

6th February, 1934

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

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SEVENTH SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1934



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1934

Legislative Assembly.

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

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

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LEGISLATIVE ASSEMBLY.

Tuesday, 6th February, 1934.

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

QUESTIONS AND ANSWERS.

PURCHASE BY THE RAILWAY BOARD OF CAST IRON OR STEEL SLEEPERS FOR RAILWAYS.

89. ***Mr. G. Morgan** (on behalf of Mr. C. C. Biswas): (a) With reference to the answer given on the 27th November, 1933, to unstarred question No. 231 (b), is it a fact that the circular of the Railway Board referred to therein stated that because the Board was anxious to use the pig iron they had purchased, the Railways were not to enter into further commitments for wooden sleepers unless it could be shown that C. I. sleepers were unsuitable?

(b) Will Government be pleased to lay a copy of the circular on the table?

Mr. P. R. Rau: (a) Yes.

(b) No. It is purely departmental in character.

Mr. G. Morgan: With regard to reply to part (b), will the Honourable Member kindly explain what he means by saying that it is purely departmental in character?

Mr. P. R. Rau: These were instructions issued to Railway Administrations by the Railway Board and ordinarily Government consider that such instructions should be treated as confidential, but, in any case, my Honourable friend seems to have got complete information about the circular letter in question.

APPLICABILITY OF DIFFERENT LAWS FOR THE TRIALS OF BRITISH INDIAN SUBJECTS AND FOREIGNERS IN INDIAN STATES.

90. ***Mr. S. C. Mitra:** (a) Is it a fact that British Indian subjects, who may temporarily go to any Indian State territory, when tried for any offence are governed by the laws of that particular State?

(b) Is it a fact that if any foreigner, for example, a Frenchman or a German, commits any offence in any Indian State, he is not tried under the laws of that State, but is specially protected and tried according to British Indian law?

(c) Will Government please explain why there is this difference in treatment as regards a British Indian subject and a foreigner?

Mr. B. J. Glancy: (a) Yes, subject to the exercise, by Political Officers, of the right of intervention. Servants of the Crown are, however, amenable to British Indian jurisdiction.

(b) Yes, except that where the criminality is slight jurisdiction would ordinarily be left with the Indian States the Political Officer retaining the right of intervention.

(c) The difference in treatment of foreigners is due to the international obligations of the British Government as Paramount Power, the Indian States themselves having no international status.

USE OF THE BUILDINGS OF THE OLD CAWNPORE RAILWAY STATION.

91. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that:

- (i) except for a portion of the building being used as offices for various railway subordinates the entire building of the abandoned Cawnpore Junction is lying vacant for the past three years;
- (ii) there are many other Railway buildings and quarters in Cawnpore area lying similarly vacant?

(b) If the answer to part (a) be in the affirmative, do Government propose to consider the feasibility of putting these buildings to some use?

Mr. P. B. Rau: Sir, with your permission, I propose to reply to questions Nos. 91—95 together. Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

PROVISION OF STREET LIGHTS NEAR RAILWAY QUARTERS IN CAWNPORE.

†92. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that:

- (i) street lights are not provided in 89 clerical and 200 menial quarters in Goods Marshalling Yard, Cawnpore, and that these quarters remain enveloped in darkness during the night;
- (ii) these quarters are situated outside the city limits of Cawnpore, and many cases of thefts have occurred there;
- (iii) the Railway staff residing in these quarters have made several representations to Railway authorities for the provision of street lights, without any effect; and
- (iv) street lights have been provided in some quarters at Goods Marshalling Yard?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the reason for this (i) failure, and (ii) discrimination?

(c) Will Government be pleased to state what steps are being taken to remove this grievance?

PROVISION OF A SCHOOL NEAR THE INDIAN RAILWAY COLONY AT THE GOODS MARSHALLING YARD, CAWNPORE.

†93. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether:

- (i) they are aware that there is no children's school in the close vicinity of Indian Railway colony at the Goods Marshalling Yard, Cawnpore, to which children of Railway staff could with safety go;

†For answer to this question, see answer to question No. 91.

- (ii) it is a fact that the staff residing in these quarters have made repeated representations to Railway authorities for the provision of facilities for a children's school at the Goods Marshalling Yard or for the provision of motor bus service from the quarters to the schools in the city?

(b) If the reply to part (a) be in the affirmative, are Government prepared to look specially into this matter and provide the staff with the necessary facilities?

PROVISION OF FACILITIES FOR THE RECREATION AND EXERCISE OF THE RAILWAY STAFF AT CAWNPORE.

†94. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that:

- (i) there is no East Indian Railway Indian Institute at the Goods Marshalling Yard, Cawnpore;
- (ii) the nearest East Indian Railway Institute is at Cawnpore Central at a distance of over two and a half miles from the Goods Marshalling Yard;
- (iii) the Great Indian Peninsula Railway Institute at Juhi is not a joint one, and the East Indian Railway staff joining it are debarred from most important offices and other privileges;
- (iv) the staff serving at the Goods Marshalling Yard had represented these difficulties and asked for an Indian Institute at the Goods Marshalling Yard?

(b) If so, will Government be pleased to state what steps are being taken to provide the staff with necessary facilities for their recreation and exercise?

INSANITARY DRAINS NEAR RAILWAY QUARTERS IN THE GOODS MARSHALLING YARD, CAWNPORE.

†95. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that the drains serving the 90 clerical and 200 menial quarters empty into a pit close to the clerical quarters at the Goods Marshalling Yard, Cawnpore, and the place breeds malarial germs?

(b) If so, will Government be pleased to state what steps are being taken to have this pit filled up?

PROMOTION OF HEAD NUMBER-TAKERS ON THE EAST INDIAN RAILWAY.

96. Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether they are aware that:

- (i) the Railway Board, *vide* their letter No. 5153-E., dated the 20th May 1931, addressed to the Agents of State Railways, have provided the normal channel of promotion for a Head Number-taker to the post of a Yard Supervisor;
- (ii) on many divisions of the East Indian Railway no posts designated as "Yard Supervisor" exist and the Divisional Superintendents in such cases have decided that in their divisions the promotion of Number-takers ends with the post of Head Number-taker?

†For answer to this question, see answer to question No. 91.

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state if this is in conformity with the Railway Board's policy?

Mr. P. B. Rau: The circular only gave, as an illustration, who were included in the class of outdoor clerks and what the normal channel of promotion actually was in that group. It was based on what the Railway Board understood was the general position in State-managed Railways. It was not intended to lay this down as a rule for all railway administrations to follow implicitly. The actual procedure is left by the Railway Board to the discretion of the Agents.

PROMOTION OF HEAD NUMBER-TAKERS ON THE EAST INDIAN RAILWAY.

97. ***Rai Bahadur Lala Brij Kishore:** (a) Will Government be pleased to state what is the difference between the posts of Yard Supervisor, Yard Foreman, Assistant Yard Master and Yard Inspectors?

(b) Is not the nature of the duties of all the above posts very much similar and connected with yard work?

(c) If the reply to part (b) be in the affirmative, why are deserving and senior Head Number-takers, who have been recommended for their efficient working, denied promotion to the posts of Yard Foreman and Assistant Yard Masters?

(d) Are Government aware that Head Number-takers at big Yards, through the nature of their duties, get more conversant with the routine of their yard than Guards who are promoted to the posts of Assistant Yard masters?

(e) Is it a fact that facilities for proper training in the duties of an Assistant Yard Master is denied to Head Number-takers even when it is sought for and strongly recommended by men on the spot?

(f) Are Government aware that a Head Number-taker at Lucknow was promoted to the post of an Assistant Yard Master, and that similar promotion is denied to Head Number-takers on Allahabad and other Divisions of the East Indian Railway?

(g) Is it a fact that if the promotion of a Number-taker is to stop at the post of Head Number-taker, he cannot expect to rise to more than Rs. 110 p. m. in the old grade and Rs. 90 p. m. only in the new grade, and that a commercial clerk and an office clerk gets a chance to rise to Rs. 530 p. m. in the old grade and Rs. 400 in the new grade?

(h) If the answer to the preceding parts is in the affirmative, will Government be pleased to state the reason for the discrimination mentioned in parts (c), (d), (e), (f) and (g) above?

(i) Will Government be pleased to state if they propose to take any steps to provide an avenue of promotion from the post of Head Number-taker on the East Indian Railway in the absence of promotion to Yard Supervisor's posts? If so, what?

(j) Will Government be pleased to state how many Head Number-takers or Head Trains Clerks on the East Indian Railway have been held up at the maximum of their grade for over five years for want of an avenue of promotion being provided for them?

Mr. P. B. Rau: Government have no information. All these relate to matters of detailed administration which have to be left to Railway Administration to settle.

YARD FOREMEN AND ASSISTANT YARD MASTERS ON THE EAST INDIAN RAILWAY.

98. *Rai Bahadur Lala Brij Kishore: Will Government be pleased to state how many posts of Yard Foreman and Assistant Yard Masters exist on the East Indian Railway and how many of them are held by Indians? What is the cause for the disproportion, if there is any?

Mr. P. R. Rau: The latest information available in this connection is to be found on pages 94—95 of Volume III of Mr. K. M. Hassan's report on the representation of Muslims and other minority communities in the subordinate Railway Services, a copy of which is in the Library of the House. Out of a total of 92 posts of Assistant Yard Masters and Yard Foremen, 25 are Europeans.

DISCRIMINATION IN THE GRANT OF PASSES TO THE OLD OUDH AND ROHILKUND RAILWAY STAFF.

99. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that under the new East Indian Railway pass rules, the privilege of unlimited number of passes to old Oudh and Rohilkund Railway staff in receipt of Rs. 201 per mensem and over, has been withdrawn with a view to bring uniformity? Is it also a fact that the privilege of second class (local) passes in favour of the old East Indian Railway staff and the staff recruited subsequent to the amalgamation of the old Oudh and Rohilkund Railway in receipt of Rs. 116 per mensem has been retained and that the old Oudh and Rohilkund Railway staff in receipt of Rs. 116 upto Rs. 125 per mensem is given only intermediate class passes?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the reason for retaining this discrimination against the old Oudh and Rohilkund Railway staff? Is it a fact that the staff recruited subsequent to the amalgamation is allowed this privilege and that it results in junior and sometimes subordinate East Indian Railway staff getting four sets of second class passes, and the old Oudh and Rohilkund Railway staff get only three sets of intermediate class passes?

Mr. P. R. Rau: I am obtaining information from the Agent, East Indian Railway, and will lay a reply on the table in due course.

NON-GRANT OF CONVEYANCE HIRE TO THE OLD OUDH AND ROHILKUND RAILWAY STAFF.

100. *Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that the old East Indian Railway staff are given conveyance hire when they are called for duty at any place situated at a distance of over one mile from the place where quarters are provided for them, and that the old Oudh and Rohilkund Railway staff are not allowed this concession?

(b) If so, will Government be pleased to state the reason for this discrimination? What steps do they propose to take to remove it? Are they aware that it often results in the senior old Oudh and Rohilkund Railway staff having to walk to attend to their duty and in the junior old East Indian Railway staff engaging conveyance at Railway expense?

Mr. P. B. Rau: Government are not aware that the alleged discrimination exists; but the rates of pay and conditions of service of the old Oudh and Rohilkund Railway and old East Indian Railway staff vary in many respects and Government see no necessity to bring them into line with each other.

**GRANT OF LEAVE WITHOUT PAY TO THE EAST INDIAN RAILWAY
NON-WORKSHOP STAFF.**

101. * Rai Bahadur Lala Brij Kishore: (a) Will Government please state whether it is a fact that:

- (i) the East Indian Railway non-workshop staff drawing less than Rs. 20 per mensem and with service of three, ten, and twenty years are entitled to 10, 15, and 20 days' leave, on average pay in one calendar year respectively, provided no extra expenditure is involved; and
- (ii) no relieving staff is provided, with the result that paid substitutes are engaged against leave vacancies and the periods of leave are treated as without pay?

(b) If the reply, to part (a) be in the affirmative, will Government be pleased to state what steps they propose to take to remedy this state of affairs?

Mr. P. B. Rau: (a) Under the new leave rules, to which presumably the Honourable Member refers, the leave admissible to inferior servants is not subject to the condition that no extra expenditure is involved.

(b) Does not arise.

UNSTARRED QUESTIONS AND ANSWERS.

**RULES GOVERNING THE PROMOTION OF THE STAFF ON THE EAST INDIAN
RAILWAY.**

30. Rai Bahadur Lala Brij Kishore: Will Government be pleased to state what are the rules governing the promotion of the staff on the East Indian Railway who have been taken out of their proper line either as a result of (i) economy campaign, (ii) reorganisation or (iii) selection in the interest of work, and who have earned no promotion as a result of these transfers, have shouldered extra responsibilities, and have as a result been placed on posts where further promotion is blocked, while in their own line they had an avenue of promotion to much higher posts open?

Mr. P. B. Rau: I have called for certain information and will lay a reply on the table in due course.

**LEAVE AND PENSION OF MILITARY EMPLOYEES INVALIDED DURING THE
GREAT WAR.**

31. Mr. S. G. Jog: Will Government be pleased to state whether it is correct that copies of questions Nos. 591 to 598 and their replies by Government in this House on the 4th September, 1938 at Simla, were sent to the Controller of Military Pensions, Lahore, for information and necessary action in accordance with those replies? If not, do Government propose

to do so now? Are Government aware that the Controller, Military Pensions, Lahore, has refused to act on copies received by him from other sources?

Mr. G. R. F. Tottenham: The attention of the Honourable Member is invited to the reply to starred question No. 1263, which was laid on the table on the 24th January, 1934. If he will let me have the particulars of the cases he has in mind, the attention of the Controller of Military Accounts and Pensions, Lahore, will be invited to them.

LEAVE AND PENSION OF MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

† 32. **Mr. S. G. Jog:** Do Government propose to issue instructions to the Controller of Military Pensions, Lahore, to take up forthwith and proceed expeditiously with such cases as are affected by Government reply, dated the 4th September 1933, to question No. 592 as regards individuals marked "D and E" in that question, that is, people retiring on pay from Rs. 200 to Rs. 249 per mensem?

LEAVE AND PENSION OF MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

33. **Mr. S. G. Jog:** (a) With reference to their reply in Simla Session on the 4th September, 1933 to question No. 596, do Government propose to enquire from the Controller, Military Pensions, Lahore, whether the statement made in that question is entirely correct and whether that has been the procedure and practice of the Controller, Military Pensions' Office, in dealing with disability cases of the kind referred to?

(b) If the reply to part (a) is in the affirmative, will Government be pleased to state whether the Controller, Military Pensions, Lahore, will now act in such a manner as will ensure seniors in pay and grading getting higher relative military ranks and higher rate of aggregate monthly pension than their juniors in pay and grading?

Mr. G. R. F. Tottenham: (a) I have nothing to add to the reply already given.

(b) If the Honourable Member will let me have the particulars of the cases he has in mind, the attention of the Controller of Military Accounts and Pensions, Lahore, will be invited to them.

DISABILITY PENSION GRANTED TO NON-COMBATANTS.

34. **Mr. S. G. Jog:** Will Government kindly confirm whether or not combatants as well as non-combatants retiring on account of field service disability or disease are exempt from the operation of three years average of their salaries, and that their last rank or pay is only to be taken for their average salary irrespective of the fact whether they have served or not for three years in their last rank or grade agreeably to Army Instruction India No. B.-77, dated 17th April, 1928?

Mr. G. R. F. Tottenham: The attention of the Honourable Member is invited to the answer I gave on the 27th November, 1933, to parts (b) and (c) of starred question No. 1182.

† For answer to this question, see answer to question No. 31.

COMMITTEE ON PETITIONS.

Mr. President (The Honourable Sir Shanmukham Chetty): I have to announce that under Standing Order 80(1) of the Legislative Assembly Standing Orders, the following Honourable Members will form the Committee on Petitions:

Mr. K. C. Neogy,
Sir Hari Singh Gour,
Mr. T. R. Phookun, and
Mr. Muhammad Yamin Khan.

According to the provisions of the same Standing Order, the Deputy President will be the Chairman of the Committee.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President (The Honourable Sir Shanmukham Chetty): I have to inform the House that the following Honourable Members have been elected to the Committee on Public Accounts, namely:

Rao Bahadur M. C. Rajah,
Mr. T. N. Ramakrishna Reddi,
Mr. J. Ramsay Scott,
Mr. S. C. Mitra,
Mr. Uppi Saheb Bahadur,
Kunwar Hajee Ismail Ali Khan,
Mr. B. Das, and
Captain Sher Muhammad Khan Gakhar.

RESOLUTION RE PROTECTION OF WORKERS AGAINST UNEMPLOYMENT AND REDUCTION OF WAGES.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the following Resolution moved by Mr. N. M. Joshi:

"That this Assembly recommends to the Governor General in Council to take immediate steps to protect the workers in the country against increasing unemployment and reduction of wages."

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions; Non-Muhamadan Rural): Sir, I support the motion of my friend, Mr. Joshi, and invite the Government to pay special attention to do something to ameliorate the condition of the unemployed in India. To me, Sir, the standard of a good Government is the extent to which the Government have been able to settle the question of unemployment in the State. We realise fully the difficulties of the Government in a vast country like India, where it is a very complicated and big problem, but that is no reason why the question should not be tackled. In every other country, there

is a serious attempt, particularly in these days of depression, to solve this question. Some of our representatives in International gatherings may say that there is no unemployment question at all here in India, but, Sir, you know that unemployment is a permanent question in this country, and also under-employment. Then there is the other question as well, namely, whether labour in India is getting its proper share, and this question has been raised many a time by the Honourable the Mover of this Resolution. I think that unless the national dividend in total is increased, there cannot be any hope of getting a larger share for the labour itself. So, even the question of reducing the hours of labour, if it means less production or a lesser quantity in the total national dividend, will ultimately redound to the loss of labour as well.

Sir, it has been said that the duty of a good Government is not only to balance their budget by putting as high a tax as possible on the people of the country, but to do something for the poorer people in the shape of unemployment insurance and other similar amenities. And it is particularly binding on an alien Government to rule people in such a way that there may be peace and contentment. I do not agree with the theory that British rule in India was established merely by force and fraud. Certainly a country cannot be won, nor kept for a long time under anybody's rule, by force and fraud alone. I believe the earlier statesmen of Great Britain were more anxious to satisfy the real necessities of the people, and the discontent that now prevails is more or less a necessary corollary of the poverty and distress due to the economic condition in this country. Every one knows that England is perhaps one of the richest countries, if not the richest in the world, while India, though in the same Empire, is the poorest. So, at least for the sake of the good name of the British Government themselves, it is necessary that they should look to this question of unemployment from the point of view of higher statesmanship. The question was many a time left to be settled by the Provincial Governments. Certainly it is the primary duty of the Local Governments to tackle this problem. But you know, Sir, in India large items of revenues are ear-marked for the Central Government. Speaking for my Province of Bengal, I can say that, year after year, the Bengal Budget undergoes a deficit of two crores and more. Therefore, a province like Bengal cannot be expected to take up this problem seriously, particularly as it is also an all-India question. The Government of India should at least initiate the steps to see that this unemployment question may be properly dealt with as they do in some of the subjects like agriculture and co-operation for the benefit of all the Provinces.

