

5th April 1939

# THE LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume IV, 1939

*(30th March to 15th April, 1939)*

## NINTH SESSION OF THE FIFTH LEGISLATIVE ASSEMBLY, 1939



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# LEGISLATIVE ASSEMBLY.

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25 AUG. 1939

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

## CONTENTS.

VOLUME IV.—30th March to 15th April, 1939.

	PAGE.		PAGE.
<b>THURSDAY, 30TH MARCH, 1939—</b>		<b>MONDAY, 3RD APRIL, 1939—</b>	
Members Sworn . . . . .	9005	Members Sworn . . . . .	3187
Starred Questions and Answers . . . . .	9005—21	Starred Questions and Answers . . . . .	3187—3214
Transferred Questions and Answers . . . . .	9021—43	Motion for Adjournment re Kidnapping of five Frontier Hindus by armed Torikhel Wamisris of the Trans-border Area in the Bannu District—Disallowed . . . . .	3214—15
Short Notice Question and Answer . . . . .	9043—45	The Coal Mines (Stowing) Bill—Discussion on the consideration of clauses not concluded . . . . .	3215—61
Declaration by H.E. the Governor General in Council . . . . .	9045	<b>TUESDAY, 4TH APRIL, 1939—</b>	
Election of Members to the Standing Committee for the Department of Communications . . . . .	9045—48	Starred Questions and Answers . . . . .	3263—82
The Repealing and Amending Bill—Extension of the time for the presentation of the Report of the Select Committee . . . . .	9048	Unstarred Question and Answer . . . . .	3283
The Registration of Foreigners Bill—Discussion on the consideration of clauses not concluded . . . . .	9048—88	The Coal Mines (Stowing) Bill—Passed as amended . . . . .	3283—87
<b>FRIDAY, 31ST MARCH, 1939—</b>		The Indian Tariff (Second Amendment) Bill—Discussion on the motion to consider not concluded . . . . .	3287—3332
Starred Questions and Answers . . . . .	3099—3136	<b>WEDNESDAY, 5TH APRIL, 1939—</b>	
The Sugar Industry (Protection) Bill—Introduced . . . . .	3136	Starred Questions and Answers . . . . .	3333—75
The Indian Tariff (Second Amendment) Bill—Introduced . . . . .	3136	Election of Members to the Standing Committee for the Department of Communications . . . . .	3376
The Indian Tariff (Third Amendment) Bill—Introduced . . . . .	3137	Message from the Council of State . . . . .	3376
The Registration of Foreigners Bill—Passed as amended . . . . .	3137—90	The Repealing and Amending Bill—Appointment of Mr. F. E. James to the Select Committee . . . . .	3376
The Employment of Children (Amendment) Bill—Amendments made by the Council of State agreed to . . . . .	3180—83	The Indian Tariff (Second Amendment) Bill—Motion to consider adopted . . . . .	3376—3422
The Coal Mines (Stowing) Bill—Discussion on the motion to consider not concluded . . . . .	3183—85		
Statement of Business . . . . .	3185		

THURSDAY, 6TH APRIL, 1939—		FRIDAY, 14TH APRIL, 1939—	
	PAGES.		PAGES.
Starred Questions and Answers . . . . .	3423—45	Starred Questions and Answers . . . . .	3703—16
Postponed Question and Answer . . . . .	3446	Unstarred Questions and Answers . . . . .	3716—17
The Indian Tariff (Second Amendment) Bill—Passed as amended . . . . .	3446—72	The Sugar Industry (Protection) Bill—Passed . . . . .	3717—50
The Sugar Industry (Protection) Bill—Discussion on the motion to consider not concluded . . . . .	3473—91	The Indian Tariff (Third Amendment) Bill—Motion to consider negatived . . . . .	3750—63
Statement of Business . . . . .	3492	The Indian Rubber Control (Amendment) Bill—Referred to Select Committee . . . . .	3763—64
TUESDAY, 11TH APRIL, 1939—		The Indian Tariff (Second Amendment) Bill—Amendment made by the Council of State agreed to . . . . .	3765
Member Sworn . . . . .	3493	The Chittatong Port (Amendment) Bill—Discussion on the motion to consider not concluded . . . . .	3765—67
Starred Questions and Answers . . . . .	3493—3517.	SATURDAY, 15TH APRIL, 1939—	
Statements laid on the Table . . . . .	3517—37	Starred Questions and Answers . . . . .	3769—87
The Hindu Women's Right to Divorce Bill—Presentation of Petitions . . . . .	3537	Statements laid on the Table . . . . .	3787—90
The Indian Succession (Amendment) Bill—Passed . . . . .	3537—40	Reports laid on the Table . . . . .	3790—92
The Hindu Women's Right to Divorce Bill—Discussion on the motion to refer to Select Committee not concluded . . . . .	3540—96	Message from the Council of State . . . . .	3792
WEDNESDAY, 12TH APRIL, 1939—		Message from H. E. the Viceroy and Governor General . . . . .	3792
Starred Questions and Answers . . . . .	3587—3639.	The Indian Tariff (Third Amendment) Bill (as recommended)—Motion for leave to introduce negatived . . . . .	3792—95
Unstarred Questions and Answers . . . . .	3639—49	The Chittagong Port (Amendment) Bill—Passed . . . . .	3795—3802.
Message from the Council of State . . . . .	3649	Position of the Indian Oaths (Amendment) Bill and the Commercial Documents Evidence Bill . . . . .	3802—03
Draft Convention concerning Statistics of Wages and Hours of Work in the principal Mining and Manufacturing Industries, including Building and Construction and in Agriculture, adopted by the International Labour Conference . . . . .	3649—56	The Criminal Law Amendment Bill—Passed . . . . .	3803—34
Resolution re—		The Indian Soft Coke Cess Committee (Reconstruction and Incorporation) Bill—Passed . . . . .	3834—36
Position of Women under the Existing Laws—Adopted as amended . . . . .	3656—95	The Hindu Women's Right to Divorce Bill—Presentation of the Report of the Committee on Petitions . . . . .	3836
Non-Indian companies and Protective Tariffs—Discussion not concluded . . . . .	3696—3701.		

# LEGISLATIVE ASSEMBLY.

Wednesday, 5th April, 1939.

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

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### WARNING TO THE RAILWAY TO REMOVE OVERCROWDING IN THIRD CLASS TRAFFIC BETWEEN GHAZIABAD AND DELHI.

1514. \*Mr. Brojendra Narayan Chaudhury: Will the Honourable the Railway Member please state :

(a) whether his particular attention has been drawn to the following Associated Press news, dated Delhi, the 8th March, 1939:

“The Secretary of the Association for the comforts of third class passengers has given a thirty days’ warning notice to the railway authority as well as to the local authority. In the notice he has stated that the third class traffic to and from Ghaziabad is very heavy and therefore proper arrangements for the comforts of the passengers should be made, otherwise ‘we shall be obliged to put a stop to the running train by pulling the chain and to have recourse to satyagraha, which is the last and only peaceful weapon in the hands of the poor Indian’ ”.

(b) whether the above news is correct, or substantially correct;

(c) whether he would place on the table a copy of the above notice sent to the Railway authority;

(d) the steps, if any, taken or about to be taken to meet the demands of the notice; if no steps have been taken, why not;

(e) the number of mail and express trains from or to Delhi via Ghaziabad; and

(f) whether the period of the above notice expires before or after the 12th April, the date provisionally fixed for the dispersal of this Assembly?

**The Honourable Mr. A. G. Clow:** (a) I have seen the item in question.

(b) and (c). I am placing the letter sent by the Secretary of the Association on the table so that the Honourable Member can judge for himself.

(d) An extra third class bogie is being run daily, leaving Ghaziabad at 8.53 and arriving Delhi at 9.27.

- (e) Two up and two down mails, and four up and four down expresses.  
 (f) The Honourable Member is referred to the letter laid on the table.

Bazar Sita Ram, Arya Samaj Street,  
 Delhi, the 4th February, 1939.

*Overcrowding in third class railway carriages.*

Sir,

In my capacity as Secretary of the Association, recently started for the protection and convenience of the third class railway passengers, I most humbly and respectfully beg to bring the following grievances to your kind notice for favourable consideration.

It has been observed generally, that the third class traffic to and from Ghaziabad is very heavy and the third class carriages are as a rule overcrowded specially in the trains running in the morning and evening when the milkmen and vegetable dealers, etc., occupy almost every inch of space to the great inconvenience of other passengers. It is often seen that the passengers *have to travel standing in the carriages or on the open door areas and even on foot-boards at the risk of their lives.*

I think, it is the primary duty of the railway authorities to remove this state of things at their early convenience, and I, therefore pray most respectfully that you would very kindly see your way early to put an end to this overcrowding by any means you deem fit.

Our association gives you ninety days time to think over this question and redress this callous grievance early and, in case our prayers are not listened to favourably, this Association would be obliged to take some drastic action in this connection. *We shall be obliged to put a stop to the running trains by pulling the chain and to have recourse to satyagraha which is the last and only peaceful weapon in the hands of poor Indians.*

Lastly, I beg to state, with due deference, that the above grievances have been brought to your notice not in the spirit of vengeance or disloyalty, but purely and simply in the good sense in order to love the lives of poor Indians.

