (Madras: European): Has it lost its savour?

**Mr. Gaya Prasad Singh:** That the steps that we took in trying to displace foreign salt from the market of India, especially from the Bengal and Bihar market, have borne fruit will be amply borne out by the report of the Central Board of Revenue itself. This is what the Central Board of Revenue say at page 6 of their report:

"The imposition of the additional duty on foreign salt has had the effect of stabilising prices in the Calcutta market which now approximate the fair selling price fixed by the Tariff Board. This stabilisation of prices is bound to enable salt from northern India sources and from Karachi, Okha and Aden to compete with foreign salt in Bengal, Bihar and Orissa, and Assam. Arrangements for the supply of white crushed salt from Khewra to the markets now supplied from abroad are progressing rapidly as stated above, and these aided by the substantial concessions in freight sanctioned by the railway administrations will forward the interests of the indigenous industries. The firms in Karachi are also making headway."

**Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty): What time does the Honourable Member propose to take?

**Mr. Gaya Prasad Singh:** I will take considerable time, Sir.

The Assembly then adjourned till Eleven of the Clock on Friday, the 24th March, 1933.