In this Resolution there is a part where Mr. Joshi emphasises the question about reduction of wages. This question applies also to some of the Government Departments. The Government of India in the Railway Department is a very large employer. Unfortunately I find the Honourable Member in charge of Railways is absent. I know particularly in connection with the railway presses that there has been a large reduction both in the wages and in the staff and the chief complaint is that it is the manual labourers who have been largely retrenched and not the supervising and the other higher staff that monopolise the largest share of the labour budget. At least so far as Government are concerned in this big Department, where they are employers, they can give effect to the suggestions of my Honourable friend, Mr. Joshi, in not reducing the wages in any way. With these words, I support the motion.

Mr. H. B. Clayton (Bombay: Nominated Official): I rise to make a few remarks on the Resolution moved by my Honourable friend, Mr. Joshi. I do so, Sir, with very considerable diffidence as this is the first occasion on which I have had the honour to address this Honourable House and also, Sir, another reason for my diffidence is that the facts have been so very clearly and concisely stated by other speakers, particularly by the Honourable the Finance Member, that there really remains very little to be said on the subject, important as it is. I must, therefore, confine myself to supplementing and emphasising several of the points which have been made by previous speakers. I have, however, rather a personal reason in rising on this occasion as I may claim, if I may so phrase it, to have been the mid-wife on the occasion of my Honourable friend, Mr. Joshi's political birth. The north of the Bombay Island was in labour and Mr. Joshi appeared as its representative and I was fortunate enough to secure his nomination by the Government of Bombay to the Bombay Municipal Corporation, I am afraid I cannot remember exactly how many years ago it was. Since then, my Honourable friend, Mr. Joshi, has proved a very promising and lusty child and although I think that like other children some times he rather cries for the moon, yet I have marked with great pleasure the progress of his political career and I yield to no one, not even to my Honourable friend, Mr. Ranga Iyer, in my admiration for the capacity with which Mr. Joshi represents a certain class, I say deliberately a certain class, of the labour interests of India, not only in this Honourable House but also, if necessary, in Moscow, Geneva, Kamatschatka, the United States of America and, I daresay, lots of other places. Sir, with his other friends in this House, I shared the pleasure of seeing him yesterday selected by you, Sir, to occupy your exalted position and direct the deliberations of this House. (Hear, hear.) But, although I have this great admiration for Mr. Joshi, I must confess that on occasions, and this is one of them, I do not entirely see eye to eye with him. He reminds me rather of the story of the boot-maker in Paris who for business purposes considered and was always advertising the fact that there was "nothing like leather". Now, leather is a very good substance, but there are certain occasions on which it is not the right substance to employ. Similarly, labour has its claims and they are generally recognised, but in certain circumstances it appears to me that the claims of labour can be pressed under conditions where such pressure is entirely unjustified and I believe that this is one of those occasions. Mr. Joshi in his Resolution has used the phrase, "the workers of the country", and he tried to make it a comprehensive Resolution by the use of that phrase. In his speech he even tried to include the agricultural workers, that is to say, he referred to agriculture by saying that agriculture is not now a paying proposition, that the wages of the certain agricultural labourers had been reduced and that unemployment existed in agriculture by reason of the fact that a large number of agricultural workers were employed only for a certain portion of the year and not for the whole year.

Now, as I say, I have a great admiration for Mr. Joshi and I believe him to be an expert in various matters. But I do not believe him to be an agricultural expert, nor do I believe that his knowledge is as great possibly as, I hardly venture to say my own, but that of many Honourable Members of this House, where agriculture is concerned. I rather

fancy that to Mr. Joshi a plough is a constellation in the sky or possibly failure to pass an examination rather than a wooden instrument to which bullocks have to be yoked in order to turn over the soil to sow the seed. I may, however, be wrong in this and Mr. Joshi may in his own village be in the habit of driving a plough as well as anybody else. But I do not think that he can claim really to represent the agricultural workers. I am quite aware that the agricultural workers are at present so unorganised that they have no official representatives in spite of the large number of agrarian Members in the various Assemblies. At the same time, it will, I think, be admitted that when Mr. Joshi contends that there is agricultural unemployment by reason of the fact that a vast number of the agriculturists of India do not work for more than half the year, he is labouring under a fallacy. Surely everybody who is acquainted with agricultural conditions in India knows that from time immemorial it is the tradition and custom of the agriculturist, *i.e.*, the cultivator of unirrigated lands, to work only for a short period in the year. His land and his conditions of operation allow nothing else so that he has during a large portion of each year leisure time in which he can attend marriages, go on pilgrimages or take up such other occupations to his heart's content. Now, Sir, that is a permanent condition of cultivation in India, and to no appreciable extent has it been exaggerated by the present state of affairs which, as Mr. Joshi himself admits, is due rather to a general world depression than to anything else.

Now, Sir, several Honourable Members who have spoken before me have pointed out that the problem is an agricultural and not an industrial problem. I took the trouble to look at the Census returns for 1931, and I think the figures will interest the House. I take the figures for the whole of India including the States, though the figures for British India would produce exactly the same effect. I am quoting from page 206 of the Imperial Tables of the Census of India, 1931. The total number of wage-earners in India is given at 168 million, men and women. The number employed on agriculture and kindred pursuits is 110 million, or about 70 per cent. You see at once the predominating influence of agriculture. The number of textile workers is just about the insignificant percentage that the Government of India give us on this paper,—otherwise $4\frac{1}{2}$ million or something like three per cent. only. I quote these figures to show how insignificant the number of textile workers is. Even if you took the whole number given as employed in trade and industry, it would be insignificant as compared with that earning its living from agriculture. As an example I note,—this is rather curious,—that those employed on industries connected with the toilet number as many as the textile workers; that is, about four million; and among them barbers and *dhobies* run to the rather large figure of $2\frac{1}{2}$ million. I do not think Mr. Joshi holds any brief from any institute of barbers or *dhobies*, nor probably are they represented in this House. But there are enormous interests which Mr. Joshi does not, I think, claim to represent. On the other hand, the number employed in trade is given as over nine million, whereas the numbers employed in the public services including the army, the police, the Government services, and the municipal and local board services, is the insignificant number of two million. I think, Sir, that these figures are interesting as showing conclusively

[Mr. H. B. Clayton.]

that the problem which faces us is an agricultural one and not an industrial one. If the agricultural difficulties can once be solved, the other difficulties will immediately resolve themselves.

Now, I am far from suggesting that the unemployment of which Mr. Joshi speaks is exaggerated. We know that it exists; all of us meet with the problem every day and it is undoubtedly serious, not only in the textile trade to which Mr. Joshi has specifically referred, but also and particularly among the clerical classes where possibly the pinch is in a way more severe as it is probably less advertised. But the point is that the degree of unemployment is clearly such that it is insignificant when compared with the state of affairs which exists in other civilised countries, England, America or almost any other country in Europe. Now, Mr. Joshi has said that the workers are busy sharing one another's burdens and supporting one another from what they can earn. I believe this to be correct and indeed I have often admired the fortitude and the generosity with which various families or relations or friends,—mainly Hindu, I must say, although the Hindu family system has been blamed in this connection,—support one another, those who have means providing for those who have not and thereby certainly performing a great service to Government who otherwise, as in other countries, would undoubtedly have to find means to support the indigent workers. But this is a peculiar feature of this country and a feature for which we have got to be grateful

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude soon.

Mr. H. B. Clayton: Mr. Joshi has referred to the present state of affairs as a famine. The famines to which we are used in India are famines characterised by failure of crops and high prices. The present state of affairs is no such thing. On the other hand, the prices are very low and that makes the whole difference; so much so that I think it can be shown—and I was hoping to be able to show it—that in certain cases the wage earning classes have actually benefited by the present circumstances, that is, they are better off than they were two years ago. In support of this, I should just like to read an extract from page 268 of the *Bombay Labour Gazette* of December. It is rather interesting as coming from the World Economic Survey of the League of Nations at Geneva, a publication with which Mr. Joshi must undoubtedly be familiar. It runs as follows: :

"While the fall in aggregate wage payments is a most impressive and important fact, the maintenance of nominal wage rates at relatively high levels demonstrates the importance attached by the wage-earners to the maintenance of hardly won nominal standards. It is significant that despite the overwhelming nature of the depression and its costs, money rates of wages in most countries have not fallen as fast as the cost of living.

But index numbers of real wages, compiled by correcting the nominal wage rates given above for changes in the cost of living, show such a general tendency to rise that there can be little doubt that most wage-earners in constant full time employment at standard rates are, except for the loss of supplementary earnings such as overtime, in a much better position than in 1920."

Now, I maintain that that is the present position in India: the wage-earner, if he is in employment, in spite of such reduction as has occurred in his wages, if they are received in cash, is actually in a much better

position than he was two or three years ago, and the suggestion of Mr. Joshi that those wage-earners are now to be specially protected to the detriment of the most important class in India, the agricultural class, for that is what it amounts to—is, in my opinion, undoubtedly improper. There is no reason why the agricultural classes, who in any circumstances bear the main burden of any crisis of trouble, economic or otherwise in India, should be penalised for the benefit of the comparatively insignificant industrial classes. That is what Mr. Joshi's Resolution, although it may not nominally purport to do so, would actually mean, and, therefore, Sir, I most heartily oppose it.

Mr. G. Morgan (Bengal: European): Sir, the Resolution moved by my Honourable friend, Mr. Joshi, is in such wide terms that it is very difficult not to oppose it. I do not oppose the underlying idea he has got in his Resolution; but so far, with the exception of my Honourable friend, Mr. Mitra, no one has definitely stated where the unemployment is or to what extent it is. Mr. Joshi's Resolution, as far as I can see, includes everybody in the country: he says "workers in the country".

The last speaker, the Honourable Mr. Clayton, has, I am glad to say, focussed the whole subject. He says that the agriculturists of the country must not be penalised for the sake of the industrial worker. One has always known that the percentage of the workers, especially in textile and industrial concerns, is a very small one, compared to the total workers of the country including agricultural workers—I think my Honourable friend, Mr. Clayton, said three per cent; and I am very glad indeed that he has brought out this point, because, when labour questions are being discussed on the floor of this House and in committees, it always seems as if the industrial worker predominates in proportion to the total workers of this country. Mr. Mitra said that he was often told that there was no unemployment in this country. So far as I have heard on the floor of this House during this debate, I have not been able to obtain any definite figures about the actual unemployment in this country. There is no doubt, there is some unemployment in certain factories, and so on; but my friend, Mr. Joshi, has not, if I remember correctly, definitely stated where the Government can take definite steps to relieve unemployment. It is a very vague thing to say that the Government must do this, must do that and must do something else; but unless there is some definite proposal put before the Government in moving a Resolution of this description, it is not easy for us to discuss the actual proposition. So far as labour in the industries that my Honourable friend, Mr. Joshi, represents here is concerned, I do not think he can accuse the Government of India of not having moved to look after the interests of that labour: in fact some of us think that Government are moving a little bit too fast; but I would very much like to know what particular class of labourer or worker Mr. Joshi refers to in his Resolution. My Honourable friend, Mr. Mitra, referred to one class, namely, the railway staff which is under Government control, and suggested that Government might take action in that particular line to prevent any reduction of wages. That is one point. But, beyond that, I should like to know in what way my Honourable friend, Mr. Joshi, would suggest that Government should take steps to relieve what he calls unemployment generally.

Now, if we include under the heading of workers all the people who work in this country, irrespective of what their work is, we come to a

[Mr. G. Morgan.]

class of youngmen in this country who certainly, owing to the present system of education, are being turned out into the world with very little chance of employment at all, and I do not know what my friend, Mr. Joshi, if I am right in assuming that he includes that class under the heading workers, would do in a matter of that description. I noticed in the Press this morning—with your permission I shall read it out—a question which was asked in the House of Commons :

“Sir William Davidson suggested limiting the number of Indians taking University course in view of the number of graduates who had no chance of obtaining suitable employment. Sir Samuel Hoare pointed out that it was for the authorities of such Indian Universities, and not the Government, to decide whether such step should be imposed. Sir Samuel Hoare doubted if it would serve a useful purpose.”

I do not agree with Sir Samuel Hoare's last remark. I should like to ask my friend, Mr. Joshi, if he includes that class in his Resolution or he only includes the actual labouring class.

My Honourable friend, Mr. Mitra, said that it is really a matter for the Local Governments, but some of the Local Governments say that they have no money and that they could do nothing and, therefore, the Government of India should take steps, but there is no suggestion from my friend as to what steps the Government of India should take. My friend also said that labour was not getting its proper share. I do not quite understand what my friend means by giving them a proper share. If he means that there are more unemployed in the industrial labour than anywhere else, then I should like to have facts and figures. My friend, Mr. Clayton, dealt very fully with the actual position as regards unemployment, and in putting forward the position of the agricultural worker, he pointed out that it is a permanent condition in India in agriculture that it must be more or less a part time work, but I think my Honourable friend said that the permanent condition was not exaggerated by the present state of affairs owing to the world economic depression. Although I am in favour of the protection of industrial workers as a whole, I would suggest that my Honourable friend should change the word “workers” to “labourers” in this country and give some definite constructive proposal to the Government of India as to how they should tackle the problem. As the Resolution stands at present, Sir, I am afraid, I cannot support it.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): Sir, I have great pleasure in supporting the Resolution moved by my friend, Mr. Joshi. The unemployment problem is a very big problem that is looming large in the world, and it is more so in India, and hence we on this side are beholden to Mr. Joshi for bringing this problem to the attention of this House.

Sir, I was a little distressed when I heard my friend, the Finance Member, say that the sufferings of other countries in regard to industrial unemployment were more terrible while those sufferings were comparatively less in India. There might be truth in what he said if it referred only to the unemployment of industrial workers, but the Resolution is not so narrowly worded. The Resolution refers to workers,—they may be industrial workers, agricultural workers or any other class of workers, and the Resolution refers generally to unemployment in this country. In order to illustrate his point, the Finance Member referred to

two or three industries, namely, the textile industry, the steel protection industry and the sugar industry. He proved by means of statistics that while unemployment has dwindled in recent years in India, unemployment has increased in other countries. If we take only these three industries, he may be correct, because the textile industry, the steel industry and the sugar industry have got very good protection, and under the ægis of that protection these industries are thriving and giving some employment to the unemployed. But, when compared to other countries, the employment afforded here is practically nothing. Sir, it must be remembered that western countries developed industrially to a great extent and they had their hey days, whereas India has begun to develop her industries only very recently, comparatively speaking, hence the comparison is not of much use in considering this problem. I am also beholden to my friend, Mr. Clayton, for pointing out that industrial employment is quite disproportionate to agricultural employment in India. According to him, it is only about three per cent. of the total employment. So we are not much concerned with the industrial employment or unemployment. We are concerned with the general unemployment that prevails in this country.

Then, my friend, Mr. Morgan, also stated that he could not say there was unemployment in this country. Those who have got eyes to see can very easily see the appalling extent to which unemployment exists in the country. If in western countries unemployment goes to the figure of one million, then at once there will be any amount of agitation, any amount of commotion by the unemployed people, there will be marches organized by the unemployed to the very door of the Parliament and then they will demand that there should be more employment. Governments tumble down if they do not provide sufficient employment, but in India the case is quite different. In India we have become callous to their position. It is not by hundreds, it is by millions that we can count the unemployed. Various estimates have been made of the number of unemployed in India. The estimate of Sir M. Visweswaraiya is that nearly 40 millions of people—I beg to be corrected by Mr. N. M. Joshi—get only one meal per day.

An Honourable Member: Sir William Hunter.

Mr. T. N. Ramakrishna Reddi: I am taking the very latest opinion expressed on this subject and that is Sir M. Visweswaraiya. What is one million in the United Kingdom or three millions in the United States compared to the 40 millions of people of this country who go with only one meal a day! Hence we can easily imagine the magnitude of the problem that is before us. The Honourable the Finance Member has stated in his speech that he is prepared to consider any suggestions that may be made and that they would engage the serious attention of the Government. The Government have very many and weighty responsibilities to discharge. They have got to look to the external security and also the internal peace and prosperity of the country. They have got to see that their budgets are balanced. They have got to see that the taxes levied are not very high and, at the same time, that the budgets are balanced. But the most important duty which any Government responsible to the people should discharge is to see that the poverty and indebtedness of the people is removed and also that the unemployment problem is solved.

[Mr. T. N. Ramakrishna Reddi.]

Various schemes have been proposed by the Honourable Members who have preceded me. Mr. Joshi has proposed the extended opening of railways by the State, irrigation works, works of laying out roads, canals, bridges, and so on. My Honourable friend, Mr. Morgan, said that no definite scheme has been proposed, but he will find that, in the speeches made by Mr. Joshi and by the Secretary of his own Party, Mr. James, various schemes have been proposed. Coming from a rural tract, knowing the conditions of the agricultural labourers and the conditions in the rural parts, I also venture to make one concrete suggestion which I hope that the Honourable Member for Industries and Labour will take note of; I mean the development of rural communications and rural drinking water supply. Now, Sir, the Government of India, on the recommendation of Mr. Jayakar's Committee, are levying a duty of two annas per gallon of petrol which is earmarked for the development of roads, of which the Imperial Government will keep about 10 per cent. and distribute the balance to the various Provincial Governments in proportion to the consumption of petrol in each province. From the Kirkness-Mitchell report we find that the Imperial Government as well as the Provincial Governments are deriving, by means of various taxes and license fees from petrol, from automobiles, from auxiliaries, and others, a sum of nearly eight crores of which the Imperial Government will keep about Rs. four crores and give to the various Provincial Governments about Rs. three crores and 40 lakhs. And from this petrol tax, as I have said, they get about one crores of rupees of which, after retaining for themselves ten per cent., they will distribute the balance to the various Provinces. Though this revenue is earmarked for the development of roads, in actual practice we find that this petrol tax is given to the provinces for the purpose of constructing bridges alone in the main trunk roads and not even on the village roads. Hence it is only very few people, very few skilled labourers that are benefited by this petrol tax. The rural people are not much benefited, because the amount is spent only on the main trunk roads. I would suggest to the Honourable Member for Industries and Labour that this amount should be earmarked for the development of rural communications and not for the construction of bridges alone. Sir, there are very many important villages, thriving villages in my Presidency, and I hope in other Presidencies also, which have not been directly connected to any important trunk roads and which cannot boast of having a good road at all. So the agricultural produce does not find very good markets and the agriculturists are not getting proper price for their produce. Therefore, it is a crying need that all the important villages should be linked to main roads.