I beg to remain,

Sir,

Your most obedient servant,

(Sd.)

*Secretary,*

• *Association for the Comforts of  
 Third Class Passengers.*

- (1) The General Manager, N.-W. R., Lahore.
- (2) The General Manager, E. I. R., Calcutta.
- (3) The Transportation Superintendent, N.-W. R., Delhi.
- (4) The Station Superintendent, N.-W. R., Ghaziabad.
- (5) The Police Station Officer, N.-W. R., Delhi.
- (6) The Police Station Officer, N.-W. R., Ghaziabad.
- (7) The Station Master, N.-W. R., Delhi Province.
- (8) The City Magistrate, Delhi.
- (9) The City Magistrate, Ghaziabad.
- (10) The City Magistrate, Delhi-Shahdara.
- (11) The Deputy Commissioner, Delhi.
- (12) The Chief Commissioner, Delhi Province.
- (13) The Secretary, Railway Board, Delhi.
- (14) Mr. Asaf Ali, Bar-at-Law, M.L.A., Delhi.

**Mr. Brojendra Narayan Chaudhury:** May I know whether the notice has been withdrawn after the extra carriage has been run?

**The Honourable Mr. A. G. Clow:** I have not heard of the withdrawal of the letter. It was not described as a notice except in the press. It was an ordinary letter.

**Mr. Lalchand Navalrai:** May I know when the new car that has been imported recently will be working on this line?

**The Honourable Mr. A. G. Clow:** It is being run at present, from Ghaziabad to Delhi.

**Mr. S. Satyamurti:** May I know if Government have since had any information from the railway concerned that the overcrowding has been appreciably reduced?

**The Honourable Mr. A. G. Clow:** If my Honourable friend, Mr. Brojendra Narayan Chaudhury, is correct in saying that the letter has been withdrawn, I assume that the difficulty has been met.

#### DERAILMENT OF THE DEHRA DUN EXPRESS.

**1515. \*Mr. Brojendra Narayan Chaudhury:** Will the Honourable the Railway Member please state :

(a) whether any caution order was issued to trains, when the gang in charge of Section 209 to 212 mile "worked recently on the tracks where the accident occurred" as stated in paragraph 29 of the Senior Inspector's Report on the Dehra Dun Express derailment; if so, what; and

(b) the date on which this gang worked nearest to the spot of the accident and what kind of work was done?

**The Honourable Mr. A. G. Clow:** (a) No.

(b) From the 3rd to the 6th January, a gang had done "through packing" from mile 209/23 to mile 210/5. This is a normal track maintenance operation.

**Mr. Brojendra Narayan Chaudhury:** In view of the fact that a caution order was issued to the gang working mile 205-206, why was not a similar caution order issued to the gang working miles 209-212?

**The Honourable Mr. A. G. Clow:** I am not familiar with the facts as regards the other part of the line, but this is a type of work for which a caution order is not normally issued.

#### TRAIN STOPPED DUE TO OVERCROWDING NEAR JHANSI.

**1516. \*Mr. Brojendra Narayan Chaudhury:** Will the Honourable the Railway Member please state :

(a) whether his attention has particularly been drawn to the Associated Press of India message from Jhansi, dated the 14th March, 1939, regarding the stopping of a train by pulling the communication cord by a passenger;

- (b) whether the particular compartment occupied by that passenger was actually overcrowded;
- (c) if so, why the station staff did not or could not prevent excess passengers getting in;
- (d) why those passengers who refused to obey the Railway staff orders not to enter overcrowded compartments were not prosecuted;
- (e) whether something could not be done to regulate approximately the issue of tickets to the extent of accommodation available;
- (f) whether Government put forward overcrowding as one of the reasons for stricter regulation of bus traffic, and whether it was pointed out to Government that passengers sometimes force themselves into the bus against the orders of the conductors; and
- (g) whether there is any provision for punishing Railway staff for not preventing overcrowding, as is the case with regard to bus owners?

**The Honourable Mr. A. G. Clow:** (a) to (d). Government understand that the Press report is not strictly accurate. An extract from the report of the General Manager, Great Indian Peninsula Railway, giving the correct facts, is laid on the table. This extract shows quite clearly why the station staff were unable to prevent passengers entering already overcrowded compartments and why no prosecutions were possible.

(e) It is the general practice that guards finding their trains occupied to the maximum capacity wire ahead for booking to be stopped. As tickets issued can be used for any train during the 24 hours, no absolute regulation is possible.

(f) I do not know precisely which statements the Honourable Member has in view, but overcrowding on buses does require regulation.

(g) No.

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*Extract from the report of the General Manager, Great Indian Peninsula Railway*

Prior to the arrival of No. 555 Down Bina-Katni passenger at Saugor, enquiries were made over the control telephone regarding the number of passengers waiting to entrain both at Saugor and Damoh. As the number at Saugor alone was estimated at about 500, with another 300 at least at Damoh, orders were immediately issued for the running of a special train.

On arrival of 555 Down at Saugor, passengers from Saugor were accommodated in the train which had been strengthened to full capacity. The Station Master, Damoh, was immediately advised that a special was running one hour behind 555 Down and he was instructed to remove passengers from the platform. This he was quite unable to do, even though he advised them all that a special was following soon after that train.

On arrival of 555 Down at Damoh the passengers boarded the train forcibly as the station staff and the police were inadequate to cope with the crowd. The assistance of the District Magistrate was called, but he also could do nothing as passengers refused to vacate and it was impossible to find out who was actually pulling the communication cord. After a detention of 1½ hours the train proceeded.

The passengers who travelled by this train were despatched onwards in a special train run from Katni. Merely because the latter train stopped at every station to pick up passengers for whom there was ample room, the occupants of the train started pulling the communication cord, and continued to do so until they were promised that the train would run as an Express.

**Mr. Brojendra Narayan Chaudhury:** May I know, since overcrowding in this case has been proved, whether Government are going to ask the railways to pay the fine as provided under the Railway Act?

**The Honourable Mr. A. G. Clow:** Fine for what?

**Mr. Brojendra Narayan Chaudhury:** Fine for carrying trains overloaded.

**The Honourable Mr. A. G. Clow:** There is no such proposal under consideration.

**Mr. T. S. Avinashilingam Chettiar:** What the Honourable Member means is whether section 93 of the Railway Act which gives power to Government to punish the railway authority which allows overcrowding has been set in motion in such cases?

**The Honourable Mr. A. G. Clow:** I do not think the Honourable Member is quoting the relevant section correctly. I have not got it here, but I think it applies where railway officers are themselves responsible for compelling passengers to overcrowd coaches.

**Mr. T. S. Avinashilingam Chettiar:** Is it meant by overcrowding that there are more passengers in the carriage than is notified in the carriage itself, or have they got any other meaning?

**The Honourable Mr. A. G. Clow:** If the Honourable Member is asking for an interpretation of the Railways Act, he can apply to the Honourable the Law Member.

**Mr. T. S. Avinashilingam Chettiar:** I want to know whether overcrowding means more than the number of passengers notified in the carriage itself or anything else

**The Honourable Mr. A. G. Clow:** That is overcrowding, in my view.

**Mr. R. N. Basu:** May I ask if Government propose to take any action against railways for carrying trains overloaded?

**The Honourable Mr. A. G. Clow:** The Railways were unable to prevent it on this occasion.

**Mr. S. Satyamurti:** May I know with reference to the answer to clause (g), whether Government will consider inserting such a provision for punishing railway staff who are not preventing the overcrowding of trains?

**The Honourable Mr. A. G. Clow:** No: they have not considered it.

**Mr. S. Satyamurti:** Will they consider it?

**The Honourable Mr. A. G. Clow:** No. The railway staff are expected to do that; but on an occasion such as this, as the Honourable Member will see if he peruses the report, that it is perfectly impossible

**Mr. S. Satyamurti:** With reference to the answer to clause (d), may I know the reasons why the railway find it impossible to prosecute people who insist on entering overcrowded compartments?

**The Honourable Mr. A. G. Clow:** I think that will be clear from the report when the Honourable Member reads it.

**Mr. S. Satyamurti:** With reference to clause (e), may I know if the Honourable Member will consider and issue instructions to railways not to issue tickets for trains which they have information are already overcrowded, even though these tickets may be used later, that is to say, postpone issue of tickets till the departure of the overcrowded train?

**The Honourable Mr. A. G. Clow:** As I have explained that is the general practice. The difficulty is that before that request is received in respect of that train, tickets may have been issued earlier; and as these tickets are available for 24 hours the passengers may be in possession of them before the order to issue no more tickets has been received.

#### REFRESHMENT ROOMS ON THE BENGAL NAGPUR AND MADRAS AND SOUTHERN MAHRATTA RAILWAYS.

†1517. **\*Mr. K. S. Gupta:** (a) Will the Honourable Member for Railways please state the number of Indian and European refreshment rooms on the Bengal Nagpur Railway and the Madras and Southern Mahratta Railway?

(b) What is the total income from the Indian and European refreshment rooms on both the Railways?

(c) Are these respective refreshment rooms managed by the Railway Companies or by contractors? If by contractors, why?

(d) Have Government considered whether it is not profitable for the Railways to manage their own refreshment rooms, both Indian and European?

(e) Is accommodation and equipment in both these refreshment rooms on both the Railways the same? If not, why not?

**The Honourable Mr. A. G. Clow:** (a) I would refer the Honourable Member to the time and fare tables issued by the respective Railways which contain the information asked for and which are in the Library of this House.

(b) and (e). Government have no information.

(c) I would refer the Honourable Member to the statement laid on the table of the House on the 7th February, 1939, in connection with Mr. S. Satyamurti's starred question No. 1088 of the 16th September, 1938, and to the reply given to part (b) of Professor N. G. Ranga's starred question No. 1268 of the 23rd March, 1939.

(d) This is a matter for consideration by Railway Administrations. It would appear, however, that the large organisation necessary with its commitments in conditions of service, provident fund, uniforms, gratuities, etc., would preclude the possibility of Railways running both first and second class and Indian refreshment rooms at any great profit.

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†Answer to this question laid on the table, the questioner being absent.

**REFRESHMENT ROOMS ON THE BENGAL NAGPUR AND MADRAS AND SOUTHERN MAHRATTA RAILWAYS.**

†1518. \***Mr. K. S. Gupta:** (a) Will the Honourable the Railway Member please state whether it is not a fact that Indian refreshment rooms are more frequented than the European refreshment rooms, by the poor and middle class (passengers) people of this country?

(b) Have Government any control over the catering departments on the Bengal Nagpur Railway and the Madras and Southern Mahratta Railway? If not, why not?

(c) Are Government satisfied that cheap and wholesome food is being catered in the Indian refreshment rooms on both these Railways?

**The Honourable Mr. A. G. Clow:** (a) I am prepared to take the Honourable Member's word for it.

(b) No, as these are Company-managed Railways.

(c) Government have no reason to believe otherwise.

**INDIAN REFRESHMENT CARS RUNNING ON THE GREAT INDIAN PENINSULA RAILWAY.**

†1519. \***Mr. K. S. Gupta:** (a) Is the Honourable the Railway Member aware that accommodation in the Indian refreshment car running on the Great Indian Peninsula Railway is very poor and limited, *i.e.*, it accommodates only half a dozen boarders at a time?

(b) Is the Honourable Member aware that the European refreshment car accommodates fifty boarders at a time?

(c) Is the Honourable Member aware that the Indian refreshment car is always smoky and stuffy and the European refreshment car is free, fresh and kept neat and tidy? If so, what is the reason for this discrimination?

(d) Is the Honourable Member aware that the price per meal (ordinary third class) is twice costly in the Indian refreshment car of what it is just outside the platform of any big station or junction on the Great Indian Peninsula Railway? If so, is he prepared to see that the price is brought down and to make the Indian refreshment car more popular?

**The Honourable Mr. A. G. Clow:** (a) and (b). No. The seating accommodation in the Indian refreshment car is 16 passengers and the average seating accommodation in the first and second class refreshment cars is for 30 passengers.

(c) I am informed that no such complaints regarding the Indian refreshment car have been received by the Administration, and that there is no discrimination in the matter of neatness and tidiness.

(d) The Administration is considering the question of reducing the prices of meals in the Indian refreshment car.

**TERRITORY IN THE NORTH-WEST FRONTIER BETWEEN THE SETTLED DISTRICTS  
AND AFGHAN BOUNDARY.**

**1520. \*Mr. T. S. Avinashilingam Chettiar:** Will the Foreign Secretary state:

- (a) what is the status of the territory in the North-West Frontier between the settled districts and the Afghan boundary, usually called tribal areas; and
- (b) in what respect it is under the control or jurisdiction of the British Indian authority?

**Sir Aubrey Metcalfe:** (a) The Honourable Member's attention is invited to the definitions of "India" and of the "Tribal Areas" in section 311 of the Government of India Act, 1935, from which he will observe that the tribal areas are part of India though not of British India. The inhabitants of the tribal areas have the status of British protected persons.

(b) The Honourable Member's attention is invited to section 313 (2) (c) of the Government of India Act, 1935. The degree of control exercised by the Central Government varies according to circumstances but is in most cases based on agreements with the tribes concerned.

**Mr. T. S. Avinashilingam Chettiar:** May I know the distinction which the Honourable Member seeks to draw between India and British India?

**Sir Aubrey Metcalfe:** I would refer the Honourable Member to the Act.

**Mr. Abdul Qaiyum:** In view of the fact that they are British protected persons, whether it is the policy of the Government to employ the air force against British protected persons?

**Mr. President** (The Honourable Sir Abdur Rahim): That does not arise.

**Mr. Abdul Qaiyum:** It does arise, Sir . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): No; it does not.

**Mr. R. N. Basu:** May I know whether Government will undertake any responsibility regarding the administration of this tribal area?

**Sir Aubrey Metcalfe:** In certain cases some responsibility for administration is undertaken.

**Mr. T. S. Avinashilingam Chettiar:** May I know whether Government will consider the advisability of publishing for public information as to the control they have in these various tribal areas according to treaty rights which they may have with the tribes?

**Sir Aubrey Metcalfe:** All that information is available in published documents.

**STOPPAGE OF NUISANCE OF HAWKERS AND BEGGARS ON CERTAIN RAILWAYS.**

†1521. \***Mr. K. S. Gupta:** (a) Is the Honourable the Railway Member aware that travelling hawkers have multiplied in vexatious numbers on the Madras and Southern Mahratta Railway and Bengal Nagpur Railway, who offer samples of various quack medicines which are most injurious to the health and safety of the third class passengers?

(b) Is the Honourable Member aware that there are book-sellers (hawkers) on those two Railways who sell indecent and immoral literature to the detriment of the moral welfare of the third class passengers on those two railways?

(c) Is the Honourable Member aware that some of the hawkers sing indecent songs, affecting to sell medicines and books, to the great inconvenience and discomfort of the passengers?

(d) What are the measures taken by the above two railways to prevent the nuisance of hawkers and beggars, since the attention of the Railways was drawn to this matter in connection with question No. 127 asked by Mr. Sham Lal on the 26th August, 1937?

(e) Is the Honourable Member aware that the following is the reply by the District Transportation Superintendent in his letter No. E. G.-17/38, dated the 18th November, 1938, addressed to the General Secretary, Andhra Desa Railway Passengers' Association:

"If passengers can be persuaded to stop encouraging beggars and hawkers, the nuisance will cease automatically."?

(f) Is the above statement a true declaration of the policy of Government with regard to the nuisance of beggars and hawkers on the Railways in India?

(g) Is the Honourable Member prepared to call for a report from all the Railways in India as to what each has done to put down the nuisance of hawkers and beggars?

**The Honourable Mr. A. G. Clow:** (a), (b) and (c). No.

(d) Government understand that the staff on these two Railways have been directed to take action against unauthorised hawkers when detected

(e) I have seen no such letter.

(f) Does not arise.

(g) Reports have already been received from the principal Railways.

**INTRODUCTION OF REFRIGERATING VANS ON RAILWAYS.**

1522. \***Mr. Brojendra Narayan Chaudhury:** Will the Honourable the Railway Member please state:

(a) where refrigerating vans or other contrivances to prevent fresh fruits, fish and other perishable goods, from rotting are in use on Indian Railways and the stations to and from which such vans are carried and for what goods;

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†Answer to this question laid on the table, the questioner being absent.

- (b) whether the matter of the introduction of refrigerating vans or other contrivances to prevent goods perishing has been investigated in detail; if so, the conclusions arrived at with regard to (1) fish, (2) oranges, (3) pineapples, (4) eggs, and (5) other fruits and vegetables for transport, in (i) North Bengal, (ii) East Bengal, and in (iii) Assam; and
- (c) if the conclusion is "impracticable", the detailed reasons for the impracticability?

**The Honourable Mr. A. G. Clow:** (a) The North Western Railway have 162 cold storage vans which are used for the carriage of fruits from Chaman and stations in Baluchistan to Madras, Calcutta, Bombay, Bangalore, Nagpur and Hyderabad (Deccan) on foreign railways and Karachi, Lahore, Amritsar, Delhi and a few other stations on the North Western Railway. The Madras and Southern Mahratta Railway have constructed a broad gauge refrigerator van which is worked by Messrs. Spencer and Company, for the carriage of perishable goods on railways in Northern India. The Bengal Nagpur Railway have a special fish van in which fish from the Chilka Lake packed in ice is carried daily from Rambha to Howrah. The East Indian Railway have a cold storage compartment which is run every Tuesday and Friday on the Up Parcels Express from Howrah to Delhi carrying fresh provisions, such as fish, meat, fruit, butter, etc.

(b) As regards the Railway Administrations operating in Bengal and Assam, I understand that the volume of traffic in fresh fruits, fish and vegetables on the Assam Bengal Railway does not warrant the introduction of cold storage equipment on that railway.