During the last Session, the Government got through the Railway (Amendment) Act empowering the Railways to open motor bus service in order to compete with private bus service. At that time I stressed the fact that, if Government had developed village rural communications, they would not have felt this difficulty. It is because there are no good roads that the private bus owners have to ply their buses along roads which run generally parallel to railway lines, and, if only they had developed these rural communications, they would not have felt this difficulty; there would not have been so much loss of revenue to Government, because these private bus owners would ply buses to those interior villages and bring more passengers and more goods to the railways. That is why I stress upon the necessity of developing rural communications. So I would earnestly request my Honourable friend to direct Local Governments to spend the amount, they get from these petrol duties, on the development of only rural communications. In that way he would be doing a very great service to this

country and he, at the same time, would be providing labour for many unemployed persons. That is one concrete suggestion that I would like to make for the consideration of the Government. Sir, there are other concrete proposals and, I am sure, that other Members will propose them and, with these words, I have great pleasure in supporting this motion before the House.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): I rise to say a few words in support of the Resolution of my friend, Mr. Joshi. 12 NOON. and I want to refer particularly to only one aspect of it, I mean the question of wages. It is not unnatural for Honourable Members to be carried away by the assumption that, because there is depression in the country, because prices have fallen, therefore, the obvious course for the employer is to reduce wages in order that he may exist and face competition from outside. This is a plausible argument, but there are certain other aspects of it which I want to place before the House.

I think I shall be repeating only a truism when I say that the helpless economic position of the workers should be protected from exploitation. It is necessary to safeguard that the commodity that he has got to sell, that is labour, he should not be compelled to sell for starvation wages and that he should be assured of a reasonable standard of life. By a reasonable standard of life, I mean that he should be able to maintain himself and his family, provide for the education of his children, the marriage of his girls and to provide for his old age, sickness and other accidents. Wages in India, as you all know, are admittedly low, and, owing to this economic depression and unemployment, the burden of the worker has been further increased by the necessity of maintaining the unemployed members of his family. My Honourable friend, Mr. Clayton, admits that. He pays a tribute to the fortitude and the sacrifice with which the worker is carrying on and, I am surprised, that still he says that his economic position is better, because there has been an increase in real wages. It is a bold statement to make that, in spite of the reduction of wages, there has been an increase in the real wages and, even if we admit that there has been an increase, it has been more than compensated by the additional burden that the worker is called upon to bear in maintaining the unemployed members of his family. In India, the worker earns in normal times very little more than is necessary for his bare existence. As it is, it needs improvement, but, taking advantage of this plea of depression, the employers are busy making drastic cuts in wages and heedless of its effect upon the family budget of the worker and in lowering his standard of life. In Bombay and Ahmedabad, the Presidency from which Mr. Clayton comes, the mill-owners have reduced the wages of the worker by 25 per cent. In explanation of that, we are referred usually to the depression and to the fall in prices and to competition from Japan and Great Britain. It is, therefore, pertinent to inquire whether Great Britain and Japan have reduced their wages to the same extent as the Indian employers have done.

Mr. Butler, the Director of the International Labour Office at Geneva, in his very admirable report for the year 1933, has given interesting figures with regard to the index number of nominal wages in different countries taking the year 1927 as the basic year. From that you find that Great Britain reduced its wages only by five per cent. Japan has reduced by 13 per cent., but the Indian employer has gone to the extent of reducing the wages by 25 per cent., and I wish the House to realise the effect of the 25 per cent. reduction in the wages of a worker who in normal times earns barely enough for his own maintenance, and, this, in spite of the fact that

[Mr. Abdul Matin Chaudhury.]

the Swadeshi movement has given a great impetus to the protected industries.

There is another aspect of this wage reduction to which I want to make a reference. The wage bill constitutes a very important element in the cost of production, but I think it is necessary to remember that it is not the only factor. Though it is difficult to generalise, because the conditions vary from industry to industry, it has been estimated that on an average the cost of labour may be put at 30 per cent. of the cost of production and, if this is so, when circumstances force the employer to economise, he should look to other avenues for retrenchment rather than make drastic cuts in the wages of the worker, with all the suffering that it involves. If these millowners of Ahmedabad had taken other steps to reorganise their industry and put it on a sound basis, they need not have resorted to the wage cut. In this connection I would refer you to the speech of His Excellency Sir Frederick Sykes delivered to the Millowners' Association of Bombay in November last. This is what he said:

"As you know, I and my Government have always done our best to promote your interests and to support your suggestions; but I am not sure that there is not perhaps a tendency to rely too much on tariffs and not enough on self-help. Seven years ago the Noyce Committee pointed out defects in organisation and management, all of which have not yet been put right. Then the Fawcett Committee and the Whitley Commission made recommendations in other directions—recommendations which, to some extent, depended upon prosperity, but some of which involve no expenditure and yet they have not been adopted. I would only say in this connection that we cannot rely for ever on Protection, and we cannot expect the consumer to continue paying higher prices than those which would obtain in an open market. The consumer too is not unlikely to view with some concern cuts in wages and any forcing down of the standard of life of the worker."

That is the view of the Governor of Bombay with regard to the reduction of wages in Bombay and Ahmedabad. This wage cut is not necessarily a remedy for the industrial depression and this has been amply proved by the great experiment that President Roosevelt is carrying on in America. He did not accept a wage cut for his recovery plan. He adopted the bold and audacious scheme of reducing hours of work and, at the same time, increasing the wages. The result is that a large number of the unemployed have been absorbed in industry and it has increased the purchasing power of the workers and thus created a spirit of confidence in the country, and America is looking forward with confidence to a quick recovery from industrial depression; but what have our industrialists done when faced with a similar situation. They could find no other way but to starve the workers to meet the situation and Government stood aside as a disinterested spectator in this unequal contest between organised industry and unorganised labour. I welcome Mr. Joshi's Resolution, because it is a timely reminder to the Government that they too have a duty to perform in this connection.

Now, my friend, Mr. Morgan, asked, why did not Mr. Joshi make specific recommendations and specific suggestions with regard to the solution of the problem? I would remind him, Sir, of Parnell's dictum that it is the business of a private Member to show that a demand exists and it is the business of the Government to formulate schemes for meeting that demand. Sir, I support the motion.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, if I intervene in this debate, it is because I feel that the Honourable Members who have spoken on this subject have dealt with the question as if the question of unemployment were one which admitted

[Sir Hari Singh Gour.]

of a ready-made solution. To me, the question of unemployment in this country is a very large question, based upon many factors,—first of all, upon the appallingly increased birth-rate in this country, with the result that during the last ten years the population of this country has gone up by no less than 30 million souls, and India at the present moment is accounted as the most populous country on the surface of the globe. The second question is the question about agricultural and industrial workers. I was reading the other day a book written by Sir Theodore Morrison on the subject of economics and he has tabulated the results of his inquiry in which he tries to show that the agricultural industry all over the world is never a paying industry. He gives the example of several agricultural countries of Europe and points out that agriculture is at no time a profitable investment, and in India particularly, where, on account of climate and soil and the ignorance of agricultural workers, it is impossible for agriculture to become a self-supporting and a paying industry. The Government might help agriculture by promoting schemes for industrializing agriculture everywhere, and that is the line of advance which I should be prepared to recommend to the Government. But it has its limitations.

Turning now to Mr. Joshi's Resolution, if I may be permitted to summarize it in two words, all he wants is work for the workers and more wages for them. Now, as regards the work for the workers, leaving out the agricultural worker and confining ourselves to the industrial worker, Mr. Joshi wants work for them. Now, who is to provide work for them? The work has to be found for the workers by the employers, that is to say, by the factory owners and the textile owners and other industrialists of this country. Now, if they were to give work for the workers and give them no reduction of wages, how long will they last? They must be able to sell their goods at a reasonable profit in the market: and if they were to produce goods which they could not sell, then their own factories would very soon be silenced. Therefore, the question depends not so much upon any pious expression of view that work must be found for workers and that their wages should not be reduced as upon the large fact as to how we are to deal with the question of the industrial depression in this country. Now, the industrial depression in England as well as in other countries has been dealt with to a certain extent by the Government, and

we may take a leaf out of the book of the English parliamentarians, we may be able to find some means for the purpose of improving the lot of industrialists in this country. The present National Government is a wholehearted protectionist. The Board of Trade keeps an eye upon all the industries of the world and, as soon as it finds that the home industries suffer in competition with foreign industries, a heavy, and at times prohibitive, import duty is levied upon their imports.

Mr. G. Morgan: What is India doing?

Sir Hari Singh Gour: My Honourable friend, Mr. Morgan, asks, what is India doing? India is doing that to a certain extent, and what we want the Government to do is to follow the same line for the purpose of protecting all the existing and nascent industries. In Japan, which is threatening the industrial life of the whole world, the industries are in a flourishing condition due to four facts. I am giving you these four facts, because a very responsible deputation was sent out to Japan a few months ago by the Manchester Chamber of Commerce to report on the textile industries of that country and they returned with a report which is available to the

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public and in which they stated these four facts as being responsible for the flourishing condition of the Japanese textile industry. The first was ruthless rationalisation of the industries. The second was the scrapping of all obsolete and out-of-date machinery and the employment of the latest automatic looms. The third was the elimination of intermediate profits such as those made by the cotton buyers, the cotton sellers, the cotton brokers and the banks and there is a complete co-operative buying and co-operative selling. The fourth and the last thing is the protecting hand of the State. Now, this requires a few words of explanation. The condition of the textile industry in Japan, so long as it is flourishing, remains entirely independent of any State control, but the moment there is any mismanagement, or the State finds that the industry requires help from the State, the State immediately steps in and gives it a guiding hand and so places it once more upon the highroad to making a reasonable profit. These are the four principal causes which have contributed to the pre-eminence of Japanese industrial life and which makes Japanese goods such a serious menace to the markets of the world. Now, if we were to follow the example of the successful industrial countries, we would begin at the beginning in this country. We would establish a Central Board of Trade and Industrial Control, and, secondly, we would do what we will have to do sooner or later, namely, establish a Central Board of Education. My friend, Mr. Morgan, read out to us a question put in the House of Commons and the reply given by the Secretary of State. Sir, if the question of unemployment—industrial, educational and clerical or otherwise—is at all to be solved in this country, it will be only solved by the co-operation of these two Boards. One to give a new impetus to industrial and general education and, second, a measure of control exercised by the Board over the industries of this country.

Now, as regards the question of education, I do not wish to detain this House very long, but the fact remains that ever since the establishment of the University of Calcutta, modelled upon the University of London, the University education in this country has been entirely a bookish and a clerical one. What we really want is to give a new kind of education to the students in this country, so that they might be better equipped for taking their proper share in the growing industrial life of the country. That is the first thing we want. Now, the independence of the various Universities in this country and the placing of them under the Local Governments places the Central Government under a serious handicap, and what we do suggest is that the Government of India should take time by the forelock and in consultation with the Universities and the Provinces immediately institute a Central Board of Education and that the Central Board of Education should go into the whole question of education in this country and establish such Universities as are necessary for the purpose of developing not only the industries, but developing true scholarship in this country. I, therefore, submit that what we really want is a new educational outlook and in this the Government of India can give us a helping hand. Secondly, what we want is a Central Board of Trade and Industries and we must, in dealing with this question, take into consideration the fact that industries in this country do not receive that amount of technical assistance from the State which the industries in other countries do. Only the other day, the British Government have hypothecated the revenues of the United Kingdom to the extent of many million pounds

for the purpose of producing petrol from coal by the process of hydrogenation, and the electrification of the United Kingdom, which is also a *fait accompli* was achieved with the help of the National Government. Now, what we really want in this country is assistance from the Central Government in the matter of the development of the industries of this country, and not merely the giving of two per cent. here or 20 per cent. there by way of protection. What we want is a strong lead, a bold lead, for the purpose of placing the industries of this country upon a sure and lasting footing. Sir, pioneer work has to be done and it must be done by the State. In all countries pioneer work is done by the State, and it is in this respect that I think that the Central Government can help us a great deal in the direction of giving us right education and right lead in the matter of our industries. If Mr. Joshi's Resolution is taken in this sense, then I am sure there will be hardly anybody in this House who would quarrel with it. If, on the other hand, Mr. Joshi's Resolution possesses that narrow view, namely, that never mind the country, never mind the industrialists, never mind the industries, what I want is a square meal at your cost and what I want is work also at your cost, and, so far as you are concerned, I do not care one jot what happens to you; you may pawn your wife and children, but you must feed the worker. I am sure, Mr. Joshi does not take that view, but it is certainly the view of some Trade Unions in this country and elsewhere, and I do not think there will be many in this House who would support this view. If, on the other hand, Mr. Joshi is pointing his finger to a great blot in our national life, to which I have adverted, then I am sure everybody on this side of the House would support his motion.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhamadani Rural): Sir, I wish to move my second amendment which runs as follows:

"That after the word 'workers' the following be inserted:
'of all classes including the agricultural, industrial and the educated'."

The intention of the amendment is to extend the scope of the Resolution. Mr. Joshi in his Resolution wants to protect the rights of the workers only, being indifferent to others who would include the agriculturists who are more than 75 per cent. in the country and who remain unemployed for about four or five months in the year and sometimes the whole year due to scarcity of rains.

Sir, the problem of unemployment is one which, I know, has been exercising the minds of all sections, not only of non-officials, but also of the official sections. It has also been receiving attention of all classes of people inside and outside the House. Once we started associations for the purpose of sending people to foreign lands to learn special industries and technical pursuits. We spent a lot of money on them, and when they all returned, we had the additional problem of not being able to find employment for them. Sir, the agriculturists are the greatest sufferers in this matter and they deserve our full sympathy. Both in the cities and villages there are a larger number of men and women who can find no work. They could be given work if co-operative associations could be started. Centres for training in small industries could be established and their produce sold in the market. I am sure, Sir, this would markedly affect the economic well-being of the people. There is a large

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number of widows and other helpless women and children who are actually starving. The well-being of the industrial labourer is no doubt important, but still more important is the employment of those who have not any means of livelihood. Those who are unable to work, for them widow homes and orphan houses can be opened by the Government and by public subscriptions. If co-operative societies and agricultural banks in large numbers be established, I am sure, thousands of people will be benefited by them. The Honourable the Finance Member very rightly said in his reply to Mr. Joshi's Resolution that the real problem was not so much industrial unemployment, as the lack of purchasing power of the masses as a whole. India is primarily an agricultural country. About three-fourths of the population are maintained directly by land and ten per cent. indirectly by land, and hence any Resolution which disregards the interests of the agricultural masses cannot be said to be useful to the masses. It may be useful to a few industrialists, but not to the general population. Go to the root of the causes which produce the present unemployment. Sir, the first problem before us is that the prices of agricultural produce should be raised. This will tend to increase the purchasing power of the masses and, consequently, industries will begin to flourish, and this will find work for the unemployed labourers and also the wages of workers would themselves rise. The second point is that new works should be opened in order to find some job for the unemployed. We should be grateful to the Honourable the Finance Member for the assurance given that he would begin new capital expenditure for new works. Sir, in the days of unemployment, Governments do not retrench the work, but they extend the work.

Sir, I hope the Central Government and the Provincial Governments will co-operate together to give relief to urban labourers by starting new work, by helping the small industries and co-operative banks.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

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

'of all classes including the agricultural, industrial and the educated'."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir I had no idea to speak on this particular Resolution, as I never pose myself as an expert on the difficult problem of relationship between capital and labour, but the scope of the Resolution has been widened, particularly by my Honourable friend, Sir Hari Singh Gour, and so I cannot help saying a few words on this Resolution. My Honourable friend referred to the Advisory Board. About two years ago, the Honourable Sir Frank Noyce, on behalf of the Government, solemnly promised on the floor of the House that this Board would be established in the near future. If Government wish that we should have some confidence in their statements, is it or is it not their duty to see that their promises are fulfilled and that they do not make empty promises on the floor of the House? I may remind the Honourable Sir Frank Noyce that on the floor of the House he clearly stated on behalf of the Government that this Advisory Board would soon be established, but his successor has entirely forgotten what his predecessor said on the floor of the House. I request him to read his speech delivered on the 16th February, 1931. The

Honourable Member might perhaps say that the Advisory Board was not established on account of financial stringency. If he uttered these words, then I will fling these words to his very face and say that financial stringency does not exist. I am a member of the Standing Finance Committee and I do not know how many times Rs. 40,000—which is really the estimate for this particular Advisory Board—we have sanctioned for comparatively unimportant purposes. If my Honourable friend were to say on the floor of the House that he could not establish this Advisory Board simply on account of financial stringency, we on this side of the House will say that we would oppose every measure of Government which is of less importance than the Board which has not been established. When we press for any expenditure on the nation-building departments, financial stringency comes in, and when we come to the destructive departments, departments in which money is wasted on non-remunerative work, then there is always money available. When the Government adopt this attitude, it is very difficult for the Opposition to co-operate. We say we are co-operators with rational action of the Government. We are not co-operators with all kinds of fantastic theories which the Government may bring forward. This is one point that I want to mention and I do not want to enlarge this topic as I am waiting to hear something very definite on this particular question from the Honourable Member in charge.

The other point that I should like to mention in this discussion is that we ought to devise some measure by which we can find work for the unemployed. My Honourable friend, Mr. Morgan, said there was not much unemployment.

Mr. G. Morgan: I did not say that. I said there were no definite facts and figures given as to the amount of unemployment or whether unemployment existed at all and that I should like to hear about that when we were talking about roads and bridges.

Dr. Ziauddin Ahmad: My Honourable friend asks me to give facts and figures. We the non-officials, cannot coin these figures, it is really for the Government to make enquiries and the Government have not taken the trouble like the Government of other civilised countries to find out the number of the unemployed. The only testimony that I can bring forward is this. When I go to my constituency and travel in the villages, I find a large number of people flocking there and saying that some of them had no meals at all and some others complaining about unemployment and so on. From this we cannot really prepare the statistics, and it is really for the Labour Department of the Government of India or some other Statistical Department to prepare the figures. Though the figures are not readily available, my own experience—and my Honourable friend's experience may be otherwise—is that there is a large amount of unemployment whose exact number I cannot possibly give. What I want to suggest is that, in these days of unemployment, we ought to start some big scheme for giving work to these unemployed and one of the schemes that I suggest is the building of roads. One gentleman, who calculated the economic value of these new roads, said that if only 14 carts passed on a metalled road, then the saving in labour is such that we can pay for the cost of the roads, we can pay for the maintenance and the interest charges as well. With these figures, it is very desirable that we should have some extensive scheme for the construction of new roads, not only metalled roads, but also *kacha* roads. The Egyptian

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Government, we ought to know, have tried to organise some kind of *kacha* road by watering dust and not metalling the roads. These kinds of roads will also very much improve, as my Honourable friend, Mr. Reddi, pointed out, the position of agriculturists, because, we know that in the rainy season for a long time these people cannot possibly bring in their agricultural products to the markets and consequently the country-side suffers on account of the rains. If this work of new road construction is taken in hand and a special Communication Board is established and the work is started on a large scale, then, I am sure, the problem of unemployment will be mitigated to a certain extent, though not to the entire extent. In this connection there is a Resolution tabled by my friend, Murtaza Sahib Bahadur. I do not know whether it will be moved and will come up for discussion. The Resolution says that we ought to establish some kind of Communication Board in every province with which some of the Members of the Legislature might be associated. The United Provinces Government convened a special Road Conference and this Conference also recommended the establishment of such a Board. If the question of building roads is systematically undertaken, then I am sure that the problem of unemployment will be solved to a certain extent.