The Eastern Bengal Railway have put four refrigerator vans into commission, but they did not prove a success. Further investigations made on that railway indicated that there was no demand for a cold storage service for fruit, eggs, etc.

(c) Does not arise.

#### BOOK POST AND AIR MAIL POSTAGE RATES IN INDIA AND IN ENGLAND.

**1523. \*Mr. Brojendra Narayan Chaudhury:** Will the Honourable Member for Communications please state:

- (a) whether it costs less to post book post literature from London to Poona for instance (any place in British India) than it does from Bombay to Poona;
- (b) if so, whether this causes loss of postal traffic;
- (c) whether the post offices in Britain pay much higher wages to their employees than those paid by the Indian Postal Department; and
- (d) whether the air mail postage eastward to India is much less (about half) than the air mail postage westward from India to (i) United Kingdom, and (ii) other European countries?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b) No.

(c) Government have no definite figures but they have reason to believe that the position is generally as stated by the Honourable Member.

(d) There is no air mail surcharge on letters between India and the United Kingdom. The postage rate on letters from India to the United Kingdom is higher than that for letters from the United Kingdom to India. As regards other European countries the air mail postage to India is not in all cases much less than that from India.

**Mr. Brojendra Narayan Chaudhury:** With regard to part (b), is the Honourable Member aware that consignment of books can be sent to London by ship and then the books can be distributed from London to those who want to purchase them much more cheaply than by sending the books direct from India by bookpost?

**The Honourable Mr. A. G. Clow:** Is the Honourable Member referring to the distribution of books in India or in England?

**Mr. Brojendra Narayan Chaudhury:** The Honourable Member said that there is no loss caused to postal traffic in India. But has he considered the fact that books can be sent from India to London by ships and then they can be distributed from London direct to those who want to purchase them in India?

**The Honourable Mr. A. G. Clow:** I think it is extremely unlikely that when one has paid all the freight and clearance charges on a consignment of books it would be possible to distribute them in India from London at lower rates.

**Mr. T. S. Avinashilingam Chettiar:** Are Government aware that this may give encouragement to printing books in England?

**The Honourable Mr. A. G. Clow:** I don't think that would be a factor affecting the publication at all.

**Mr. Brojendra Narayan Chaudhury:** Have Government considered the case of books, small as this, that may be shipped to London at a small cost and then distribute them to purchasers by British post much cheaper than by sending them by post from India?

**The Honourable Mr. A. G. Clow:** I don't think it is very likely, and I do not know of any case myself.

**Mr. S. Satyamurti:** With reference to clause (a) of the question, may I know whether the Honourable Member can give the House some indication of the difference in the postage between London to Poona and Bombay to London?

**The Honourable Mr. A. G. Clow:** It is not very large. For the Indian rates I would refer the Honourable Member to the Postal Guide. If he wishes the British rate, I will find it out for him.

**Mr. S. Satyamurti:** Have Government considered the difference?

**The Honourable Mr. A. G. Clow:** Yes.

**Mr. S. Satyamurti:** What is their conclusion?

**The Honourable Mr. A. G. Clow:** The difference is a very small one.

**SUB-LETTING OF FOOD SHOPS AND TEA STALLS ON THE BENGAL AND NORTH WESTERN RAILWAY.**

†1524. \***Maulvi Muhammad Abdul Ghani:** With reference to the answer given in reply to my starred question No. 926 of the 9th March, 1939, will the Honourable the Railway Member please state:

- (a) the result of the enquiry in connection with one petition regarding subletting of food vending shops on the Bengal and North Western Railway;
- (b) whether it was placed before the Bihar Advisory Committee of the said Railway; if so, the decision arrived at;
- (c) whether complaints regarding subletting of shops were ever considered by the said Railway Advisory Committee; if so, when and with what results; and
- (d) the sources of income from which the food inspector is paid his salary?

**The Honourable Mr. A. G. Clow:** (a), (b) and (c). Government understand that this matter was brought up as an informal subject in the Bihar Advisory Committee meeting held on the 2nd August, 1938, and the complainants were asked to give more specific information upon which full enquiries could be made. I do not know if this information was given.

(d) An inspection fee is realised from all vendors and Indian refreshment room contractors. This partially covers the cost of inspection.

**INDIAN REFRESHMENT ROOMS AND OTHER VENDORS ON THE BENGAL AND NORTH WESTERN RAILWAY.**

†1525. \***Maulvi Muhammad Abdul Ghani:** With reference to starred question No. 925 of the 9th March, 1939, will the Honourable Member for Railways please state:

- (a) the reason for not running a single Indian refreshment room through a Muslim contractor over the Bihar Branch and only one such over the United Provinces Branch of the Bengal and North Western Railway over a total distance of 530 miles from Cawnpore to Kutihar;
- (b) the number of Muslim sweetmeat and betel-sellers in Bihar and the United Provinces Branches of the Bengal and North Western Railway; and
- (c) the reasons why Hindus are given the monopoly of contracts of Indian refreshment rooms and vending shops?

**The Honourable Mr. A. G. Clow:** (a) and (c). As far as possible catering contracts are given to meet the actual needs of the travelling public. Where a substantial need exists, separate catering arrangements are made for Hindus and Muslims.

(b) Four in Bihar and three in the United Provinces.

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†Answer to this question laid on the table, the questioner being absent.

**JHATKA MEAT USED IN DINING CARS RUNNING ON THE GRAND TRUNK EXPRESS.**

†1523. \***Maulvi Muhammad Abdul Ghani:** Will the Honourable Member for Railways please state:

- (a) whether the *jhatka* meat is still used in the dining cars running on the Grand Trunk Express;
- (b) whether the matter mentioned in part (a) was brought to the notice of Government; if so, what action they have taken to save the Muslim passengers from use of such forbidden meat; and
- (c) whether any Muslim contractor has been allowed to supply food and unobjectionable meat to Muslim passengers over the said Express train?

**The Honourable Mr. A. G. Clow:** (a) and (b). No specific reference to Government regarding the sale of *jhatka* meat on the Grand Trunk Express is traceable. I would, however, refer the Honourable Member to the reply given to Mr. Sri Prakasa's starred question No. 307 of 26th January, 1937.

(c) The answer is in the negative; I understand that, on the Madras and Southern Mahratta Railway portion of the run, the refreshment car is worked departmentally and no meat is supplied. There is no refreshment car on this train over the Nizam's State Railway, and the contractor for the Great Indian Peninsula refreshment car is a Hindu.

**COMPENSATION TO PEOPLE OF SOUTHERN DISTRICTS FOR LOSSES CAUSED BY DACOITS FROM TRANSBORDER AREA.**

1527. \***Mr. Abdul Qaiyum:** Will the Foreign Secretary please state:

- (a) whether he has read the following extract from the Budget speech of the Honourable Mr. Bhanjuram Gandhi, Frontier Finance Minister, published in the *Hindustan Times* of the 18th March, 1939;

"It was a pity, he said, that Government had not so far been successful in persuading the Central Government to extend their helping hand in compensating the unfortunate people of the southern districts who had suffered enormous loss of life and property at the hands of organised bands of dacoits from the transborder area"; and

- (b) whether Government have come to any decision on the question of compensating persons mentioned in part (a); if so, the nature thereof and the reasons therefor?

**Sir Aubrey Metcalfe:** (a) Yes.

(b) The only recommendation received from the Provincial Government has been for the grant of a sum of Rs. 980 to cover three specific cases, and out of this Rs. 700 has been sanctioned.

**Mr. Abdul Qaiyum:** With reference to part (a) of the question, may I read a relevant extract:

"It was a pity, he said, that Government had not so far been successful in persuading the Central Government to extend their helping hand in compensating the unfortunate people of the Southern districts who had suffered enormous loss of life and property . . . . ."

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†Answer to this question laid on the table, the questioner being absent.

Does it not follow that the Provincial Government have addressed the Central Government on the general question of compensation to the victims?

**Sir Aubrey Metcalfe:** I have clearly stated that the only recommendation received has been dealt with in a sympathetic manner. I am not responsible for what Mr. Bhanjuram Gandhi has said in his Budget speech.

**Mr. Abdul Qaiyum:** Do I take it that the Honourable Member says that whatever is stated in that speech is not correct?

**Sir Aubrey Metcalfe:** I make no statement. All I state is the truth as regards the Central Government.

**Mr. Abdul Qaiyum:** May I know, Sir, if, apart from this, the Central Government have come to any decision on the question of compensation, because the raiders either wholly or partly come from an area which is under their exclusive control?

**Sir Aubrey Metcalfe:** I do not know what more I can say. They have received a recommendation which they have dealt with sympathetically. No more recommendations have been received.

**Mr. Lalchand Navalrai:** May I know, Sir, if the Central Government have been taking any special measures against these outlaws so as to prevent these abductions and kidnappings apart from the measures taken by the Provincial Government?