I do not want to refer to the question of employment to educated classes in greater detail, because this is a problem which is immediately connected with the question of the improvement of our educational system which I cannot really finish in the short time at my disposal. I would only emphasise that in every country the system of education has been modelled and technical education has been made compulsory, but we in this country are still following the time honoured traditions "education for its own sake". Our education is purely literary with no industrial and technical bias. If we improve our system of education and bring it to the level of what it exists in other countries, then the problem of unemployment may be partially solved though it may not entirely be removed. But our difficulty is that when we request the Government even to approach the subject by appointing an Advisory Committee, the Government refuse even to appoint the Committee on the futile grounds that there is no money, but really they do not desire to do it.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, like the former speaker I had no intention of joining in this debate, but I had the good fortune of hearing my friend, Sir Hari Singh Gour, speak, and I should like, if he will allow me, to offer him my congratulations on one of the most constructive speeches I have ever heard him make in this Assembly. I congratulate him very sincerely on his speech, for there was a lot of practical sense in what he said. Unfortunately I was not here when my Honourable friend, Mr. Joshi, moved his Resolution or no doubt I should have been more *au fait* with what has transpired. But taking up the threads of thought as I have heard them today, I do think that India has a lot to learn from that wonderful little country, Japan. Various views have been expressed today as to how Mr. Joshi's Resolution could be put into practical effect. I join with my friend, Sir Hari Singh Gour, in his view that if Mr. Joshi's finger points to the improvement of industrial education in India as an antidote to its present day acute unemployment, I think his Resolution will have served a very useful purpose indeed. If, on the other hand,

he confines it mainly to the labour problems, chiefly agricultural in outlook, to which he has devoted so much of his life, then, I do not think his Resolution will serve much use.

The point was raised by my friend, Sir Hari Singh Gour, and emphasised by Dr. Ziauddin, as regards, the education in this country. Sir, I join hands with both speakers in stating that the education of India is absolutely out of step with modern requirements, not only of this country, India, but of the whole world, and I agree with Dr. Ziauddin when he emphasised what I consider not so much a neglect of duty on the part of the Government of India as the evasion of a duty that one expected from the Member of the Department that controls the standards of education in India and which power the Devolution Rules have given to the Government of India. An examination of the Simon Commission's report shows that the Hartog Sub-Committee on Education recommended the formation of a Central Advisory Board on Education. Again it was about two years ago, that Dr. Ziauddin moved a Resolution in this House on this very subject and on which I spoke. The Member in charge, responding on behalf of the Government of India, reiterated on that occasion the need of a Central Advisory Board. I ask what have Government done from that day to this? Absolutely nothing, as far as we know. Acting on their power of controlling the standards of education, the Government introduced a Bill, a few months ago, called the Medical Council Bill. That Bill might more correctly be called the Medical Reciprocity Bill. But it is nothing in comparison with the urgent need of a radical alteration in the general educational system in India,—indeed—I should say that an altered educational orientation is one of the most urgent needs in India today. In other words, we need a real and practical appreciation of what system of education is needed in India today. In my opinion that system is not a continuance of the present antiquated and archaic academic system which prepares our youth for clerkships and subordinate employment in the Government of India and other Provincial Government Services, but a serious attention to industrial education which is markedly absent in almost every educational institution in this country. Those schools,—and I talk with more knowledge of those Anglo-Indian Schools,—who broadcast that they have introduced industrial education,—are simply toying with such training. In my humble opinion, today there is more need in India than ever before of a thorough revision of the educational system and the introduction of a more serious effort in industrial education. Truly can the Government of India be charged with a breach of promise, because they have made frequent promises to appoint a Central Advisory Education Council which has never materialised. Let me again refer to the education given in the Anglo-Indian schools in India which turn out children year in and year out like peas from a pod, useless for anything practical in life and only fit to be clerks and subordinates in Government Services. Sir, I think that, like many other Departments which really did good work when under the Central Government, there has been, as far as Education is concerned, too much of provincialisation and too little of centralisation. As an instance, I would quote the need for a Public Health Department in the Government of India to control the public health of India. Here we have this vast Sub-Continent of India crying out for proper up-to-date system of industrial education as an antidote to the present unemployment and what have Government done for the unemployed? They shelved the question year in and year out. The Provincial Governments have made some efforts, though not of much

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practical use, with the result that this country stands almost alone in the Empire with no practical or serious provision to help its unemployed, at least for the unemployed servants of the Government of India and the Provinces. Sir, in my opinion it does not stand to the credit of the Government of India to remain callous to the needs of their own progress. In my opinion, the Government of India have made, no practical or appreciable effort to introduce a really good system of industrial education into their school curricula and I would urge upon Government to give this practical aspect more attention than to its academic side. It is no use shelving this vital matter any longer. If the Central Advisory Board on Education is to be a duly recognised agency, money is required, and this money must be sanctioned before anything else.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I must confess that when I read Mr. Joshi's Resolution, I thought that something could be added here very profitably before we could accept the Resolution, because it was worded in very general terms. Of course I have been able to elicit from him that he includes all kinds of workers and that wages means salaries also. But I find, Sir, that my Honourable friend, Rai Bahadur Lala Brij Kishore, has tabled an amendment. That he should do so, being the representative of the land-holding classes, came to me as a very pleasant surprise and really he has acted as one of the natural leaders of his province and I give my whole-hearted support to the amendment which has been moved by him which includes workers of all classes, *viz.*, agricultural, industrial and the educated.

Now, Sir, that there is unemployment is admitted by all, the Government and the people. That this unemployment is a menace to the Government as also to our society is also admitted by all; and it is the bounden duty of every one concerned, not to speak of Government alone, to find out means for doing away with this unemployment. Sir, the speeches here were mainly confined to industrial workers and their uplift, because many of the speakers have little or no knowledge of the agricultural workers living in the far-off villages, except a very few. (*Mr. G. Morgan: I have.*) My friend, Mr. Morgan, claims that he has knowledge of the agricultural labourers, while Sir Henry Gidney says that he does not know anything. I do not know whom to believe. Be that as it may, as an individual who has ample knowledge of village life and who is himself an agriculturist employing agricultural labour, I think I may be permitted to say a few words about the unemployment of this class of labour. In my part of the country, I mean West Bengal, there is dearth of agricultural labour: it is the Sonthals and other aboriginal tribes who come from neighbouring districts which are inhabited by the aborigines, that we have to depend upon mainly for our cultivation and harvest. What is the reason for this? Because, that hydra-headed monster, the tall chimney of industrialism has been eating into the vitals, both moral and physical, of our countrymen and has drained the labour from the villages. Every one who is really interested in the welfare of the masses of this country will admit that so long as those tall chimneys continue, so long as the condition of life which we witness there continues, so long there will be no salvation for the masses of the people, either moral or economical. The one thing I would do, if I were a Mussolini, is to demolish the tall chimneys at once or ask the Government to break those tall chimneys with our aid if possible.

Mr. N. M. Joshi (Nominated Non-official): But electric power does not require chimneys.

Mr. Amar Nath Dutt: Then other means should be employed to do away with these things. Sir, when two hundred years ago all this industrial life was not to be seen anywhere in the world, not to speak of India, were not people happy? Were not the masses flourishing? Were not their condition better than and superior to what they are today?

Mr. N. M. Joshi: No.

Mr. Amar Nath Dutt: My friend, Mr. Joshi, says "no". I know he will say "no" and there are many of his way of thinking which the present system of education has brought into existence. Much has been said against the present system of education, but a system which produces such denationalised and demoralised ideas of human activity is the one thing which we should all condemn and request the Government to take away. The Resolution mainly relates to the Department of my Honourable friend, Sir Frank Noyce, but it also relates to the Department of my Honourable friend, Mr. Bajpai; and many of the speeches we have heard today related to his Department more than to the Department of Sir Frank Noyce; and if I have to say anything, I will have to speak more about the Department of Mr. Bajpai than the other, because I am concerned with agricultural labour and agriculture is his Department. Education also is his Department and the Department of Public Health also is his, about which Sir Henry Gidney has spoken so much. It has been suggested by my revered Leader, Sir Hari Singh Gour, that there ought to be a new educational outlook. If we, who have been brought up in the system in which my Leader and I have been, can ask for a new educational outlook, I think it is up to the Department of Education to think that there is really something defective in the system of education which they have given us; and I think my Leader's suggestion will be carefully looked into by that Department.

Then, a suggestion has been made about the Central Board of Industry: I do not know exactly what would be its function; but whatever may be its function, I think the first thing they ought to see is not to drain agricultural labour from the villages to the slums in industrial towns. That will be saving not only their bodies, but also their souls. My revered Leader also protested against labour getting a square meal a day that Mr. Joshi wanted to have. If Mr. Joshi wants to have a square meal a day only for the labourers, nobody will deny it; but my revered Leader's complaint is that it is not a square meal a day, but many square miles of meals a day that my friend, Mr. Joshi, wants, probably for these industrialists. They must have their tea, they must have all sorts of amusements and cinemas and such like. . . .

An Honourable Member: Do you not go to the cinema?

Mr. Amar Nath Dutt: I rarely go to the cinema: I cannot say that I do not go, but I go rarely; Mr. Joshi would like to have all amenities of life for these men which he thinks Amar Nath Dutt enjoys. I will not deny them the amenities of life which I myself enjoy, because my life is very simple and I am not addicted to any luxuries to which some labour leaders are accustomed: my friend behind reminds me of my *hookah*, but

[Mr. Amar Nath Dutt.]

it does not cost me more than a pice a day. But when my labour friends want to give them all these amenities of life, surely I must disagree with them. Let them have a full meal a day, which neither I nor my Leader will deny them: let them have some of the amenities of life and some social pleasures in the shape of *patras*, *kathakatas* and the like, but not these westernised cinemas and theatres. But we are all obsessed with our western outlook and the demand that is made in western countries and which may be proper for those countries are certainly not demands which should be made on behalf of labouring classes of India. No one has touched the point of agricultural labour at all in this House except my Honourable friend who has moved the amendment, and all honour to him who takes so much interest in these great problems facing his country.

Then, there is another class of unemployment which is not only acute, but of which Government ought to take note—I mean the educated unemployment in the country. You will find thousands and thousands of graduates yearly coming out from the Indian Universities with no other alternative left to them but the bar, and when they come to the bar, what faces them? They find men with the same intellectual assets that they possess, getting fat salaries while they themselves are starving; and, in spite of this, the Government have been recruiting men at such high salaries which neither their intellectual equipment nor the exigencies of the situation demands. Sir, the salaries of the services in this country have been inordinately raised after the War

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up.

Mr. Amar Nath Dutt: Sir, I beg to submit that the problem of educated unemployment is the most serious and it ought to be taken up by the Government more seriously into consideration than anything else.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): **Mr. President**, the Honourable and gallant Colonel **Gidney**, fresh from his laurels of the Joint Select Committee of Parliament and other corresponding activities.—I hope, Sir, that an opportunity will soon offer itself to him when he will take us into his confidence, about his many activities (Interruption by Colonel **Gidney**). I was saying, Sir, that the Honourable and gallant Colonel has paid, and I think rightly paid, a great tribute to Sir Hari Singh Gour for drawing attention to the relation of education and educational policy to the problem of unemployment. Last Tuesday, Sir, was also a non-official Resolution day, and as speaker succeeded speaker in lamenting the lot of the unemployed in this country, I who had come to this House with fond hope that my much neglected Department would receive some attention,—thanks to the Resolution of which my friend, Maulana Muhammad Shafee Daoodi, had given notice,—saw that fond hope of securing prominence, even though it may be a transient prominence, receding into the background. But, Sir, this morning, my friend, Sir Hari Singh Gour, has given me an opportunity of saying something of what I might have said the other day if that Resolution had been moved, and I am quite sure that the learned Doctor also would join me in gratitude to my friend, Sir Hari Singh Gour, because Sir Hari Singh Gour has furnished him with an opportunity of displaying the omniscience to which the House is by now completely accustomed. But I feel, Sir, perhaps my measure of gratitude to Sir Hari Singh Gour is

greater than that of the learned Doctor, because the learned Doctor needs no special opportunities for the display of his universality of interest and range of knowledge which are absolutely unequalled by any Member of the House. Well, Sir, I will not pursue this description of our respective debts of gratitude to the learned Doctor, Sir Hari Singh Gour further, but would concentrate on the few observations that I have to make in regard to the question of educational policy. Now, Sir, there is no doubt about this that there is a great deal of dissatisfaction, legitimate dissatisfaction, legitimate discontent regarding the system of education which prevails in this country. There is a Persian Poet Sadi, who, many centuries ago, said:

*Ilm chandan ki beshtar khwani,
Gar amal dar to nest nadani.*

Sir Hari Singh Gour: Translate it.

Mr. G. S. Bajpal: I am very glad the learned Doctor approves. I wish to translate it; the couplet means that mere book learning, completely divorced from practical wisdom, is no better than ignorance. That undoubtedly reflects and expresses a widely felt criticism regarding the present state of education. But when I have said that, I do not wish to suggest that the discontent is one which can be removed entirely or exclusively by the Government of India. It ought to be appreciated not only that the constitutional position is such that, education being a transferred provincial subject, primarily the responsibility for dealing with educational problems is the responsibility of Local Governments; there is this further consideration that the very size and the populations of the different provinces and the divergences in regard to local conditions are such that no central policy based on some cut and dried system of uniformity is going to meet the requirements of the problem. But, Sir, it is a healthy sign that the discontent is beginning to engage the attention of Local Governments. Now, I would speak of the Conference which,—I think it was in December 1933,—was convened by His Excellency the Governor of Bengal, and one of the questions that Conference was called upon to consider was the question of educated unemployment or rather, unemployment of educated people, and of an orientation of the educational policy for dealing with that problem. I think it was early in 1933 that the Punjab University Committee reported on this very subject. They certainly covered very wide ground in their recommendations, but the relationship of primary, vernacular, secondary and Anglo-vernacular secondary education to vocational training also received their attention. It is possible, Sir, to go on multiplying instances of the initiative and the interest which Local Governments are displaying in this subject, but that is not necessary for my purpose. What is important is that the attention of the House should be drawn to the fact that those, with whom responsibility rests, are alive and astir to that responsibility and that a move in the direction of reform is being made. Well, my friends will ask—that is perfectly true, but it is not either tending to efficiency or to expeditious reform that each province should be allowed, as it were, to work independently, possibly in the dark as to what somebody else is doing, and is it not the function of the Government of India to co-ordinate, to bring these Local Governments together, so that they may exchange views and ideas and experiences—one profits by the experiences of others—and avoid errors and mistakes that have been committed by others. I quite appreciate that, Sir, and Honourable Members will remember that two years ago when the learned Doctor brought up his Resolution about the appointment of a Committee to go into educational questions generally,

[Mr. G. S. Bajpai.]

my Honourable friend, Sir Frank Noyce, said that the Government of India had accepted the recommendation of the Hartog Committee for the creation of the Central Advisory Board of Education. And here and now, Sir, I would say that we as a Department definitely feel that the creation of the Educational Board, the Advisory Board and Bureau would be opportune and would also help in bringing Local Governments together for the consideration of this problem of giving a fresh orientation to educational policy. (Applause.) But what I would like Honourable Members to remember is that it is not possible in the present state of the finances of Government to bring that organization into being. My friend, when he spoke, said that he would oppose every proposal for fresh expenditure, which is of less importance, if money were not forthcoming for the Advisory Board of Education

Dr. Ziauddin Ahmad: May I know if that is the opinion of the Honourable Member or it is the opinion of the Finance Member?

Mr. G. S. Bajpai: Government are one and indivisible, and I cannot say whether it is the opinion of the Finance Member or it is the opinion of the humble individual who is speaking now. What I would say is that the question of starting this Board from the new financial year was very carefully considered. We tried our best to see whether provision for it could be made, but unfortunately it was found that the financial outlook was such that it would not permit of the necessary steps being taken to create this organization.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): So Government are not prepared to do anything until the five per cent. cut is restored?

Mr. G. S. Bajpai: I really do not know how the 75 per cent. cut is relevant to the particular point

An Honourable Member: It is not 75 per cent. cut, but it is only five per cent. cut.

Mr. G. S. Bajpai: My friend wishes probably it was 75 per cent. but I resent even the five per cent. . . .

Dr. Ziauddin Ahmad: What my Honourable friend, Mr. Jadhav, meant was that the Honourable Member could afford money to restore the cut for his own Department, but not to establish the Advisory Board.

Mr. G. S. Bajpai: That illuminating remark is completely lost upon me. There was absolutely no intention or effort on the part of this Department to get the cut restored, because it is realised that the restoration of the cut is to be for the services as a whole and not for any particular Department. But, Sir, the fact remains that Government are fully conscious of the desirability of bringing this Board into being as soon as possible, but until the financial situation improves, they cannot do very much in that direction. . . .

Ident.-Colonel Sir Henry Gidney: Then India will lag behind.

Mr. G. S. Bajpai: My Honourable friend lolling on the bench there says that India will lag behind. Will he be good enough, when the opportunity comes, to tell us whether experiment everywhere else has equalled aspiration? It has not. Every country, whether it be India or any other, has to adjust administrative reform to its resources. It is not that India, or for the matter of that, the Government of India are unwilling that this problem should be handled and successfully handled, but I have tried to explain what the difficulties and obstacles in the way of a successful treatment of the problem are. I do assure him and I do assure the House that there is absolutely no question of indifference or callousness, but there are certain difficulties which mere sympathy cannot overcome.

Lieut.-Colonel Sir Henry Gidney: Your aspirations then become expirations!

Mr. G. S. Bajpai: It is better to have aspirations rather than to expire.

Lieut.-Colonel Sir Henry Gidney: Have inspirations!

Mr. G. S. Bajpai: Inspirations, Sir, do not always materialise into something practical; they are oftenly dreams of poets and the class of gentlemen to whom I referred a little while ago, namely, men who acquire knowledge completely divorced from practical wisdom. My Honourable friend, Mr. Amar Nath Dutt, had something to say on the subject of agricultural unemployment. Here, again, let no one think that one is unconscious of the aggravation of the agricultural position as a result of the depression or of the fact that the agriculturist, because of the fall in the prices of primary commodities, has suffered more perhaps than the worker in industrial areas. At the same time, while that distressing feature of the situation has to be recognised, one has to be thankful for small mercies, and in that connection I should like to draw the attention of the House to two fundamental features of our rural economy in this country. The first is that the great bulk of the agricultural labourers are tillers of their own land, and the second is

Mr. N. M. Joshi: Can the Honourable Member give us the number of people who own land in India?

Mr. G. S. Bajpai: My Honourable friend is sufficiently familiar with the system of revenue in this country and of land tenure to know that everybody who holds land need not necessarily be the owner of that land. The point I was making was that if the number of those cultivating the soil is classified according to the paid labourer and unpaid labourer or rather paid labourer and labourer who cultivates his own soil or his own land, he will find that the proportion of those who have holdings of their own is much greater. The second point to remember is that the agricultural labourer in this country is not paid in cash, but in kind, that many of them are paid in kind, and from that point of view the fact that our statistical data reveal no diminution of the area under cultivation or of the yield of the food crops at any rate justifies the inference that, so far as his daily meal is concerned, the agricultural labourer is more protected. As I have said, we would very much like things to improve, but, at the same time, in this rather gloomy situation of today, when people are being thrown out of

[Mr. G. S. Bajpai.]

their employments and do not know where to turn for a single meal, the fact that our agricultural labourer is protected by this traditional system of agriculture in this country, at any rate against hunger, is one on which we can congratulate ourselves. There is not very much more I have to add. I have explained our position as regards education and I have also tried to meet some of the arguments that have been made in regard to agricultural unemployment. (Cheers.)