**Mr. President** (The Honourable Sir Abdur Rahim): That does not arise.

#### CERTAIN COMMUNICATIONS REGARDING PROTECTION OF RIGHTS OF MUSLIMS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

†1528. **\*Seth Haji Sir Abdoola Haroon:** Will the Honourable Member for Communications please state if it is a fact that communications on the following points were submitted by the Secretaries of Muslim Rights Protection Board, Punjab, and other Muslim Associations, Punjab, in 1937-38 and, if so, what action, if any, was taken, and if not, why not;

- (i) Orders of Director General, Posts and Telegraphs, to fill up vacancies reserved for minority communities by others;
- (ii) Orders regarding superintendents' appointment: (1) 50 per cent. to be filled by Inspectors, (2) 50 per cent. by competitive examination, and (3) no reservation for Muslims or other minority communities;
- (iii) Orders relating to Inspectors: (1) examination to be competitive, and (2) no reservation for Muslims or other minority communities; and
- (iv) Orders for promotion to Selection Grade appointments: (1) mere selection is the criterion, and (2) cases of fit and deserving officials belonging to minority communities go by default on account of officers belonging to majority communities being generally the recommending officers?

**The Honourable Mr. A. G. Clow:** No such communications appear to have been received. The latter parts of the question do not arise.

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†Answer to this question laid on the table, the questioner being absent.

## CERTAIN SUPERSESSIONS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

†1529. \*Seth Haji Sir Abdoola Haroon: (a) Will the Honourable Member for Communications please state whether it is a fact that (1) Colonel Smith, (2) Mr. S. Sinclair and (3) Mr. P. Peters were made to be superseded by Rai Bahadur Kundan Lal who was reported unfit for Deputy Postmaster Generalship by Mr. Gupta, Postmaster General?

(b) Is it a fact that Messrs. (1) K. B. Barkat Ali, (2) Muhammad-Al-Hassan, (3) K. S. M. Sabih-ud-Din, (4) Mr. Thomson, (5) Kh. Muhammad Aslam, (6) Mr. Bhagat Singh, and (7) Mr. Augier, were superseded by Mr. Bakhale and Mr. R. B. Naidu?

(c) Is it a fact that Messrs. (1) Mr. Shujaat Ali, (2) Mr. Mahboob Ali, and (3) Mr. Syed Mansoor were superseded by Mr. Jai Behari Lal?

(d) Is it a fact that Mr. Hamiduzzaman, Postmaster, was superseded by Mr. Khambata, Postmaster, Karachi?

**The Honourable Mr. A. G. Glow:** (a) No.

(b) No. Mr. Bakhle superseded none of the officers mentioned and Mr. Naidu superseded two of the seven.

(c) and (d). Yes.

## STRENGTH OF MUSLIMS AND HINDUS IN CERTAIN CADRES IN CERTAIN POSTAL CIRCLES.

†1530. \*Seth Haji Sir Abdoola Haroon: (a) Will the Honourable Member for Communications be pleased to state the present strength of Muslims and Hindus in the following cadres in the (i) Bengal and Assam, (ii) Sind and Baluchistan and (iii) the Punjab and North-West Frontier Circles, respectively:

- (1) Postmasters General,
- (2) Deputy Postmasters General,
- (3) Assistant Postmasters General,
- (4) Gazetted Postmasters,
- (5) Selection Grade officers,
- (6) Clerks and sorters,
- (7) Mail overseers and other appointments between Postmen and clerks,
- (8) Postmen and mail guards,
- (9) Inferior servants, and
- (10) Extra departmental agents?

(b) Is it a fact that recruitment orders have not been strictly observed, with the result that Hindus have been recruited over and above their fixed ratios in these Provinces with preponderating Muslim population and, if so, why and under what orders of Government?

(c) How many clerical vacancies were filled under the Presidency Postmaster, Calcutta, and Postmasters, Lahore and Karachi, during the last three years and how many Muslim and Hindu candidates were entertained?

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†Answer to this question laid on the table, the questioner being absent.

(d) What steps do Government propose to take to make up past deficiencies of Muslims in these circles?

**The Honourable Mr. A. G. Glow:** (a) A statement containing the information regarding items (1) to (4) is laid on the table of the House. As regards the other items I have not got up to date information in the exact form asked for by the Honourable Member but the latest information available will be found in Appendix XXII of the Director General's Annual Report for the year 1937-38, a copy of which is in the Library of the House.

(b) No.

(c) The information is being collected and will be laid on the table in due course.

(d, Does not arise in view of the reply given to part (b).

*Statement.*

	(i)		(ii)		(iii)	
	Bengal and Assam Circle.		Sind and Baluchistan Circle.		Punjab and N. W. F. Circle.	
	Muslims.	Hindus.	Muslims.	Hindus.	Muslims.	Hindus.
(1) Postmasters-General .		..	1*			
(2) Deputy Postmasters-General.	1	1				
(3) Assistant Postmasters-General.	1	3	1		2	2
(4) Gazetted Postmasters.	1	6		..	3	2

\* i.e. Director of Posts and Telegraphs, Sind and Baluchistan Circle.

**EFFECT OF ECONOMY CAMPAIGN ORDERS ON MUSLIMS, ETC., IN THE POSTS AND TELEGRAPHS DEPARTMENT.**

†1531. **\*Seth Haji Sir Abdoola Haroon:** (a) Will the Honourable Member for Communications be pleased to place on the table of the House a copy of Government orders issued to replace the orders contained in the Finance Department letter No. 4321-B, dated the 15th September, 1938?

(b) Is it a fact that all new recruitment to the extent of ten or five per cent. has been ordered to be stopped at the instance of the recommendations of the Economy Committee?

(c) Did Government consider that economy could be better achieved by retiring senior officials of 25 years' service and above instead of using the axe at the bottom?

(d) Is it a fact that Muslims and members of other minority communities have been hit hard by these orders?

†Answer to this question laid on the table, the questioner being absent.

(e) Is it a fact that the Director General, Posts and Telegraphs, has been given an extension of another two years?

(f) What economy could be achieved in the Posts and Telegraphs Department, if officers from the Director General, Posts and Telegraphs, to the rank of Selection Grade officers who had completed their term, were granted no extensions and made to retire?

(g) Is the Honourable Member prepared to consider now the question of ordering the immediate retirement of all such officers after cancelling orders of extension?

**The Honourable Mr. A. G. Clow:** (a) to (d). These parts should have been addressed to the Honourable the Finance Member.

(e) The Director General has been given an extension of the tenure of his appointment, and not an extension of service after the age of superannuation.

(f) I am not clear what the Honourable Member means by selection grade officers, but there is no gazetted officer now working in the Department who has reached the age of superannuation.

(g) Does not arise.

#### RAILWAY EARNINGS.

**1532. \*Mr. S. Satyamurti:** Will the Honourable Member for Railways please state:

(a) the latest railway earnings from all railways up to the date for which figures are available;

(b) the difference between this year's earnings and last year's earnings; and

(c) the main reasons for the difference?

**The Honourable Mr. A. G. Clow:** (a) and (b). The total approximate gross earnings of the State-owned Railways up to the 20th March, 1939, amount to Rs. 90.86 crores. This is Rs. 63 lakhs less than the actuals for the corresponding period of the previous financial year.

(c) The decline is due generally to less favourable economic conditions. In respect of goods traffic, there has been a decline under coal, wheat and ore, partly offset by an increase under oilseeds and a few other commodities. I understand that the coaching traffic figures for 1937-38 benefited from certain special festivals.

**Mr. S. Satyamurti:** May I know, Sir, how the loss is divisible between passenger earnings and goods earnings?

**The Honourable Mr. A. G. Clow:** The loss on goods earnings is 27 lakhs, the loss on coaching earnings is 41 lakhs. There is an increase of 5 lakhs under other earnings, making a total of 63 lakhs loss.

**Mr. S. Satyamurti:** May I know if Government have examined the reasons for the somewhat considerable loss and have come to any conclusions with regard to remedial steps to reduce the losses and increase the earnings?

**The Honourable Mr. A. G. Clow:** I suggested in my original answer that there were some special festivals which gave a distinct fillip to passenger earnings; on the other hand, the less favourable economic conditions have undoubtedly had an effect in reducing the passenger traffic as well.

**Mr. S. Satyamurti:** Will the Honourable Member give the House some indication of the proportion of the loss attributable to the absence of festivals in the previous year and the loss mainly due to deteriorating economic conditions?

**The Honourable Mr. A. G. Clow:** That could be done; I have not got the results here.

**Mr. Brojendra Narayan Chaudhury:** Is it a fact that loss in coaching earnings are partly due to bus competition?

**The Honourable Mr. A. G. Clow:** That is a belief. I do not know that I could support it by any concrete evidence.

**Mr. K. Santhanam:** May I know, Sir, the railway systems, in which the losses mainly occurred?

**The Honourable Mr. A. G. Clow:** I have not got it divided under different railways systems here.

**Mr. K. Santhanam:** May I know, Sir.....

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

#### GRANT OF SUBSIDIES TO FLYING CLUBS IN INDIA.

1533. **\*Mr. S. Satyamurti:** Will the Honourable Member for Communications please state:

- (a) whether Government have now decided to continue subsidies to flying clubs in India for a period of three years;
- (b) whether any conditions have been imposed on those grants with regard to the minimum number of Indians to be trained by these flying clubs; and
- (c) whether Government are satisfied that there is no racial discrimination of any kind in the running of these flying clubs or their work?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b) No.