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 Sir Shanmukham Chetty) in the Chair.

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, I am very glad to associate myself with the amendment that has been moved by my Honourable friend, Rai Bahadur Lala Brij Kishore. Really speaking the wording of Mr. Joshi is elastic enough to include the various classes that have been mentioned by the Rai Bahadur in his amendment, and, as a matter of fact, it has been held to be so by some of the Honourable Members who have preceded me. The interests of all the classes mentioned, namely, the agricultural, the industrial and the educated classes are linked with each other and all these classes come under one single head, namely, that of the workers as has been put by Mr. Joshi. I shall show this later on.

Let me take the case of the educated class first. It has been said by my Leader, Sir Hari Singh Gour, that the educational system of some of the Universities, especially the Calcutta University, is vicious in that it brings out a set of clerks. It is mostly clerical and bookish. I think that was the expression that was used by him. I must strongly support this view, but I think this is not all. The educational system of the present day is vicious from many points of view. I submit that nowadays no real education is imparted to our students, but something that goes by the name of education is injected into their brain. To mention some of the defects of the present day education, only very briefly I must first of all mention the fact that about three-fourths of our energy is wasted in mastering the English language which is generally the medium of instruction in almost all the Universities. This is the first. The second is that arrangements for lucrative education are not adequate. Thirdly, the system that is imparted or injected into the boys is a godless system and I submit that no sure and permanent success can be achieved by anybody who has received a godless education.

Mr. N. M. Joshi: How do you reconcile God with money?

Pandit Satyendra Nath Sen: God and money often go together. Sir, over and above this, I should say that the hostel life of the present day student poisons his life from the very beginning. In imitation of customs prevailing in the West, our students are made to live in hostels where they vie with each other in indulging in all sorts of luxuries, at the cost of

their parents or fathers-in-law who are starving at home. They are taught to live beyond their means. Not only this. By giving a little amount of *bakshish* to the Durwan, they can indulge in all sorts of objectionable conduct in spite of the most stringent rules which are on paper only, and they live the lives of spendthrifts and they live in a princely style. These are the defects of the present day system of education, which have got to be removed. But when we urge that our present day education does not enable us to earn our livelihood, we must not forget the fact that the main object of education is not livelihood. Education only seeks to make men of us. It is a well known fact that the number of employments is very few, while the number of candidates is innumerable. So it is necessary that our students must have recourse to other avenues also than ordinary employment. It is, therefore, necessary for them that they must take up some business or they will take up agriculture. When in business, they often prove a failure, because of their extravagant habits which they have imbibed from their hostel life. They cannot shine in business, because they are not industrious. And when they take up agriculture, they often find that it is not at all a paying pursuit. They often find that the agriculturist is often embarrassed with the payment of interest, not to speak of the principal. The rate of interest often ranges from 12 to 24 per cent up to 200 or 300 per cent. These figures may appear to be incredible, but these are not my figures. These are the figures that have been given in the report of the Government of India's Provincial Banking Enquiry Committee. In Pabna in Bengal, the maximum figure is 300 per cent. In Mymensingh, it is 225, and these figures, I think, are true not only of Bengal, but also of most of the Provinces in India. Sir, this being the case, I think what is really necessary is that the Government should come forward to help these agriculturists. They should advance loans on easy payment system, but instead of that, we find that they are being saddled with various sorts of taxation. It has been remarked very rightly by my Honourable friend, Mr. Clayton, that the agricultural issue is the main issue. Sir, I beg to submit that the extinction of the agriculturist means the ruin of the people. It has been truly said by the poet:

"A bold peasantry, their country's pride,

When once destroyed can never be supplied."

Sir, I, therefore, urge on the Government to come forward and liberally help the agriculturist classes. But this is not the last word. There is something more to be added. It may be that our rulers are apathetic, but what is the reason why unemployment stares us in the face in every part of the world. There must be something rotten at the very bottom, and, Sir, I think, according to the old system of education which I received at home, the real reason is that we have gone off from the old moorings, I mean the hereditary distribution of work to particular communities or classes. This is what is called the caste system which, up to this time, has protected our society; and if this system is not revived, however much may be done in other directions, the problem cannot be adequately solved. I, therefore, suggest that these old institutions should be revived so that there may not be any clash between class and class or community and community. With these words, I beg to support the Resolution.

The Honourable Sir Frank Noyce (Member for Industries and Labour):
 Sir, the length of the debate we have had is, I think, sufficient evidence

[Sir Frank Noyce.]

of the widespread interest taken by this House in the Resolution before it and of the importance it attaches to the subject-matter of that Resolution. But it also makes my task in replying a somewhat difficult one. My Honourable colleague, the Finance Member, suggested in his speech that it was a mistake to focus attention specially on industrial unemployment. The House has, if I may say so, followed his advice rather too literally and it has not been easy to discover on what points it has specially focussed its attention. My Honourable friend, Mr. Ranga Iyer, for a few brief moments turned the limelight on the personalities of the Mover of the Resolution and of Raja Bahadur Krishnamachariar, but, after that, the debate strayed over very wide fields. I am not criticizing this discursiveness in any way, but I do feel that it shows that Honourable Members have felt, as I do, how difficult this subject is, and although many of them have declared that they supported the Resolution as moved by my Honourable friend, Mr. Joshi, their speeches have, in point of fact, revealed that they, again like myself, are very far from satisfied as to the practicability of a number of the somewhat facile remedies proposed by the Mover.

The position is, Sir, as most speakers have recognized, that we are dealing with a world-wide phenomenon: and one answer to much of what Mr. Joshi has said is that, as Sir George Schuster pointed out when we were discussing this Resolution last week and as I venture to recall to the memory of the House again today for the point is a very important one, India has undoubtedly escaped more lightly from the industrial depression than any other country in the world except Japan. I maintain that, for the correctness of this contention, there is ample evidence. I would again repeat what Sir George Schuster said last week and ask whether there is any other important country in the world in which the iron and steel industry is working practically to its full capacity as it is working in Jamshedpur today. In the United States, six months ago, that industry was working at less than one-fifth its full capacity and even now it is working at less than three-fifths of that capacity. In spite of the depression in the cotton textile industry, would my Honourable friend, Mr. Mody, if he were here today—I am very sorry that he is not, as certain things have been said about the mill industry by my Honourable friend, the Deputy President, which might, to say the least, have interested him—would my friend, Mr. Mody, if he were here today, seriously contend that the state of affairs in Bombay is as serious as it is in Lancashire? In Mr. Joshi's Resolution he talked of increasing unemployment. He has generalized there, as, in my view, he so often does, from conditions in Bombay City which he knows so well. I myself am not prepared to admit that there is increasing unemployment anywhere else than in Bombay and in the coal-fields. I do not know whether Honourable Members have seen the latest reports of the action taken on the recommendations of the Royal Commission on Labour, but if they have, they will find in these reports that the Government of Bengal have stated that there is no industrial unemployment of any magnitude in that Province and that this state of affairs will continue so long as the industrial labour population of the Province is recruited so largely from areas outside Bengal and the labourers, who are primarily agriculturists, retain their village connexion. The United Provinces Government say that there is no unemployment among the labouring classes in that Province at present; while the Central

Provinces Government have told us that, with the exception of the manganese mines, most of which have been closed down owing to trade depression, the question of unemployment has not been felt to be acute among the industrial population. That, Sir, is what the Local Governments have stated on this question. But I do recognize that, if unemployment in the technical sense is by no means widespread, the current economic depression has brought with it a large amount of under-employment and of economic distress and I am prepared to concede and very willingly concede that it is the duty of every Government, at a time such as this, to direct its policy towards the attainment of a greater volume of employment and of greater security in that employment. (Hear, hear.)

Now, before I come to my difficulties in accepting Mr. Joshi's Resolution as it stands at present, I should like to offer one or two observations on the wider aspects of the question. Mr. Joshi has pleaded for the recognition of the right to live, and, if I followed him correctly, he interpreted this as meaning that the State should provide not merely the means of existence, but a reasonably high standard of comfort for every person in this vast country. That, Sir, is an admirable ideal to which to direct our efforts. But I feel that there is considerable force in this connection in some of the observations which were made by Mr. Ranga Iyer and also by Sir Hari Singh Gour on the subject of population. Our resources in India, though they are increasing, are limited, and it seems to me difficult to demand that the State should guarantee a comfortable existence for everyone so long as everyone has a right to bring as many children as he chooses into the world irrespective of his capacity to support them. I have no desire to develop this rather hard and at present academic line of thought, but I would urge on social reformers the view that population has a much closer bearing on their difficulties than they are wont to recognise or admit.

One remedy brought forward by my Honourable friend, Mr. James, was the immediate application of the Salter Report, and he suggested, if I remember correctly, that Government have forgotten that Report. Some other speakers, I think, made much the same suggestion. It is, if I may venture to say so, not Government who have forgotten the Report, but the speakers themselves. If my Honourable friend, Mr. James, will turn to that Report, he will find that Sir Arthur Salter's suggestions were made with a view to the position after the new Constitution came into force. I have no time to give any lengthy quotations from the Report, but I would merely quote one passage which sufficiently, I think, establishes my contention. This is what Sir Arthur Salter says:

"I would, however, tentatively suggest (a) that the improvement of the statistical and commercial intelligence system is outside the issues stated above and might be undertaken at once as far as practicable. This will in any case help the future organisation and it will not prejudice it; (b) that no attempt to establish the proposed new organisation should be made in the circumstances of the moment at which I write and for so long as they remain substantially as at present."

He added:

"I make even such tentative suggestions on such a point with great diffidence; but I do feel that even considerable delay is preferable to incurring a serious risk that a new organisation, which may play an important and valuable part in India's economic development, should be gravely prejudiced from the start by the conditions under which it is launched."

[Sir Frank Noyce.]

That, Sir, I think, is a convincing reply to those who say that Government have forgotten Sir Arthur Salter's Report. In any case, I am convinced that an organisation of the type, Mr. James desires, would find, as we on this side have found, when we took up this question of economic planning some time ago, that the first essential is to undertake that survey of the ground to which my Honourable colleague, the Finance Member, referred and which we have already started. We have adopted the one suggestion in Sir Arthur Salter's Report which he recommended should be adopted at once.

Now, Sir, I should like to indicate to the House, as briefly as possible, my objections to the Resolution as it stands at present. I have three main objections. The first and the least important is that on which I have already dwelt, namely, the objection to a single word, the word "increasing". Mr. Joshi has, in my opinion, asked the House to express a view which is not only unhelpful, but also inaccurate. My second objection is that Mr. Joshi's Resolution implies that Government have hitherto done nothing. Knowing Mr. Joshi as this House does, they know that this is a charge which he most frequently brings against Government and that his one slogan is: "Mr. President, I want to know what Government are doing?" Well, Sir, if Government have done nothing, the Legislature must be also closely coupled with Government there, for the steps he suggested were to a large extent legislative steps. He talks of "immediate steps", but he seems to have overlooked the fact that for some time past we have been taking a series of important steps which are directly calculated to give the workers better protection against the loss of their jobs or of their wages. Indeed, some of the measures which Mr. Joshi had advocated are already part of our accepted programme. Let me remind him of what we have done. I would first put our fiscal policy on which my Honourable colleague, the Finance Member, dwelt at some length. The House is well aware of the numerous protective measures that have been taken in the course of the last few years and it has again been very sharply reminded, in the course of the last few days, of our protective policy by the Bills which have already been introduced or are under discussion in the House in the course of this Session and which cover an extraordinarily wide field. What I would like to point out to the House is that these measures have been designed not merely to help the comparatively small body of industrial workers in a few cities who have the particular sympathy of Mr. Joshi, but that they have aided great numbers of agricultural workers throughout the country, workers whose needs are not less than those of Mr. Joshi's friends. I am referring especially in this connection to such measures as the Ottawa Agreement and its effect on linseed. The House may be getting tired of references to linseed, but if they will look through the *Indian Trade Journal*, which comes out every week, they will find that the figures of exports of linseed are extraordinarily striking and that linseed is one of the bright spots in the agricultural depression. Then, there is sugar protection and its effect on sugar factories with the consequent increasing employment both among the workers in the factories and the agriculturists who supply the factory with cane.

Mr. F. E. James (Madras: European): And over-production!

The Honourable Sir Frank Noyce: Possibly; but that is not a point that we need discuss now. It may be necessary to do so at some later stage.

There is also the Wheat Import Act and its effect in keeping up prices, not by any means as high as we could wish, but still there is no doubt that the prices of wheat are higher than they would have been but for the existence of that Act. These measures of protection, as we are all only too painfully aware, have involved heavy sacrifices of customs revenue, and I have no doubt that some Members opposite would maintain with considerable justice that they have also involved heavy sacrifices on the consumers. But I do maintain that they have been successful to a large extent, at any rate, in giving security. And, as I said just now, I know of no country of industrial importance, with the exception of Japan, whose economic activity has maintained its vigour so well in the economic blizzard that has swept over the world. We have only got to see for ourselves any one of the numerous exhibitions which are at present being held in this country to find out how rapidly India is progressing in the manufacture of products which appeared entirely outside its scope only a few years ago. That must obviously mean considerable increase of industrial employment.

Our protective policy has been supplemented by other measures of various kinds. Let me remind Mr. Joshi that the last two years have seen two important Acts to assist the employment of plantation labour, the Tea Districts Emigration Labour Act, to which he himself made an important contribution, and the Tea Control Act.

Then, Mr. Joshi referred to relief measures. As he is, I am sure, aware, we are trenching here on the provincial field. It is 3 P.M. the Provincial Governments which employ the Famine Codes to which he referred, and any extension of that form of activity must be provincial. But within the very limited sphere to which the Government of India and this House are responsible, they have not been idle. The Standing Finance Committee has already sanctioned schemes for capital expenditure in Delhi estimated to cost 54 lakhs and, in the course of the next week or so, further schemes, the cost of which is estimated to amount to 81 lakhs, will be placed before that Committee for approval, including, I am glad to say, the scheme for the construction of that long delayed necessity of Delhi, the Irwin Hospital. This measure was designed to relieve unemployment in the only important industrial area within the centrally administered areas and Honourable Members, who move about Delhi and its vicinity, cannot but be aware of the widespread activity to which this attempt at relief had led.

On the question of what Government can do in regard to road development, I shall have something to say in a moment. Then, Sir, Mr. Joshi referred to the spreading of employment. Here, again, we are doing what we can and I would point to the Factories Bill now before this House with its promise of a nine hour day. We have also the question of amending the Mines Act under consideration. My Honourable friend, Mr. Mitra, referred to the question of Railways. I cannot speak with any very close knowledge there, but I do think that the Government of India can claim that on the Railways, where a substantial amount of retrenchment has been inevitable, they have done their best to spread employment and thereby to avoid discharging men wherever this was possible.

Now, I come to the question of roads. Sirdar Harbans Singh Brar has pleaded for the development of roads as a means of relieving unemployment. Mr. Ramakrishna Reddi took up the same point as did also Mr.

[Sir Frank Noyce.]

James. Sirdar Harbans Singh Brar has not, I think, been following quite as closely as he might perhaps have done what we are doing in this matter. I would suggest to him that he might study the proceedings of the Road Rail Conference last year and of our Standing Committee on Roads, and he will find that both we and the Provincial Governments are taking steps to develop the road system throughout India. My Honourable friend, Mr. Ramakrishna Reddi, put in a special plea for the development of rural communications. That is a point we have very much in mind and it came into special prominence during the proceedings of the Road Rail Conference last year. We shall have an opportunity later on this Session to discuss the use to which the share of the petrol tax, which is credited to the Road Development Fund, is put when I place before this House a revised Resolution regarding the continuance of the additional petrol tax. Mr. Ramakrishna Reddi will then find that we propose to allow in future much greater elasticity in regard to the uses to which Local Governments can put their share of the fund and he will find that the development of rural communications has been put amongst the objects to which that fund can in future be devoted. My Honourable friend, Mr. James, mentioned a promise which the Honourable the Finance Member held out to Local Governments during the proceedings of the Road Rail Conference that any schemes for the development of Roads, which they could put forward and which they wish to be financed by loans, would receive the most sympathetic consideration from the Government of India. Unfortunately the response to that offer has been very meagre. Mr. James suggested that we might take the matter up again and see whether we cannot induce a more forward attitude on the part of Local Governments, and I can assure him that that possibility will be very carefully considered. What I have said will, I hope, convince the House that we have already gone far in most of the directions mentioned by Mr. Joshi and other Honourable Members.

There is, however, one important suggestion made by my Honourable friend, Sir Hari Singh Gour, to which I have not yet referred. He suggested that we should set up a Central Board of Control for all industries in this country as the only means of getting a move on towards the increasing industrialisation of India. I am not at all sure myself that increasing industrialisation is going to solve the unemployment question, accompanied as it is in these days by increasing mechanisation as the result of which machine can do as much work as hundreds of men have done in days gone by. But that is not a train of thought that I wish to follow up this afternoon. What I would say in regard to my Honourable friend, Sir Hari Singh Gour's suggestion is that it is not a new one. It was put forward some fifteen years ago by the Industrial Commission of which Sir Thomas Holland was the Chairman. If the recommendations of that Commission had been accepted, they might, I do not say they would, for no one can say what would have happened, but they might have led to the results that Sir Hari Singh Gour has in view. May I, however, remind him of what happened. The recommendations of the Industrial Commission regarding centralisation of industries met with bitter opposition from the Provinces. Let me tell the House what happened in one Province. The United Provinces Council adopted a Resolution introduced by Mr. Chintamani, afterwards Minister of Industries in the United Provinces Government, which affirmed not merely that Local Governments should

be given full liberty of action in respect of the development of industries and that the proposed new services should not be created, but also recommended that no portfolio for Industries should be created in the Viceroy's Council. If that Resolution had been accepted, I should not now be addressing this House. My point is that whilst there is very great force in what Sir Hari Singh Gour has said, he has, I think, ignored the constitutional position and also the constitutional changes which are at hand.

would ask, what chance of acceptance a vast scheme of control of industries by the Government of India, as at present constituted, has, not only at the hands of this House, but at the hands of the Provincial Governments and of public opinion in India generally? The time is, I fear, long past for any heroic measures of that character.