(c) Yes.

**Mr. S. Satyamurti:** With reference to part (b) of the question, may I know, Sir, why no conditions have been imposed on those grants with regard to the minimum number of candidates to be trained by these flying clubs?

**The Honourable Mr. A. G. Clow:** I do not think it is possible to prescribe the minimum number, because the number to be trained depends on the number of candidates who present themselves.

**Mr. S. Satyamurti:** May I know, Sir, if all Indians who presented themselves have been trained and qualified by these flying clubs?

**The Honourable Mr. A. G. Clow:** It is possible.....

**Mr. S. Satyamurti:** I want to know whether Government in giving these grants have any information in their possession to satisfy themselves that no racial discrimination of any kind has been displayed and that all Indians who presented themselves were given facilities.

**The Honourable Mr. A. G. Clow:** The fact remains, and I am very glad to say that, out of the candidates trained in the last three years, more than three-fourths have been Indians.

**Mr. S. Satyamurti:** I want to know specifically whether any Indians have been turned down.

**The Honourable Mr. A. G. Clow:** I know of none, but if the Honourable Member will bring any case to my notice I will look into the matter.

**Mr. S. Satyamurti:** With regard to clause (c) of the question, may I know if there is any racial distinction observed in the running of these flying clubs?

**The Honourable Mr. A. G. Clow:** None of these, so far as I know, observe any racial distinction, and as I have already said, over three-fourths of the candidates trained in the last three years have been Indians.

**Mr. S. Satyamurti:** I am talking of running the clubs, apart from the people trained.

**The Honourable Mr. A. G. Clow:** I am not aware of any discrimination.

#### ACCIDENT RESULTING IN THE DEATH OF TWO INDIAN AIRMEN.

1534. **\*Mr. S. Satyamurti:** Will the Honourable Member for Communications please state:

- (a) whether the attention of Government has been drawn to the recent accident in which two Indian airmen were killed; and
- (b) whether Government have arranged for any enquiry into the causes of the accident, or whether Government have heard from some competent authority as to the causes of such accident?

**The Honourable Mr. A. G. Clow:** (a) and (b). I assume that the Honourable Member is referring to the accidents near Karachi on the 23rd February last, in which Messrs. B. D. Sharma and P. D. Sharma lost their lives. An official investigation to determine the causes of the accidents is in progress.

**Mr. S. Satyamurti:** Who is in charge of this investigation?

**The Honourable Mr. A. G. Clow:** I am not sure. It is under the Indian Aircraft rules, and we have secured the assistance of a Magistrate from the Sind Government.

**Mr. S. Satyamurti:** Is the Magistrate being advised by competent assessors, people who are experts in the line?

**The Honourable Mr. A. G. Clow:** There is certainly an expert on the investigation. I have not got the names here.

#### TRAIN COLLISIONS IN THE DINAPORE DIVISION OF THE EAST INDIAN RAILWAY.

**1535. \*Mr. Lalchand Navalrai:** (a) Will the Honourable the Railway Member be pleased to state how many train collisions have occurred in the year 1936 in the Dinapore Division, East Indian Railway?

(b) Will Government be pleased to state at which stations and in respect of which train collisions took place in the said Division?

**The Honourable Mr. A. G. Clow:** (a) and (b). Two. One between a goods train and a rake of wagons in the Gaya Yard on the 17th March, 1936, and the other between a passenger train and a goods train at Waris-aliganj on the 23rd May, 1936.

**Mr. Lalchand Navalrai:** May I know whether the causes of these collisions were enquired into and was there any report made on them?

**The Honourable Mr. A. G. Clow:** I presume so. This is a matter of three years ago, and I have no personal knowledge of it.

#### POSTING OF REGISTERED NEWSPAPERS ON THE DAY OF PUBLICATION.

**1536. \*Mr. Lalchand Navalrai:** (a) Will the Honourable Member for Communications be pleased to state whether it is necessary to post a periodical newspaper registered with the Post Office on the day of its publication? If so, will the Honourable Member please point out the specific provision in the rules?

(b) What is the reason for insistence that a registered newspaper be posted on the day of publication? Is the Honourable Member aware that the Post Offices raise no objection when the periodicals are posted before the date of publication marked on them?

(c) What objection is there if the registered newspapers are allowed to be posted a day or two later than the publication date to enable the newspaper managements to have wrappers and addresses put on them?

(d) Is it a fact that the Director General, Posts and Telegraphs, has received representations on the point mentioned in part (c) above? If so, what action has been taken by him to meet the wishes of the public?

**The Honourable Mr. A. G. Clow:** (a) Under Departmental instructions a registered newspaper should be posted on the day of publication unless a different date for posting has been indicated in the form of application for registration and accepted by the Department.

(b) A registered newspaper need not be posted only on the day of publication. All that is required is regular posting on the same day in each week or on the same date in each month in accordance with the declaration in the application for registration. This enables the authorities to make suitable arrangements for the correct sorting and quick handling of the newspapers in the post offices or railway mail offices concerned and is obviously in the interests of newspapers and their clients.

(c) There is no objection to registered newspapers being posted later than the date of publication shown on them provided they are posted at regular intervals.

(d) One representation was received by the Director-General from the Editor of *Railway Herald*, Karachi. It was reported that this paper was being posted irregularly and the management was advised to observe regularity in posting in future.

**Mr. Lalchand Navalrai:** In view of the fact that complaints have been made that certain obstructions are put to these postings, will the Honourable Member issue orders that what the Honourable Member has said now in this House should be carried out?

**The Honourable Mr. A. G. Clow:** If by obstruction the Honourable Member means that the post offices do not like things being posted irregularly, I am unable to accede to the Honourable Member's request.

**Mr. Lalchand Navalrai:** Even when they are done regularly there are obstructions.

**The Honourable Mr. A. G. Clow:** What obstruction?

**Mr. Lalchand Navalrai:** They are put to inconveniences, the things are returned, saying that they are not properly written, or something like that. Inconveniences are being felt on account of this.

**The Honourable Mr. A. G. Clow:** The Honourable Member can address a complaint to the proper authorities. I could not answer a general question of that sort. I do not know whether the things have been correctly addressed or not.

#### REFUND OF OVERDRAWALS BY CERTAIN EMPLOYEES ON THE NORTH WESTERN RAILWAY.

1537. **\*Mr. Lalchand Navalrai:** (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that a very large number of employees on the North Western Railway have been asked to refund large sums of money, said to be overdrawals, owing to some employees having drawn old scales of pay after 1st October, 1934, instead of revised scales of pay? If so, will the Honourable Member please state the number of such men and the amount involved?

(b) Why were not such overdrawals waived in accordance with paragraph 67 (4) (ii) of the Accounts Code, Volume 1?

(c) Is it a fact that in other Departments of the Central Government such overdrawals were waived under the Accounts Code? If so, why is the Railway Department making this distinction? And on what grounds?

**The Honourable Mr. A. G. Glow:** (a) to (c). I have called for the information required by the Honourable Member and will place a reply on the table of the House after it is received.

**Mr. Lalchand Navalrai:** May I know from the Honourable Member if the policy of the railway is also that these overdrawals are to be waived in accordance with paragraph 67 of the Accounts Code?

**The Honourable Mr. A. G. Glow:** I understood from the first part of the Honourable Member's question that his complaint was that they were not being waived.

**Mr. Lalchand Navalrai:** What I would draw the attention of the Honourable Member to is this, that in the other departments of the Central Government the practice is that when these overdrawals have been made they are waived because they had not been told at the time when there was a change in the scales they would have to refund.

**The Honourable Mr. A. G. Glow:** That is the point of the Honourable Member's question in part (c) of the question. It is one of the points on which I am calling for information.

#### APPLICATION OF REVISED SCALES OF PAY TO CERTAIN EMPLOYEES ON THE NORTH WESTERN RAILWAY.

1538. **\*Mr. Lalchand Navalrai:** (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that revised scales of pay have been applied to employees in the subordinate service on the North Western Railway, who were recruited on and after 16th January, 1931, though the revised scales of pay were issued on 31st July, 1934?

(b) Is it a fact that certain non-gazetted employees were appointed on the North Western Railway between 16th July, 1931 and 31st July, 1934 on old scales of pay?

(c) Is it a fact that some of them were given in their letters of appointment definite rates of pay in the old scales, and yet they have now been fixed in the revised scales of pay?

(d) Is it a fact that under exception (i) to paragraph 2 of the Agent, North Western Railway's letter No. 56-E./67, dated 17th September, 1934, persons who had been recruited after 15th July, 1931, but before the date of introduction of the revised scales of pay, under an agreement which entitled them to a specific scale of pay and did not provide for revision thereof, would continue to draw the old scales of pay?

(e) If the reply to part (d) above be in the affirmative, why have employees referred to in part (c) above been fixed in revised scales of pay?

**The Honourable Mr. A. G. Glow:** (a) Yes, in the case of employees recruited after the 15th July, 1931 (and not 16th January, 1931).

(b) Yes.

(c) Yes, as they were appointed in a temporary capacity.

(d) Yes, except that the number of the letter referred to is 561-E/67.

(e) The orders referred to in part (d) did not apply to those to whom reference is made in part (c).

**EXAMINATION FOR RECRUITMENT OF CLERKS IN THE SIND AND BALUCHISTAN  
POSTAL CIRCLE.**

1539. \*Mr. Lalchand Navalrai: (a) Will the Honourable Member for Communications be pleased to state whether it is a fact that a competitive examination for recruitment to the subordinate clerical service in the Sind and Baluchistan Circle of the Posts and Telegraphs Department was held at various centres in the Circle on the 20th November, 1938?

(b) Is it a fact that the recruitment rules provide for communication of result within two months of the date of the holding of the competitive examination? If so, was the examination result referred to in part (a) above, declared on or before 20th January, 1939?

(c) If the reply to part (b) above be in the negative, will the Honourable Member please state if it is a fact that the result was actually communicated to the Director, Posts and Telegraphs, by the Sind educational authorities quite in time, but the papers were got re-assessed?

(d) If the reply to the second part of part (c) above be in the affirmative, will the Honourable Member be pleased to state, at whose instance the papers had been re-assessed and whether such re-assessment of papers was in accordance with the recruitment rules? If so, will the Honourable Member please quote specific provision of the rules?

(e) Is it a fact that in the first result few Muslims had passed and in the re-assessment the pass number of Muslim candidates was raised to about 50?

(f) If the reply to part (e) above be in the negative, will the Honourable Member please state the real position of pass candidates of all communities separately in the first examination result and on re-assessment results?

(g) Why was re-assessment of papers ordered?

(h) Is it not a fact that candidates are to be sent for examination in optional subjects only when they have secured qualifying marks in the compulsory subjects?

(i) Is it a fact that on knowing the first result of compulsory subjects the Director's Office at Karachi called for the pass candidates to appear in extra optional subjects? If so, why were they declared afterwards as having failed in the compulsory subjects?

**The Honourable Mr. A. G. Glow:** (a) Yes.

(b) and (c). No.

(d) to (i). There was no re-assessment of papers. The procedure followed was to call for examination in the optional subjects only those candidates who, having offered optional subjects, obtained minimum qualifying marks in the compulsory subjects. None of those candidates secured a pass mark in the optional subjects and the marks originally obtained in the compulsory subjects determined the order of merit. There was thus no increase in the number of passes for any community as a result of the examination in the optional subjects. The number of candidates obtaining pass marks was 185 and 33 Hindus, 26 Muslims and five members of other communities were selected for employment.

**MUSLIM CLERKS IN THE GENERAL MANAGER'S OFFICE OF THE GREAT INDIAN PENINSULA RAILWAY.**

**1540. \*Maulvi Muhammad Abdul Ghani:** (a) With reference to the reply given to my starred question No. 673 on the 23rd February, 1939, will the Honourable Member for Railways please state whether he has collected information regarding the total number of clerks and the number of Muslim clerks working in the office of the General Manager of the Great Indian Peninsula Railway? If so, what is the number of Muslim clerks? If not, do Government propose to call for the information from the Great Indian Peninsula Railway and lay it on the table? If not, why not?

(b) What is the reason for not appointing a single Muslim in the Establishment section of the General Manager's office of the Great Indian Peninsula Railway?

(c) What is the number of vacancies which fell vacant in the Establishment section of the General Manager's office of the Great Indian Peninsula Railway since the 1st September, 1937?

(d) Is it a fact that though some vacancies occurred in the said section, no Muslim was given any chance to serve there? If so, why?

(e) Do Government propose to appoint Muslims in the said section of the Great Indian Peninsula Railway, when any vacancy occurs in future?

**The Honourable Mr. A. G. Clow:** (a) Information has since been obtained. There are 32 clerks, one of whom is a Muslim.

(b) Does not arise.

(c) Three.

(d) None of these vacancies went to a Muslim. The posting of clerks to sections of an office is not determined by communal considerations.

(e) I shall communicate the Honourable Member's suggestion to the General Manager for consideration.

**Mr. Muhammad Nauman:** Has the Honourable Member investigated into the condition as to why there is no Mussalman in the establishment branch as yet?

**The Honourable Mr. A. G. Clow:** No.

**Dr. Sir Ziauddin Ahmad:** May I know what is the proportion fixed in the G. I. P. Railway for Mussalmans? The percentage of 25 is distributed over the various railways. What is the proportion for G. I. P. Railway, and may I know why it was not observed in this case?

**The Honourable Mr. A. G. Clow:** I do not know the proportion; I should require notice. But I have no reason to suppose that it was not observed.

**RESTRICTIONS ON INDIAN PASSENGERS PASSING THROUGH THE PORT OF MANILA.**

**1541. \*Mr. Manu Subedar:** (a) Will the Secretary for External Affairs please state whether it is a fact that Indian passengers on boats passing through the port of Manila are not allowed to land on the shore?

(b) Is it a fact that there is a definite rule to this effect with regard to Indians, while passengers of other nationalities are allowed to go on shore?

(c) Have Government received any communication from the Indian Chamber of Commerce, Japan, or from the Trade Commissioner in Japan, confirming this state of affairs?

(d) Do Government know of any reason why there should be discrimination against Indians in this matter?

(e) Are Government prepared to make diplomatic representations to the Government of Philippines in order to smooth out this difficulty experienced by Indian passengers, who are passing through the port of Manila?

**Sir Aubrey Metcalfe:** With your permission, Sir, I will reply to the question as a whole. The Government of India have no information regarding the alleged discrimination against Indians in Manila. A representation was received from the Indian Chamber of Commerce, Japan, and a reference has been made to His Majesty's Government.

**Mr. S. Satyamurti:** When was this reference made?

**Sir Aubrey Metcalfe:** Directly we received the representation from the Indian Chamber of Commerce, Japan.

**Mr. S. Satyamurti:** How long ago was it? I am asking that with a view to find out whether sufficient time has elapsed to receive a reply.

**Sir Aubrey Metcalfe:** We have not yet received a reply. If we had, I would have given the information to the House. The representation I think was received about three weeks or a month ago.

**Mr. Manu Subedar:** With regard to part (d) of the question, the Honourable Member's answer does not cover it,—“Do Government know of any reason why there should be discrimination against Indians in this matter?”

**Sir Aubrey Metcalfe:** As I have explained, we do not yet know that there has been any discrimination. How then could we know the reason of it?

**ORDER FOR CAST IRON PERMANENT WAY CHAIRS PLACED WITH MESSRS. MUKAND IRON WORKS BY THE NORTH WESTERN RAILWAY.**

**1542. \*Mr. K. Santhanam:** (a) Will the Honourable Member for Communications state if it is a fact that the General Manager, North Western Railway, on the recommendation of the Controller of Stores approached the Railway Board for their sanction to place an order for a large quantity of cast iron permanent way chairs on Messrs. Mukand Iron Works, Badamibagh?

(b) Will Government place the said letter on the table for the information of the House?

(c) Is it a fact that Messrs. Burn and Company's quotation was the lowest?

(d) What was the quantity for which the tender was invited?

(e) What were the terms offered by Messrs. Burn and Company and Messrs. Mukand Iron Works?

**The Honourable Mr. A. G. Clow:** (a) and (b). The General Manager forwarded certain proposals in this connection, but it is contrary to the practice of Government to disclose recommendations of this character and I do not propose to place the letter on the table.

(c) It was the lowest at the point of delivery but not the lowest when freight to Lahore was taken into account.

(d) For 78,000 cast iron chairs.

(e) The price tendered by Messrs. Burn and Company was Rs. 1/11/6 per chair *f. o. r.* firm's works siding Ramkristopore, subject to not less than the full tendered quantity being ordered at one time. Messrs. Mukand Iron and Steel Works' quotation was Rs. 1/12/4 per chair *f. o. r.* Badamibagh subject to the supply of approximately 1,650 tons of cast iron scrap by the North Western Railway at the last auction rate of Rs. 36/13/- per ton *plus* ten annas per ton as loading charges and booked from Raiwind, Ghaziabad and Sukkur at Railway material rate of freight. They offered to use Messrs. Burn and Company's or Tata's pig iron.

**Mr. K. Santhanam:** May I know if the rate at which the cast iron was supplied was about half the market rate for that iron?

**The Honourable Mr. A. G. Clow:** I cannot catch what the Honourable Member means by market rate.

**Mr. K. Santhanam:** The market rate for scrap iron. My information is that this was supplied at half the rates for which the scrap iron might have been sold, and as a consequence, this Mukand Iron Company's higher tender was accepted, while the scrap iron was supplied at half rates.