I admit, Sir, that we have not taken all the measures that Mr. Joshi suggested, and that brings me to the third objection I have to his Resolution. This is that in using the words "immediate steps", he includes steps which I might believe to be impracticable, and I imagine that my feelings on that point will be shared by a large section, if not by the majority, of this House. I will take only one example, an example to which he has often referred, and that is unemployment insurance; and I would ask the House if it is really possible to contemplate the establishment of any system of unemployment insurance. The Labour Commission reviewed the question very carefully and came to the unanimous conclusion that no such system was feasible. Mr. Joshi has forestalled me on this occasion. He has taken the wind out of what he thought were going to be my sails. He thought that I should say that this conclusion had the unanimous support of the Commission of which he was himself a member. So he has taken a somewhat different line. He says that, if the Whitley Commission were reporting today, they would report differently from what they did five years ago, that conditions have changed since they reported, and that their attitude now towards unemployment insurance would be a favourable one. Well, Sir, I see nothing whatever in the recommendations of the Commission to suggest that this would have happened. Conditions have certainly not changed in regard to the practicability of putting into effect a scheme of unemployment insurance. And that, Sir, as I understand the question, is what trades unions in this country believe themselves, not so much because of what they have said about it, but of what they have done, or, rather, of what they have failed to do. In England, which Mr. Joshi often holds up to us as an example in matters of this kind, unemployment insurance started with the trades unions and they paid out-of-work benefit for years before any official organisation existed. There was thus a solid foundation for a Government scheme of unemployment insurance. Has anything of that kind been attempted in India?

In dealing with a Resolution of this kind, Sir, we on these Benches have to look to the personality of the Mover of the Resolution, even more than to the subject-matter of his Resolution. This Resolution has been moved by my Honourable friend, Mr. Joshi, and in his hands or rather from his mouth it means something rather different from what it might mean supposing it had, for example, been put forward by my Honourable friend, Mr. James. My principal complaint against Mr. Joshi and those who think with him is that they are always calling upon Government to do this and to do that, whereas their own attitude is singularly unhelpful. I cannot but believe that if Government were to arm themselves with dictatorial powers,—and I imagine that that is a point on which this Assembly would have a good deal to say,—Mr. Joshi and his friends would be the

[Sir Frank Noyce.]

first to protest, unless those dictatorial powers were used entirely in the way they wished. Governments in these days cannot act independently of public opinion and it is difficult for Government to help those who are so little anxious to help themselves. Only a month ago, a session of the National Trade Union Federation was held in Bombay. I do not know whether Mr. Joshi was present there or not. Mr. Joshi admits that he was present. I should like to read to the House what the President of that Federation had to say on this question of unemployment. Here is his paragraph headed "To the Unemployed Great":

"This brings me to the consideration of the problem which I have just mooted. Where to get the Unions workers of the right type? In my opinion, the workers must be found from the vast body of the educated unemployed. My communist comrades may sneer at me and ridicule the idea of getting assistance of the bourgeoisie to fight for the proletariat. My daily duty brings me in touch with the type of the unemployed of whom I am speaking. Their poverty and misery have brought them down to the level of the proletariat. Within my limited experience, I have come across the finest materials among them quite fit to be soldiers and in time to be leaders of the proletarian movement. What many of them lack is not the temperamental equipment, but the power of initiative. The field for labour organisation is immense. It can support a considerable number of the unemployed if the latter can call into play the resourcefulness to organise unions and have the common honesty to render account of the funds collected by them."

Two more paragraphs follow on the same lines, but I will spare the House further details. What I do wish to emphasise, and it is for that reason, I have given this quotation to the House, is that this was all that the President of the National Trade Union Federation had to say on this important question of unemployment. If that was the only solution that he had to offer, if that was the only solution that he presumably as a labour leader of experience had to offer, how can Government be expected to come forward with a ready made solution themselves? But I am prepared to admit that it is not fair to ask Mr. Joshi or even the trade unions to accept responsibility for what the President said. So I will turn to the Resolutions which presumably express the minds of those present. The Resolution on the industrial situation is too long to quote, but it includes the recommendation of the following measures:

(i) Immediate reduction of working hours to at least 40 without reduction of pay and a drastic restriction of overtime, as a means of diminishing unemployment.

(ii) Restoration of the 'economy' cuts in social services, in wages and salaries of the subordinate grades of public employees.

(iii) Increase in wages in private industries and the devaluation of the unit of currency as adopted by the U. S. A., as a means of increasing the purchasing power."

This, moreover, is apparently to be done by legislation. Mr. Joshi suggests spreading employment by reducing hours. I entirely agree with that principle; but what is the use of attempting this if he and his friends are going to couple it with a demand that the employer will pay 50 per cent extra,—for that is what it amounts to,—for every hour that is worked? If that is what Mr. Joshi means by protecting the worker against reduction of wages, can the House be surprised that I should be reluctant to walk into the lobby with him in support of what he describes as "immediate steps"?

But I do wish the House clearly to understand that we on these Benches realise that we are closely concerned with this problem and that we are doing what we can, though it may fall far short of what Mr. Joshi would like. I am prepared to go some way to meet him. If he is prepared to substitute for "to take immediate steps", "to pursue such measures as

may be practicable" and to omit the word "increasing", I am prepared to accept his Resolution as thus amended, though I must make it perfectly clear that Government's view of what may be practicable will probably be found to differ very considerably from his, and that they regard the restoration of economic prosperity as the best means of protecting the worker against unemployment and reduction of wages. To that end their measures will continue to be directed.

In conclusion, Sir, I might perhaps say a word about the amendment moved by my Honourable friend, Rai Bahadur Lala Brij Kishore. I have no great objection to it, though I do not think it adds anything substantial to the Resolution, and it is possible to take exception to it from a purely verbal point of view. He wishes that after "workers" the following should be inserted: "of all classes including the agricultural, industrial and the educated". There is no reason whatever why an agriculturist or an industrialist should not also be educated. I am, therefore, prepared to accept Mr. Joshi's Resolution if he is willing to have it worded as follows:

"That this Assembly recommends to the Governor General in Council to pursue such measures as may be practicable to protect the workers in the country against unemployment and reduction of wages."

I trust my Honourable friend will be able to accept this.

Mr. N. M. Joshi: Mr. President, the debate that has taken place on my Resolution is, on the whole, satisfactory. Before I make up my mind whether I should accept the suggestion of the Honourable Member for Industries and Labour, for the modification of my Resolution as he wants it, I would make a few remarks in reply to the criticism which has been offered on my Resolution and specially on my speech. As I said at the outset, the debate was a satisfactory one and I would also say, the criticism which was begun in a very friendly tone by my old friend, Mr. B. Das, was also on the whole a friendly one. I am very grateful to my old friend, Mr. Clayton, for saying a few things about me personally. He was also friendly, although he said he opposed my Resolution.

I feel I was honoured by the Honourable the Finance Member taking part in this discussion. He found fault with some of my statements. He said that my Resolution was a narrow one and it referred only to industrial workers: I make it quite clear that my Resolution was not a narrow one. My Resolution includes all classes of workers. It is true that, while dealing with my Resolution, for want of time I had to deal mainly with the industrial workers. It may also be true that I restricted my remarks mostly to the industrial workers on account of the limits of my knowledge; but the wording of the Resolution is wide enough to cover agricultural workers as well as other workers whom some Members mentioned. The Honourable the Finance Member also stated that certain premises of mine were faulty. He said that in certain industries production has gone up. I myself admitted that fact, that in the textile industry and in some other industries production had gone up; but there are some industries in which production has gone down and I mentioned mining; and, moreover, unfortunately we have not got figures of unorganised industries as regards production; and for want of figures the Honourable the Finance Member may say that my premises were wrong. But I also may say for the same reason, that his premises were wrong. I do not wish, therefore, to go into that question at all. The Finance Member also said that he was prepared to consider schemes to create employment if the schemes were financially sound ones. Now, it is difficult to say which schemes are financially sound

[Mr. N. M. Joshi.]

ones, if you take into consideration all the effects of a particular scheme. A scheme may be regarded by some to be financially sound only if it directly shows good financial results. But a scheme may be financially sound although we may not be able to show directly that it has produced a good financial return. Take, for instance, the schemes for clearing slums or building roads or generally for increasing the comfort of human beings. These schemes cannot show direct or immediate financial results. At the same time, is anybody prepared to say that these schemes for increasing human comfort will not ultimately be financially sound? I, therefore, think that it is wrong for a Government to examine schemes from a narrow point of view and expect that every scheme must produce financial results immediately. I hold that whatever is done to increase human comfort and human happiness will ultimately produce good results, financial or otherwise. He said also that, if we take loans for public works we may have to pay interest. Yes, we shall have to pay interest; and I hold that even if we have to pay interest for some years, the capacity of the country to bear additional taxation will also ultimately increase. Therefore, we should not be afraid of undertaking schemes for public work even with loans. If the schemes are on the whole well thought out, they will increase the capacity of the people to pay more taxation.

Mr. James, I think, followed the Honourable the Finance Member, and I was very glad to hear from him that at least on this occasion he looked at the proposals which I had made with a determination to agree with as many as he could. I hope the Honourable Member will take up this attitude as regards myself hereafter also. I was very glad that Mr. James again laid special emphasis on the necessity of the Government of India undertaking planned economics—a plan for the economic development of this country. As I said in my opening speech, even the Governor General had admitted the necessity for a plan. What we want Government to state definitely is, are they going to undertake a plan or not? Have they at least begun considering a plan for the economic development of the country or not? From what we see of their efforts, we feel that they have no plan. They may be doing something but in a haphazard way. I would, therefore, like

The Honourable Sir Frank Hoyle: It is obviously impossible to formulate any plan without the material on which to base it. We have made a start, as the Honourable the Finance Member mentioned, with the collection of that material: he read out the terms of reference to Professor Bowley and Mr. Robertson and the Indian economists who are associated with them, which shows what we are doing in that direction. You cannot formulate any plan *in vacuo*.

Mr. N. M. Joshi: I quite admit that before Government make a plan, they will require some statistics. But unfortunately the world is now suffering from the depression terribly, and if we are going to wait for the collection of statistics by Mr. Robertson and Mr. Bowley,—and I am told that they themselves are not going to collect statistics, but they are merely going to suggest to the Government of India how statistics should be collected,—if we have to wait for their Report, then, I am afraid, we shall have to wait for very long, and I feel that the whole House will agree with me that the Government of India must show greater energy and greater vigour in this matter. Statistics are

necessary,—I don't deny it, but if we are going to wait for years and years before all these things are slowly matured, I am afraid we shall be too late in our efforts. The world is not waiting for all these statistics. They are necessary for everybody, but the other countries in the world feel that the times in which we are living are indeed very hard times, and the gravity of the occasion demands that we should take some remedial steps without delay, and without waiting indefinitely for statistics.

Now, Mr. President, there were other speakers who took part in the debate. I do not wish to deal with their suggestions, but I can summarise them in a general way. Some of them said that I should have mentioned agricultural workers, and some said that I should have included the middle class workers. I made it quite clear in my speech that I did not want to exclude anybody. I myself said that the problem of unemployment could not be solved if we merely took one class. The problem can only be solved if we tackle it in its entirety. If there is sufficient employment for agricultural workers, there will be employment for industrial workers also, and in spite of the references made to the Central Educational Board, let me make it quite clear that the establishment of a Central Education Board is not going to create employment. The only thing that will create employment for the middle class people or the educated people is the creation of employment for the agricultural and industrial workers. A certain number of the educated people will be employed in the proportion to the employment of industrial and agricultural workers. After all, Government are not going to employ all the educated people. They must be employed by industries, agricultural and otherwise. If there is not sufficient employment for the people who work with their hands, there is not going to be employment for the middle class workers. I would, therefore, suggest to those people, who are interested in the removal of unemployment amongst the middle classes, that they should pay more attention to the removal of unemployment of the industrial and agricultural workers.

Then, Mr. President, I would only say a few words with regard to what the Honourable Member in charge of the Department of Industries and Labour said. He first said that I was not generally satisfied with what Government did, and that there was a limit to which Government could go on account of the Constitution. He also said that he would have to carry public opinion with him, he had not got dictatorial powers and that he must take the House with him. Well, whether the Government possess dictatorial powers or not, is not a matter that I would like to touch on on this occasion, but may I ask my Honourable friend one question? Has this House ever refused to pass any labour legislation which he or his predecessors in office ever brought before this House? If the Government do not bring forward legislation, Government cannot blame the Legislature for not doing anything. The Legislature nowhere in the world has done much by way of private legislation. Whatever is done is generally done by Government, and it must be said to the credit of this Legislature that they generally approve of what Government proposes,—not that I am satisfied with what they do, but the Legislature has shown wonderful confidence in Government in the matter of labour legislation

Dr Ziauddin Ahmad: And in all legislation.

Mr. N. M. Joshi: I, therefore, feel, Sir, that the Government of India need not hesitate on the ground that there will not be support in the country or in this Legislature.

Then, Mr. President, the Honourable Member in charge also said that the Government were doing a great deal and that I was doing injustice to them. May I ask, whether Government are quite sure that they will get a majority even in this House if they bring forward a Resolution to the effect that this Government have done their duty in the matter of creating employment in this country? I am sure, they will not get a majority even in this House if such a Resolution were brought forward. They have given protection to certain industries, but even, while doing so, they could have protected the interests of the workers in those industries, but they have taken no steps to do that. It is not difficult for a Government, when they offer protection to an industry, to insist that in that industry there shall be no unemployment, that the employer shall not discharge men who are already employed. The Government can also insist that in an industry, which is protected, the wages shall not be reduced. Have the Government of India done that? I am quite prepared to admit that they have passed certain measures for protecting the industries, but they have not shown any desire for protecting the workers employed in those industries.

Then, Sir, as regards the measures for relief, the Honourable Member stated that this was a provincial matter. It is true that the relief of the poor is a provincial subject, but is it not also true that the world has now found that it is difficult for a Local Government to deal with the widespread problem of unemployment? In America, they used at one time to hold the view that the problem of unemployment could be solved by States individually, but they have now found by experience that it is impossible to solve the problem by States or by provinces individually. A Central Government have to tackle that problem. It is quite possible that the Central Government may take the help of the Provincial Governments in this matter . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must now conclude.

Mr. N. M. Joshi: Mr. President, I shall not take any more time on this subject. I feel on the whole that the Government have not really done what they should have done. They should have shown greater vigour and greater expedition in this matter, and I would add that the solution of this problem is not merely in the interests of the workers. The unemployment of the workers and the reduction of the wages of the workers affect the soundness of the position of the industries also. If you relieve unemployment, and if you see that the workers are paid adequate wages, these two measures will help to put an industry on a sound basis. Therefore, my proposals are necessary and desirable in the interest of the industry itself. And I go further and say that the relief of unemployment and the adequate payment of wages of the workers are necessary in the interests of the country itself. The protection and maintenance of the skill of a worker, and of his enthusiasm for work is in the interests of the country. The willingness of a worker to work and his skill are a form of capital which is more valuable to the country than the capital which the capitalists invest in the industry. I, therefore, feel that the adoption of

the measures which I suggest is necessary in the interests of the workers as well as of the industry and the country. As regards the amendments, I am quite prepared to accept the wording suggested by the Honourable Member in charge of the Department of Industries and Labour. He suggested a particular interpretation of the acceptance of the Resolution. Well, let the Honourable Member remember this, that when we pass this Resolution, this will be a Resolution of the House. The House will interpret the Resolution according to its lights; the Government may interpret the Resolution according to their lights; and I may interpret the Resolution according to my lights. We are free, all of us, in that respect. But on the whole, I feel that I shall be justified in accepting the amendment which the Honourable Member in charge of the Department has proposed. I, therefore, thank him very much for accepting the Resolution even in that modified form.

Rai Bahadur Lala Brij Kishore: I beg leave of the House to withdraw my amendment.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That for the original Resolution the following be substituted:

"That this Assembly recommends to the Governor General in Council to pursue such steps as may be practicable to protect the workers in the country against unemployment and reduction of wages."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That this Assembly recommends to the Governor General in Council to pursue such steps as may be . . ."

The Honourable Sir Frank Noyce: May I say that my suggestion was "to pursue such measures as may be practicable", and my Honourable friend has accepted that wording.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That this Assembly recommends to the Governor General in Council to pursue such measures as may be practicable to protect the workers in the country against unemployment and reduction of wages."

The motion was adopted.

RESOLUTION RE EXCISE AND IMPORT DUTIES ON KEROSENE AND OTHER MINERAL OILS.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muham-
madan Rural): I move:

"That this Assembly recommends to the Governor General in Council that steps be immediately taken to equalise the rate of excise duty and the import duty on kerosene oil and also on other allied mineral oils on which the rates of excise and the import duties are different."

[Mr. S. C. Mitra.]

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

The present excise duty is two annas and 9½ pies and the import duty is three annas and nine pies, and the difference is 11½ pies. My suggestion in this Resolution is that there should be no difference between these two duties on export and import. In reply to a question in this Assembly on the 26th January, the Honourable Sir George Schuster said:

"The difference between the rates of excise duty and customs duty on kerosene is at present 11½ pies per gallon. During the year 1932-33, the exports of kerosene from Burma to India were about 126 million gallons. The difference between the two rates of duty, when applied to this quantity, amounts to Rs. 74 lakhs of rupees."

So it is clear that if we increase the excise duty only on the quantity that comes from Burma alone, the Indian Exchequer can get Rs. 74 lakhs. I have not got the figures about the quantity of oil that is produced in the Punjab by the Attock Oil Company and in Assam by the Assam Petroleum Company. But if we take those amounts also into consideration, I think the difference may be nearly a crore of rupees a year. I have got the figures for 1930-31 in the books published about Assam and the Punjab. It was 17,464,548 million gallons for Assam and 20,58,969 million gallons for the Punjab. The figures for Burma for the same year were 110,257,926 gallons which have now been increased to 126 million gallons. So, if there has been an increase, it will be about another 40 million gallons from the Punjab and Assam and, in round figures, if we raise the duty, it will benefit the Indian Exchequer by about a crore of rupees for India and Burma. In my Resolution I have not definitely said that the excise duty should be increased to the same level as the import duty. I have merely suggested that it should be equalised, and my grounds are these.

My contention is that, due to these differential rates, this large sum of money goes into the pockets of the kerosene pool of which the Burma Oil Company is the chief factor. I shall presently show, quoting figures from Government books, that the price of kerosene is fixed according to the rates of the imported oil. If the import duty is lowered, then the poor Indian people will be benefited, and, in these hard days, even a small reduction in the price of kerosene will help them a great deal. It is for the Finance Member to decide what he should do. My only duty is to show him that there is a large amount of money, about a crore of rupees, that goes into the pockets of the indigenous manufacturers all these years, and I shall presently show what this indigenous manufacture means. It is not more than five per cent. Indian, I mean, of the total Indian production of kerosene.

Mr. H. S. Sarma (Nominated Non-Official): Question.

Mr. S. C. Mitra: You will have the answer also. This question was raised as early as 1922 by an Honourable Member from the European Group. Then the difference was 1½ annas. I will read from his speech—it is a speech of Sir Frank Carter on the 7th March, 1922, in connection with the general discussion of the Budget. He said:

"The import duty on foreign oil used to be 1½ annas per imperial gallon. It is now raised to 2½ annas per gallon. Government have also imposed an excise duty

of one anna per gallon on kerosene oil produced in India. I do not myself see why this excise duty should not be the same as the import duty on foreign oil, viz., 2½ annas per gallon. Most of the oil produced in India comes from Burma and we all know that the oil companies are some of the richest and largest companies in the world. Is there any reason why the oil companies of Burma should be let off so cheaply? It is not as if all the profits they make are spent in India."

That was the view of the then representative of the European Group, Sir Frank Carter. I shall now refer to the views of Sir George Rainy, whose views are always held with great respect in this House, whether by the Official Benches or the Opposition. In the year 1930, during the discussion of the Finance Bill, this very same question was raised. I refer to page 2126 of the Debates which contains Sir Purshotamdas Thakurdas' views and then I shall refer to the speech of Sir George Rainy. Sir Purshotamdas Thakurdas says:

"On page 56 of the Tariff Board Report, this is what he (Sir Padamji Ginwala) says: 'Both indigenous and foreign kerosene are sold by this group at the same price'. There is a combination; the importer and the local producer both work together. The obvious inference, therefore, is that the extent to which the excise duty is lower than the import duty, to that extent the profit of the indigenous companies is increased."

Then, there was a further question in that debate whether the producers in India could claim, under the policy of discriminating protection, that that was the accepted policy of the Government of India. Referring to this, Sir George Rainy said:

"In some cases there may be a claim to protection which may or may not be held to be established, but what is the position in this case. The arguments I have listened to from the European Benches seem to me to approach perilously near to this position, that because the industry has for a period of a quarter of a century enjoyed the benefit of a difference of one anna six pies per gallon between the excise duty and the import duty, therefore that difference must continue for an indefinite period. Looking at it, as I look at all these questions, from the point of view of the policy of discriminating protection, I find it very difficult to understand how an attitude of that kind is to be justified. The policy of discriminating protection is that industries are to be protected until they can stand alone and dispense with protection. It is true that, in this case, the import duty on kerosene was not originally imposed as a protective duty, but as part of the system of revenue duties which at the time of its imposition were the only kind of duties in the Indian tariff. Still let us take it on the basis that at one time the duty may have been required to keep the oil industry going. Let us take it on that assumption. A period of a quarter of a century has elapsed, and that being so, is it not fair to ask whether in existing circumstances, the retention of that difference between the two rates of duty is still necessary in the interests of the Indian industry. What do we find? I would refer to the same figures which have already been quoted by my Honourable friend Sir Purshotamdas Thakurdas, from the Majority Report of the Tariff Board. It appears from these figures that, out of a total share capital of the Burma Oil Company,—a company which is responsible for rather more than three quarters and rather less than four-fifths of the total production of crude oil in India,—it appears that of the total ordinary share capital of £6,800,000, only a little over £1,300,000 is subscribed capital, and about £5,500,000 consists of bonus shares. In addition, there are £4,000,000 preference shares. In the year 1927, the dividend declared on the ordinary shares was 20 per cent. That is, it must have been a little over £800,000 on the ordinary shares, and the dividend on the preference shares, in addition, brings that figure up to something over £1,600,000. The total subscribed capital is £5,300,000, and the proportion of the two dividends together on the total subscribed capital is nearly 30 per cent."

Further on, he says:

"If a new application for protection comes forward, it is always very carefully and narrowly scrutinised, and the recommendations which have hitherto received the approval of the House have always been on the basis of giving no more than was really necessary to put the industry on a sound basis. Unless we abandon that policy I do not see how we can consistently defend a position which amounts to this that,

because an industry has for a quarter of a century enjoyed actual protection of a certain amount, owing to the difference between the excise duties and the customs duties, therefore this difference must be regarded as sacrosanct and the Government must in no circumstances interfere with it."

Then, further on, he says:

"The only question is this; is the industry making large profits and is there reason to believe that those large profits are due to the difference between the customs and the excise duties. Whether it is one company or several companies to any mind, makes no difference at all."

From these statements it is clear that, on the ground of discriminating protection, this industry, which has now for more than 30 years been giving dividends of over 30 per cent., cannot claim any special protection. I have calculated the figures here and I find that the total dividends it has paid is £88,907,258. This is about the Burma Oil Company. The dividends are given in the Tariff Board's Report and I have merely multiplied the percentage of dividend declared each year by the capital of that year, and if you want it, I can read it. The dividend varies from 10 to 50 per cent. from the year 1902 to 1927.

Mr. E. T. H. Mackenzie (Nominated Non-Official): Could you let us have the figure for 1925, which you have worked out?

Mr. S. C. Mitra: In 1925, it was 35 per cent., which amounts in money to £3,202,918.

Mr. E. T. H. Mackenzie: The actual dividend in that year was 18½ lakhs of pounds of which something less than 16 lakhs of pounds was paid on the ordinary shares.

Mr. S. C. Mitra: I am giving these figures from the Tariff Board Report, page 7. If you multiply the dividend by capital, you get the figures. Do you question the accuracy of the Tariff Board figures?

Mr. E. T. H. Mackenzie: No; but I question your working of them.

Mr. S. C. Mitra: Working is mathematics. Learn better mathematics and you will find it. In 1926, it was 30 per cent. and in 1927, it was 20 per cent. I could read the whole thing. You can test it at your leisure. In 1902, the invested share capital was 1,145,114, dividend 15 per cent. Amount of dividend comes to 171,767. In 1908, the invested capital was £11,556. The total capital was £1,156,670. The dividend was 15 cent. and the amount of dividend was £173,500, and the largest I find in the year 1919. The dividend was 50 per cent. and the amount of dividend £1,978,750 and, in 1924, it was 35 per cent. In 1925 also, it was 35 per cent. and the total comes to this

Mr. E. S. Millar (Burma: European): How much of that dividend was earned in this country and how much of it came from their foreign investments?

Mr. S. C. Mitra: That is not the issue. You hear me first. The total bonuses up to date comes to the total of £5,590,564. So the total dividends paid up to date plus bonuses comes to nearly £40 million on a capital of £6 million! I would like to refer my friends to page 7 of the

Indian Tariff Board's Report. On page 7, the total of the ordinary capital is given as £6,868,256, preference shares £4 million total £10,868,256:

"In addition, in 1903, £500,000 debentures were outstanding, but these were all paid off by 1913. Of the ordinary capital of ~~£6,868,256~~, £5,590,564 represents bonus shares. The following distributions of dividends have been made on ordinary shares."

All these figures are given on pages 7 and 8, which show dividends having been paid ranging from 10 per cent. to 50 per cent. Then, they remark in the majority report:

"It appears, therefore, that an original holder of £100 shares in this Company would now hold shares of the nominal value of £540 which, at the present market quotations, would be worth £2,400 and, in the period 1902-1927, would also have received dividends of over £1,600."

I think, Sir, you are now satisfied as to how much of these shares has been paid. Thus the bonus shares were more than £ five million, and dividends of more than £38 million have been paid. Of the ordinary capital of £6,868,256, the bonus capital was £5,590,564. Thus the real capital is only £1,277,692. You can take these figures and try your own arithmetic.

Sir, the Honourable the Finance Member said that if the Burma kerosene oil were subjected to a higher import duty, it was by no means certain that the same quantity would be imported into India, while, if Burma was not a part of India, the Government of India would lose the income-tax. Sir, it is not a fact that if we raise the export duty to the import level, the Burma oil would not come into India. If time allows, I shall show that Burma oil can sell cheaply in India, because it has a monopoly. Why? Because in the nearest market, even in China, it has to undergo competition with the Royal Dutch Shell Group which can supply kerosene from the East Indies. The Tariff Board's Report at page 28 says:

"We should explain here that until 31st December, 1927, the Royal Dutch Shell Group and the Burma Oil Company compensated this Company fully for any losses incurred on account of the price war by paying the full Pool prices existing before the War commenced.

We have already referred to the fact that the Royal Dutch Shell Group have agreed to compensate the Burma Oil Company and the Indo-Burma Oil Company to the extent of half the difference between Chinese prices and Indian prices on their contribution to the Pool."

Now, they have formed a Pool. I shall give more figures to show you that really these three or four English Companies, incorporated in England with very few Indian shares, are monopolising the Indian trade for the last 80 years and more, and I shall still show that it is not for the benefit of Indians and that India has paid crores of rupees because of this monopoly and these Companies have not the semblance of a claim to ask for any discriminating protection as an indigenous industry. As regards the Honourable the Finance Member's anxiety that the income-tax may be lost, I can tell him that by income-tax he certainly claims less than 100 per cent. of the total income. It must be assessed on a certain percentage of the whole income. If he can get Rs. 74 lakhs, he cannot expect to get as large an amount as Rs. 74 lakhs by income-tax. I shall show in another connection how these companies deceive the Indian treasury as well. Sir, what do these large bonuses mean? All this is simply avoiding the income-tax. A Company, with a million and three hundred

[Mr. S. C. Mitra.]

thousand pounds as capital, giving a bonus of more than £5,580,000, means only this that they have avoided the super-tax that is levied in India. This is one of the ways how these big Companies can manage, and Government wink at these deceptions! Did anybody hear of giving such large bonuses, which are an indirect way of making out the income to be less, so that the Finance Member cannot get hold of them under the Income-tax Acts? Sir, the Honourable the Finance Member's anxiety should be more in respect of amending the Income-tax Act, so that, in this unfair way, in the name of bonuses, such Companies should not be able to conceal their real income.

Mr. B. Das: The Bombay millowners did the same!

Mr. S. C. Mitra: Yes, yes, I know all these clever people did so. Sir, I shall quote some of the passages both in the Majority Report and in the Minority Report to show how the prices that prevail in India have very little connection with the cost of production, but they put it near about the rate of the importers.

Sir, I quote now from page 11 of the Tariff Board's Report:

"The Burma Oil Company, the premier oil company in India, by its arrangement with those Companies whose properties are so situated as to enable them to offer formidable competition in the Indian market, *viz.*, the Royal Dutch Shell Group and more recently the Anglo-Persian Oil Company, has secured an organization capable of controlling and fixing the price of oil products in India."

At page 12, the Tariff Board say:

"The Burma Oil Company by its arrangements with those companies operating in countries so situated as to afford opportunities for effective competition in the Indian market, secured to itself and its associated companies the power of controlling prices in India."

The President in his Minority Report at page 65 says:

"The Burma Shell Group sells nearly 95 per cent. of the indigenous kerosene, the only company outside that group being the Indo-Burma Petroleum Company. The Standard Oil Company of New York and the Indo-Burma Petroleum Company follow these prices."

The real competition did not exist in India and there was no one to challenge the Pool's claim to receive the equivalent of the American parity for their petroleum produce. In the Summary, at page 95, paragraph 10, they say:

"The real equivalent of world parity at Indian ports is the price at which under competitive conditions kerosene is or can be imported on a commercial scale. Russian oil has been so imported and landed in India duty paid at Rs. 3-10-7 per unit for superior and Rs. 3-7-11 for superior and inferior combined. On these figures the indigenous industry has been realizing prices very considerably above world parity."

In para. 15, it is said:

"There is evidence which suggests that all petroleum products are being sold in India at exorbitant prices owing to oil business being in the hands of Oil Trusts, and that the consumer has to pay a sum which may amount to Rs. 5 crores per annum in excess of economic prices."

From these quotations I would like to show that these Companies cannot claim any preferential treatment from the Indian Government at the expense of the poor consumers. Sir, it is because of these cases that, during the last five years of the régime of the Honourable the Finance Member, the poor Indian peasants and cultivators and others had to pay an additional taxation to the tune of not less than 40 crores of rupees. Is it not his function, now that he is retiring, to see if he can relieve the Indian tax-payer to some extent from these heavy additional taxations. Sir, I understand that the British Government at home are now restoring the cut in the salaries of the officials. It was taken up here as an emergency measure. As an emergency measure,—what does it mean? It infringes strictly the conditions of service of the officials in India. If we can afford to pay full salaries to our officers, why should we not do it? These are some of the sources which remain untapped and I very humbly request the Honourable the Finance Member to see if it is possible for him to get money from these sources which are now being monopolised by people who have no special claim for a discriminatory treatment. I challenge Honourable Members here to show if the poor Indians hold even five per cent. of the shares in these big Companies. Sir, if my time is not up, I will take only a few minutes more.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has spoken for more than half an hour and he should now bring his remarks to a close.

Mr. S. C. Mitra: Sir, it is a subject that takes time. If you like, I will close my speech; but if you allow me to continue for a few minutes, I shall be glad.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member can speak for five minutes more.

Mr. S. C. Mitra: If the question is raised by any Member, I shall subsequently show that even so far as the inferior quality of oil is concerned—for which some Members in the past claimed that India had been very much benefited by these combines—India has paid more even as regards the inferior quality of kerosene as well. It was not due to any special consideration for the poor Indian that the rate for the inferior Burma oil was put at a lower rate.

Raja Bahadur G. Krishnamachariar: How about the consumer?

Mr. S. C. Mitra: The Resolution that I have moved merely says that the rates may be equalised, but the Honourable the Finance Member can, if he likes, lower the rates or he may put a middle figure by raising a bit the export duty and lowering the import duty. What I claim is that this differential treatment does not help anybody in India except the group of foreign manufacturers. I will now refer to page 5 of the Report where it is said:

“The Burma Oil Company has advanced the Assam Oil Company £900,000 and holds 90 per cent of the share capital of that Company. The British Burma Petroleum Company has no separate marketing organisation but utilizes the agency of the Burma Oil Company for the sale of its products. The Rangoon Oil Company is practically identical with the British Burma Petroleum Company, the latter Company holding 96 per cent. of shares in the former. The Rangoon Oil Company produces only crude oil, the whole of which is sold to the British Burma Petroleum Company.”

[Mr. S. C. Mitra.]

The other group is:

"The Indo-Burma Petroleum Company under the management of Messrs. Steel Brothers has its own marketing organisation and is in no way connected with the Burma Oil Company. It holds 33,000 out of a total of 250,000 shares in the Hessford Development Syndicate which is a private company, while Messrs. Steel Brothers hold 66,402 shares. The companies are, therefore, very closely associated. The Attock Oil Company is under the management of Messrs. Steel Brothers who also hold 446,805 of the shares but utilizes the Burma Oil Company's organisation for the marketing of its products."

I can show from Government reports that it is really the combination of these few British Companies which are incorporated in England and which belong to the same class of shareholders that almost monopolise the Kerosene trade and fix the price of kerosene without any reference to the cost of production.

I would like to emphasise one point and I hope the Honourable the Finance Member will help the House by giving figures. It is said that to this group also belongs the Anglo-Persian Oil Company. 56 per cent. of the capital of this Company is said to be subscribed by the British Government, 28 per cent. by the Royal Dutch Shell and only 16 per cent. from public subscriptions. If this is a fact, this Anglo-Persian Oil Company also form a very large and important factor in this pool. Then if the British Government hold as big a percentage as 56 of the capital, of course, I am speaking subject to correction, then the Company's influence with the British Government may be so great that all our efforts to tax them properly will fail. I know the difficulties of the Honourable the Finance Member in this case, but I hope he will try his best to convince the Secretary of State, who is responsible to the British people. The Secretary of State is not responsible to India, yet we appeal to the Honourable the Finance Member that he may see that the Indian interests do not suffer and that this large amount of money is added to the Indian Exchequer and thus mitigate the heavy taxation that has been imposed on the country during the last few years. The economic depression is very great and yet India is paying a higher and higher amount of taxation. Sir, if the Budget is balanced by heavy taxation alone, I certainly hold that much great claim cannot be made for good government in this country.

Sir, I move my Resolution.

Mr. Deputy President (Mr. Abdul Mafin Chaudhury): Resolution moved:

"That this Assembly recommends to the Governor General in Council that steps be immediately taken to equalise the rate of excise duty and the import duty on kerosene oil and also on other allied mineral oils on which the rates of excise and the imports duties are different."

Mr. B. S. Sarma: Mr. Deputy President, I very strongly oppose this Resolution and, I do so, because, I think, from the political point of view, the moving of this Resolution at this moment is most inopportune and all my arguments will be based on that. Therefore, if Honourable Members will wait, they will understand why it is so. Sir, my Honourable friend, Sir Frank Noyce, in the course of his concluding remarks on the last Resolution a few minutes ago, said, that the value of the Resolutions that are moved on the floor of the House should be considered not only from the merits of the Resolutions, but also the quarters from which they emanated. Sir, judging by that standard, I suspect the quarters from which this Resolution has emanated.

Mr. S. C. Mitra: If the Honourable Member is honest, he will say plainly what he means and what are his implications.

Mr. R. S. Sarma: I am not insinuating anything at all. It is a plain statement and if only my Honourable friend had waited and listened to what I was going to say, he would regret having challenged me now. I say that if this is purely a revenue measure, for the purpose of getting to the coffers of Government nearly a crore of rupees, if this suggestion had come in the Finance Bill or if it had come as a separate measure from the Honourable the Finance Member, I would have perfectly understood it and we, on our part, would have supported it. But this does not come from that quarter and the Honourable the Mover himself has emphasised that that was not his view. If, however, this is based upon two arguments, namely, firstly, that in all parts of the world, there is always some sort of parity, there is fiscal equality between the excise duty and the import duty and that we should bring our own country's fiscal position along lines which obtain in other countries, then I think the Resolution can claim a large measure of support. If, on the other hand, my Honourable friend can prove that nearly one crore of rupees can be got for the Government by undertaking this measure and only from that point and that point alone he is moving this Resolution, then there is some justification for giving the same support. But my Honourable friend has made it plain from the very beginning that neither of these two things are his intentions. His whole idea is that from the Burma Oil Company, a British concern, he wants to take about a crore of rupees from the profits they are making and give it over to the Government of India simply to teach a lesson to the British Company.

Mr. S. C. Mitra: Who pays it? Is it not the Indian consumer?

Mr. R. S. Sarma: With regard to what the Indian consumer gets in this House and how his cause is championed, I will have a good deal to say when the Tariff Bill comes up for discussion, because I find in this House all sorts of preposterous motions on behalf of consumers are made but, I make bold to say, it is only the importers who are masquerading as consumers who are able to get the ear and support of most Honourable Members of this House. In the present instance I do not see any consumer has sent any representation to my Honourable friend; Mr. Mitra, or any one in this House to take up his cause with regard to the kerosene oil. Well, Sir, I myself am a consumer and my Honourable friend, Mr. Mitra, who perhaps lives in the townside, may not consume kerosene oil at all, but I live in the countryside in Southern India where there is no electricity, and kerosene oil is used in my part of the country much more than in the part of the country from which my Honourable friend, Mr. Mitra, comes, and so, I am the real consumer of kerosene and, therefore, I would challenge my Honourable friend to bring out a single telegram from any consumer protesting against the existing conditions and asking that a Resolution of this character should be moved. I was saying, Sir, that I have to oppose this Resolution on political grounds and they are these. Unfortunately, Sir, for the last four or five years, we have been seeing both British officials and British merchants going before the Round Table Conference and before the Joint Parliamentary Committee always asking for safeguards.

Mr. S. C. Mitra: The British merchants are asking for the separation of Burma because of their interest in the Burma Oil Company.

Mr. E. S. Sarma: That point does not arise here. I was saying, Sir, that British officials, as well as British merchants, are going before the Joint Parliamentary Committee and before the Round Table Conference and are asking for safeguards. I say, Sir, that if my countrymen like my Honourable friend, Mr. Mitra, and others have not been pursuing these tactics, I do not think that that question of safeguards would have been raised, nor would our European friends have pressed as they have done so before the Joint Parliamentary Committee and the Round Table Conference, and who can deny that they have had sufficient justification for doing so. In this connection, Mr. Deputy President, I may relate to you a small incident which I heard from some influential friends in England. When at the last Joint Parliamentary Committee, some people were asking for safeguards, Lord Derby and Lord Salisbury and a few other British Members of the Joint Parliamentary Committee honestly felt that British commercial interests were asking for safeguards out of suspicion of the future Indian Government and did not want to take much serious notice of it and wanted to convince the witnesses before them that their suspicions were unfounded and that they were wrong in pressing for those safeguards. But, during the course of the day, in the course of examination of these witnesses by some of our own Indian friends, questions were so put that these very gentlemen were convinced that those people who were asking for safeguards were perfectly justified if the future governance of the country would be entrusted in the hands of these Indian members who were putting those questions.

Mr. S. C. Mitra: Did I not tell the House that it was an honest Englishman, Sir Frank Carter, who took up this point before Indians and an Indian like you now oppose it.

Mr. E. S. Sarma: I am opposing it on political grounds alone as I said before.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): What is your politics?

Mr. E. S. Sarma: I cannot understand your question. I am perfectly willing to answer the Honourable Member's question, but the Honourable Member is always very unintelligible and, therefore, it is very difficult to understand his questions. Sir, what will be the effect of this Resolution? Here, my Honourable friend, Mr. Mitra, twice emphasised that the shareholders of all these concerns were all Britishers and that they were pocketing all this money, and that they were deceiving this Government and, therefore, he was suggesting some sort of discriminatory treatment. His arguments virtually amount to that. I say, Sir, arguments of this nature are going to strengthen the hands of the die-hards at home who are asking for more safeguards, and they would now say, in the light of the present experience, that they were perfectly justified. Then, my Honourable friend challenged me to show whether even five per cent. of these companies had Indian shareholders on their registers. So far as I know, there are only about five or six prominent concerns which are producing oil in this country, namely, the Moola Oil Company, the Indo-Burma

Petroleum Company, the British Burma Petroleum Company and the Burma Oil Company, and my Honourable friend challenged me to show whether there were more than five per cent. of Indian shareholders on these Companies.

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

Would my Honourable friend, Mr. Mitra, be surprised to hear that, in the Moola Oil Company, the shareholders are all Indians? With regard to the Indo-Burma Petroleum Company, would my friend be surprised to hear that nearly 75 per cent. of them are Indians or, to be more correct, there are 708 Indian shareholders as against a total of 1,098 shareholders. With regard to the British Burma Petroleum Company, out of 11,020 shareholders, there are 9,440 Indian shareholders. With regard to the Burma Oil Company, against whom all the attacks are directed, they have got a large number of Indian shareholders. I have not got the figures at present, but would my Honourable friend be surprised to hear that if he cares for it, perhaps I could ask my Honourable friend, Mr. Mackenzie, to transfer to my Honourable friend, Mr. Mitra, as many shares as he likes. The Burma Oil Company shares are as much in the market as any other shares are in the share market, and any Honourable Member of this House, if he cared, could buy them.

Mr. B. Das (Orissa Division: Non-Muhammadan): What is your brokerage?

Mr. B. S. Sarma: I do not take any brokerage. It is the peculiar good fortune of certain Honourable Members of this House and I have not tasted it. Now that the matter has been raised on the floor of the House—I have never made any personal reference of any character in this House, but as this matter has been raised, let me give one information on the floor of the House, which some of my Honourable friends, who represent the Burma Shell in this House, can endorse, namely, that I myself had a Burma Shell agency getting about Rs. 1,500 a month till two years ago for the last few years, and as soon as I became a Member of this House and took up the work of journalism in Calcutta, I informed the Burma Shell Company in Madras that, in view of the fact that these controversial matters are likely to come before the House and in view of the fact that from day to day the affairs of the Burma Shell Company are being discussed on the floor of the House, I feared that even if I supported the Company, honestly, motives would be attributed to me, and, therefore, I begged of them to allow me to resign the agency. I wish some Honourable Members of this House could show an equally good record. Sir, the point was made out that all the money from this concern went only into the pockets of Europeans. To show how much of the Indian revenues are benefited by them, I have been able to get a few figures which would interest this House. In 1931 alone, the indigenous industries contributed to both Central and Provincial revenues, in the form of royalties, no less than 1½ crores. Again, the Burma Oil Company bought in this country alone in India stores worth about one crore of rupees in one year.

Dr. Ziauddin Ahmad: Does it include petrol also or only kerosene?

Mr. R. S. Sarma: Another point which my Honourable friend, Mr. Mitra, pressed was that, because of this monopoly, they were regulating the prices and influencing the world prices in this matter. I put it that it is entirely wrong, because, from the figures that he himself can find from the Indian Tariff Board Report, he will find that the production of oil in India and Burma amounts to only one-sixth of what is produced in Persia alone, and this is very small compared with the production of oil in the whole world, and nobody can say that with such an infinitesimally small production of oil, they would be able to influence the world prices. Sir, these are some of the grounds on which I strongly oppose the motion, and, as I said, these frequent attempts on the floor of the House and outside to discriminate against Britishers and Europeans in this country have had a very great disastrous effect of tightening up the die-hards at Home against the Indian aspirations.

Mr. President, when you were not in the Chair, I mentioned an instance how by the way in which our own witnesses cross-examined certain Europeans in the Joint Parliamentary Committee, British friends of this country, who were first against the safeguards coming out of the meeting of the Committee, said:

"We thought these apprehensions were founded on suspicions, but, from the way in which your own representatives from India put questions to these members, we are perfectly justified in thinking that, if the governance of this country went to the hands of these people, there would be perfect discrimination, and these European officials and merchants were perfectly justified in asking for safeguards."

Therefore, Sir, in the interests of the country itself, in the interests of creating a better atmosphere to dispel all fears that we in this Assembly and outside are discriminating against the British people in this country, and in view of the goodwill that we will secure, I strongly oppose this Resolution.

Mr. E. S. Mullar: Sir, I rise to oppose this Resolution. I have been in the employ of three different indigenous oil producing companies in this country for the last 20 years and I feel I am qualified to speak on this matter, one that deeply affects the interests of the industry concerned.

An Honourable Member of the House on the Opposite Benches once asked for my opinion on the standing and prospects of a certain indigenous oil producing company in which he had invested some money. My reply did not leave him, I am afraid, very happy about his investment, because he expected that his investment must undoubtedly turn to gold. I pointed out to him that any one investing money in the development of oil must look on such an investment as a great gamble. He seemed very distressed and said that, had he known this before he made this investment, he would certainly not have made it and would have put his money into something else. *Apropos* of these remarks, Sir, I should like to point out that, in spite of this Member's anxiety to have an absolutely 100 per cent. safe investment, there is a very large amount of Indian capital invested in this country's oil industry. As you know, Sir, I represent a Burma constituency and, in that province, three out of eight of the oil companies in Burma actively engaged in drilling and producing oil are wholly Indian. Honourable Members present from Burma and the Honourable the Government Member will bear out my statement that, during the 20 odd years

that the three Indian companies to which I referred have been in existence, no attempt has been made by the larger companies to come in their way in the prospecting or drilling for oil or to deny them an outlet for the products. Of the five remaining companies, these we might term not wholly Indian companies, but in these companies there is a very preponderating interest of Indian control, in fact in some of the companies as much as 60 per cent. and, I believe, in one case 75. I am not asking my Honourable friends to take my advice and invest their money in oil. Investment in oil is a definitely risky business. But unless they are prepared to take that risk, let them not begrudge success to their more venturesome brethren, if they have the good fortune to win through.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): May I know at what premium we can get these shares now in the Burma Oil Company?

Mr. B. S. Millar: From the papers it was about £2 a share a few months ago and today they are double that figure.

As an instance of what I have just said, it may interest the House to hear the following facts and figures pertaining to the oil company which I am at present managing, *i.e.*, the Attock Oil Company. That Company has a subscribed capital of one and a half million pounds sterling. Had the shareholders, many of whom are Indians, invested their money in Government paper, instead of this venture to develop an indigenous industry, these shareholders would today have been better off to the extent of 1½ crores of rupees. Further, had the Company not existed and the equivalent of its small production been imported from foreign sources, the revenues of this country would have lost one-third of a crore of rupees since this Company started its operations, while in wages,—I am sorry Mr. Joshi is not here,—in wages to Indian labour, stores purchased in India for drilling and refining the oil, the people of India would have lost the enormous sum of over three crores of rupees. None of this large sum would have been spent in India had the oil been imported. But, instead, the wages paid and the stores purchased would have gone into the pockets of those in the foreign countries producing that foreign oil.

I have just seen in an issue of that weekly paper *Capital*, dated the 1st February, a review of the Assam Oil Company, and I would refer my Honourable friend, Mr. Mitra, and those friends who support his motion, to read that Company's case quoted in the *Capital*. These two Companies, to which I have referred, are at present the only oil producing companies in India proper, while, in Burma, there are eleven companies at present engaged in the industry of producing and winning oil. The exploring of the country for oil deposits is open, as it is for iron ore, coal or any other mineral, to all British subjects, Indian and European alike. The only reason that Indians have not to a greater extent participated, in my opinion, in the search for oil or are not involved in the development of known deposits more than is the case today, is the indisputable fact that Indians have not been prepared hitherto to risk their money on a sufficiently large scale. It is a big risk, of course, and crores of rupees have been fruitlessly spent and entirely lost in the search of oil in this country. It may not be realised by Honourable Members that prospecting for oil is at present being carried out in India at depths down to a mile and more, and such

[Mr. E. S. Millar.]

prospecting, I can assure the House, is a costly business due to the many failures we have before we reach those great depths. In the past, many companies,—and not all small companies at that,—have started up in this country for the purpose of finding and exploiting untapped oil reserves. It is a striking fact that approximately 80 per cent. of these companies have ultimately failed and had to close their doors because they failed to discover the oil which they were searching for. The capital lost in these adventures is estimated at something like three crores of rupees. The aggregate sum which has been spent by only six of the surviving eleven oil companies on fruitless searching for oil, is over six crores of rupees. All this money, a total of nine crores, has been spent in new areas without finding a drop of oil in commercial quantities. All that money has, in fact, gone down the drain. In spite of this, the indigenous companies continue their prospecting work in various parts of the country. My Honourable friend, the Government Member from Burma, with his personal contact with many of those adventurers, will be able to confirm what I have just said. Nothing is heard of these failures however, and the man in the street, and I am afraid, many Honourable Members of this House, only hears of the few successes. Prospecting for oil is the greatest gamble that industry provides and unless encouragement is given, unless the home industry is maintained on a strong and healthy basis, neither will the people of this country be encouraged to risk the large sums of money that have to be risked on the prospector's game of chance, nor will the necessary capital be forthcoming from outside. I would ask you, Sir, if capital would have been forthcoming for the establishment of sugar factories to the enormous extent which is now the case, had not some assurance of security and protection to the sugar industry been given by the Government. To look at the problem from a different angle, what guarantee is there of a continuous supply of oil from foreign sources? Foreign sources are liable to be cut off at any time and are likely to be as soon as world conditions improve. If an organisation is built up on the belief of permanent supplies from Roumania and Russia, what is going to be the position when it does not suit Russia and Roumania to sell to India? This is no vain suggestion. Further, we must consider the effect on the balance of trade. To encourage the importation of foreign oil, when ample resources are available in India, is asking for an adverse balance of trade, and I think my Honourable friend, the Finance Member, will bear me out in this. Surely, from a national point of view, such a policy is fundamentally unsound.

I must here refer to a telegram which I received signed "Ishwardass of the National Petroleum Company". No doubt other Members also have received the same telegram which is a printed one. This telegram is a misleading telegram, either purposely misleading or through ignorance of the real facts. I will shortly prove that the equalisation of duties will not save the country's revenues 74 lakhs annually as Mr. Ishwardass states and as my friend, Mr. Mitra, also stated: on the contrary, it would actually effect a serious loss to the Government and to the country. He refers to the levelling up of duties and excise avoiding Government revenues troubles. I must admit I cannot see the meaning of this. I think the Honourable the Finance Member will be able to tell this House that no other form of revenue is collected so easily and without cost as the

excise revenue collected from the indigenous oil industry. It would be interesting in fact to know what it costs per lakh of rupees collected from the oil industry, as compared with collecting from other industries or from income-tax. Further, in this telegram, Mr. Ishwardass of the National Petroleum Company waves the flag of the benefits to the poor public. But what would be the position if all the indigenous companies are forced to close their doors? The importers, including the said National Petroleum Company of foreign oil, would then be free to exploit the poor public to whom he refers and leave them with no guarantee of continuous supplies. In today's *Statesman*, the same author claims to be the first Indian oil company. Here, again, is another misstatement of fact. The National Petroleum Company have no stake in the indigenous oil industry. Indian-promoted indigenous companies actually started searching for oil and have been operating, for the last quarter of a century, prospecting, drilling for oil, refining and selling. The National Petroleum Company's claim is a claim, therefore, which is apt to confuse the issue in the minds of those who are not aware of the actual position. They are only actually importers of foreign oil which they will only be able to offer while foreign countries have surplus oil to get rid of. I do not think it is fully realised what the producing side of the oil industry means to India. I am glad, Mr. Joshi is in his seat. Is it realised that in royalties, license fees, income-tax and customs duties on imported machinery and stores, apart altogether from the excise duties, the Government Exchequer benefits annually by over a crore of rupees? While if foreign oil replaced the shipments from Burma, the revenue from such foreign shipments would, as stated by the Honourable the Finance Member a few days ago, amount only to 74 lakhs. It may be argued that this figure of something over a crore includes income-tax which in any case would have been recoverable from importers; but that is not quite true, because in the one case the tax is assessed on the profits of the producer as well as the distributor, whereas, in the other, the producer's profits would not be earned in India and only the profits of distribution of imported kerosene would be subject to income-tax in this country. So, Sir, we arrive at the paradoxical position of this House debating a Resolution to remove protection from the indigenous oil industry when, in fact, no protection at all really exists. And this at a time when almost without exception every other indigenous industry in the country is in the enjoyment of protection even though this may be fortuitous owing to the existing policy of imposing duties for revenue purposes. Again, is it realised that over two crores a year are paid out in wages to Indian and Burman workmen and that some 85 lakhs a year is spent in India on the purchase of stores? What has my Honourable friend, Mr. Joshi, got to say about this attack on an industry which employs over 84,000 Indians and Burmans? Does he want to see unemployment increase? Further, in the oil fields in Burma and in the refineries, over 60 per cent. of the 28,000 employees are Indian and less than 40 per cent. Burman.

Mr. S. C. Mitra: You are now anxious to drive them out by separating Burma from India.

Mr. E. S. Millar: These are big figures, and I ask Honourable Members opposite to ponder over them deeply. These figures are a measure of what India stands to lose in material wealth if the home production is to be ousted by foreign oil.

[Mr. E. S. Millar.]

If the substance of this Resolution were to be made effective, it would stop all prospecting for the development of the country's mineral oil resources and close the doors of many of the remaining companies who are at present prospecting and producing oil in this country. With these words, I oppose the Resolution.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, I rise to support the Resolution under discussion which has been moved by my Honourable friend, Mr. S. C. Mitra, and I must congratulate him, and I think that he deserves congratulations from the Honourable the Finance Member as well. Mr. Mitra has shown the Honourable the Finance Member how he could get a very large revenue from the equalisation of both the import duty and the excise duty on kerosene. I support the Resolution, both on economic as well as political considerations.

In considering the economic side of the question, I am to consider the interests of the consumers of oil and the industrialists concerned with the production of oil. Sir, though I do not like to go over the ground of the past history of the imposition of the higher import duty and the lower excise duty, still I must say that the lower excise duty was imposed for two considerations. Firstly, to give an indirect protection to the indigenous production from the unfair competition of the well organized oil industries outside. But may I ask with all seriousness as to what are the reasons for which we should take the Burma oil industry or the Attock oil industry as indigenous industry? The capital is non-Indian and the large profits that accrue go out of India in the form of dividends. Then, coming to the question of giving relief to the poor Indian consumers, I am afraid it has already been conclusively proved by Mr. (now Sir) Padamji Ginwala in the Minority Report of the Tariff Board on the oil industry that this difference of the two rates of duty really did not give any relief to the poor Indian consumer. I think it has already been threshed threadbare by Sir Purshotamdas Thakurdas in his speech on the subject which he delivered in this House on the 21st March, 1930. Sir, this question is not a new question, and as far back as 1922, Sir Frank Carter vehemently opposed the differentiation between the import duty and the excise duty on kerosene. Mr. Arthur Moore, on the 21st March, 1930, in his speech on this subject, stated, amongst other things, as follows:

"But Sir Frank Carter spoke at a time when we were faced with a deficit budget in 1922."

The implication, it appears, is that, in cases of deficit budgets, the excise and the import duty on kerosene may be equalised. Taking that view of the case, I think today the justification is all the more, because not only we are passing through deficit budgets during the past two or three years, but we may expect to see another deficit budget in the coming year as well. Even if we do not actually find a deficit budget, it may be due to the cut in pay which was enforced as a temporary emergency measure, but which has become more or less a permanent feature in our budget. In this connection, Sir, with your permission, I would like to suggest to the Government to reduce the scales of pay as much as they like, provided that is done uniformly both for subordinate and superior services and both for services recruited in India and outside to bring down expenses, but they have no justification whatsoever to continue the cut

in the name of emergency which can never mean to include such a long period as three years or more. I think I have made it clear that by these different rates of duty, an Indian consumer is not benefited, nor are there any Indian producing companies which are benefited. The only parties that are benefited are the foreign exploiters and the middlemen. In order to prove my statement, I may quote another parallel example, that is to say, the cotton duty. In 1922, the excise duty on cotton goods and the import duty on cotton goods were at two different rates, and in that connection the Honourable Sir Malcolm Hailey, the then Finance Member, stated as follows :

“If, therefore, we raise the tariff on the imported article, they, that is, the Indian producers, will naturally raise the price of the Indian product, and the difference of four per cent. between the import and the excise duty will only be a present to the Indian producers.”

Sir, if I may be permitted to say so, the present case is exactly the same with the cotton duty of 1922. This is not all. In the course of his speech, Sir Malcolm Hailey stated further as follows :

“It is hard to see that the raising of the excise duty will make any effective difference to the consumer.”

Then, Sir, I come to the political side of the question. There are very few oil producing companies in India proper, except in Burma, which is a part of India, so long as it is within the Indian administration. At the present moment, Burma wants to separate itself from India, and, therefore, Burma oil to India is as much a foreign oil as the oil imported from America and other countries. If I am to go deeper into the question, I think it is an open secret that the question of separation of Burma from India was first brought to the forefront of Burman politics by the European oil magnates in Burma itself. If the Burma oil magnates have started this question of separation, then they must be prepared to take the consequences of separation as well. They cannot have the cake and eat it too. With these few words, Sir, I support the Resolution.

Mr. President (The Honourable Sir Shanmukham Chetty): The House now stands adjourned till 11 O'Clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 7th February, 1934.