**The Honourable Mr. A. G. Clow:** I am not aware of these facts.

**Mr. K. Santhanam:** Will the Honourable Member kindly enquire into this?

**The Honourable Mr. A. G. Clow:** If the Honourable Member will table a question. . . .

**Mr. K. Santhanam:** The question is there already.

**The Honourable Mr. A. G. Clow:** Not in this. I have given a full answer to the Honourable Member's question.

**Mr. S. Satyamurti:** With reference to the answers to parts (a) and (b) of the question, my Honourable friend said that he would not answer the question. But we want to know the net loss to the taxpayer or to the railway concerned directly as a result of the acceptance of Mukand Iron Company's tender—that was a higher tender, and the cast iron was supplied at half the price. I want to know whether Government have any information in their possession which will satisfy the House that the railway or the taxpayer has suffered no loss whatever on this transaction.

**The Honourable Mr. A. G. Clow:** I am told that this scrap was sold at the previous auction prices.

**Mr. S. Satyamurti:** I want to know whether Government have satisfied themselves on the materials before them that the acceptance of this particular tender for the sale of cast iron scrap has not involved the taxpayer in any loss.

**The Honourable Mr. A. G. Clow:** I do not know how the Honourable Member implies that the loss arose.

**Mr. S. Satyamurti:** My Honourable friend says that he does not accept that there was a loss. An allegation has been made that loss has been incurred in this transaction and there is a *prima facie* case. I want to know whether Government have investigated this matter and have satisfied themselves that the taxpayer has not suffered any loss.

**The Honourable Mr. A. G. Clow:** The Honourable Member is not correct in his assumption that there was a loss. I said that the tender was the lowest at the point of delivery but not the lowest when freight to Lahore was taken into account. . . .

**Mr. S. Satyamurti:** What is the extra freight charge?

**The Honourable Mr. A. G. Clow:** From Ramkristopore to Lahore, it is very substantial.

#### TENDERS FOR PRINTING THE *INDIAN LISTENER*.

1543. **\*Dr. Sir Ziauddin Ahmad:** (a) Will the Honourable Member for Communications state whether Government have decided the names of persons to whom the contract for printing the *Indian Listener* will be given?

(b) Were the tenders called for?

(c) Was the contract given to the persons offering the lowest tender? If not, why not?

**The Honourable Mr. A. G. Clow:** (a) and (c). The question of the award of the contract is under consideration.

(b) Yes.

#### LOSS ON THE RUNNING OF THE *INDIAN LISTENER*.

†1544. **\*Sardar Mangal Singh:** Will the Honourable Member for Communications please state:

(a) whether the magazine *Indian Listener* of the All-India Radio is running at a loss;

(b) what the total annual loss in running this magazine is;

(c) whether Government have closely examined the position with a view to reducing the expenditure;

(d) whether the printers are paid at per page;

(e) whether the number of pages has increased since the printing was shifted from Bombay to Delhi; and

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†Answer to this question laid on the table, the questioner being absent.

(f) whether the Honourable Member is prepared to ask the editor to take the following measures to reduce the charges on printing:

- (i) reduce the number and size of photographs;
- (ii) reduce the number of boxes; and
- (iii) fill up the blanks and close up the matter?

**The Honourable Mr. A. G. Clow:** (a), (c), (d) and (e). Yes.

(b) Rs. 33,489 during 1937-38.

(f) These suggestions will be considered.

#### FALL IN THE NUMBER OF ADVERTISEMENTS IN THE *INDIAN LISTENER*.

†1545. \***Sardar Mangal Singh:** Will the Honourable Member for Communications please state:

- (a) whether there has been a considerable fall in the number of advertisements in the *Indian Listener* since its transfer from Bombay; and
- (b) what steps are being taken to bring them up to the former level?

**The Honourable Mr. A. G. Clow:** (a) There was a substantial fall in the number and value of advertisements in the second half of last year, but they have risen substantially since then.

(b) Does not arise.

#### TENDERS FOR PRINTING THE *INDIAN LISTENER*.

†1546. \***Sardar Mangal Singh:** Will the Honourable Member for Communications please state:

- (a) whether Government called for tenders for printing the *Indian Listener* last year;
- (b) whether it is a fact that the lowest tender was not accepted and no reason was given for it; and
- (c) whether Government are prepared to call for tenders next year for the printing of the *Indian Listener*?

**The Honourable Mr. A. G. Clow:** (a) Tenders were invited last year for printing the *Indian Listener* for an *ad interim* period of six months until permanent arrangements could be made.

(b) The rates of the successful tenderer were slightly higher than the lowest tender. The higher tender was accepted on the score of the quality of the printing.

(c) Tenders have already been received in connection with the arrangements to be made after the expiry of the six months' period mentioned in the reply to part (a).

#### CARRIAGE OF PILGRIMS IN GOODS WAGONS ON THE BARSII LIGHT RAILWAY.

1547. \***Mr. K. S. Gupta:** (a) Will the Honourable Member for Railways state whether he is aware that Barsii Light Railway carried the pilgrim traffic to Pandharpur in goods wagons in the year 1938?

†Answer to this question laid on the table, the questioner being absent.

(b) How many pilgrims were carried in wagons during 1938 to Pandharpur?

(c) Was there any representation made by the Honorary Secretary of the Federation of Passengers Associations of India, Bezwada, to the Agent of the Barsi Light Railway about the carrying of pilgrims in wagons? If so, what was the reply by the Agent?

(d) Did Government ask for any information and explanation from the Agent of the Barsi Light Railway about the carrying of pilgrims in goods wagons? If so, what was the reply? Will the Honourable Member place it on the table?

(e) What is the action taken by the Government of India to prevent such a recurrence of carrying pilgrims in goods wagons by the Barsi Light Railway?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b) Government understand that it was impossible to record the number of pilgrims so carried.

(c) The answer to the first part is in the affirmative. In reply to the second part, the Agent of the Barsi Light Railway has stated that "the matter is under correspondence with Government". His reply related to a communication received from the Bombay Government.

(d) The Bombay Government addressed the Railway. A reply was sent explaining the circumstances in which the wagons were used and the reasons for their use. I do not propose to lay it on the table of the House.

(e) Government do not contemplate taking any action in the matter.

**Mr. Brojendra Narayan Chaudhury:** Is there any law prohibiting the carriage of passengers in goods wagons?

**The Honourable Mr. A. G. Clow:** I know of none.

**Mr. Brojendra Narayan Chaudhury:** May I know whether it is contemplated to enact such a law?

**The Honourable Mr. A. G. Clow:** There is no proposal under contemplation.

**Mr. S. Satyamurti:** Do Government propose to enact a human law that passengers are not to be carried in goods wagons?

**The Honourable Mr. A. G. Clow:** I am not prepared to admit that it is inhuman.

**Mr. S. Satyamurti:** Does the Honourable Member suggest that the carrying of passengers in goods wagons is a human method of transport?

**The Honourable Mr. A. G. Clow:** In some cases, certainly. I have travelled in one myself.

**Prof. N. G. Ranga:** Is not the Honourable Member aware of the fact that Moplah prisoners were conveyed in goods carriages and 26 of them died as a result of suffocation? :

**The Honourable Mr. A. G. Clow:** I do not think that that regrettable occurrence has anything to do with the present issue. That was a closed van.

**Mr. Mann Subedar:** Will the Government of India take steps to inform the Barsi Light Railway, which is a private company, that they should in future provide ordinary carriages for the carriage of passengers and not goods wagons?

**The Honourable Mr. A. G. Clow:** This is a case of very exceptional traffic for a very short period.

**CLOSING OF THE VEHICULAR TRAFFIC OVER THE LANDSDOWNE BRIDGE BETWEEN ROHRI AND SUKKUR.**

†1548. **\*Mr. Lalchand Navalrai:** (a) Will the Honourable the Railway Member be pleased to state if there is a proposal to close down all vehicular traffic over the Landsdowne Bridge between Rohri and Sukkur on the North Western Railway, Sind Section?

(b) If so, for how long, and when is it contemplated to put it into force?

(c) What are the reasons for closing the bridge for vehicular traffic, and for how long has that traffic been carried on that bridge?

(d) Are Government aware that in case the vehicular traffic is stopped on the bridge, the other way to cross the river will be by a detour of about eight miles in place of two miles only?

(e) Has the General Manager, North Western Railway, received a representation from the Hindus and Muhammadans of Rohri and Sukkur protesting against such a move?

(f) What steps do Government propose to take to stop the proposed prohibition against the vehicular traffic?

**The Honourable Mr. A. G. Clow:** Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

**TAXATION OF RAILWAY EMPLOYEES AT MOGHUL SARAI BY THE BENARES DISTRICT BOARD.**

1549. **\*Mr. Sri Prakasa:** Will the Honourable Member for Railways state.

(a) if it is a fact that railway workers and employees living in the railway area near the Moghal Sarai Railway junction on the East Indian Railway have to pay a circumstances and property tax to the District Board of Benares;

(b) if so, the nature of the facilities and amenities provided by the District Board for the railway employees in return for the tax taken;

(c) if it is a fact that the railway itself provides for all municipal amenities, such as, sanitation, roads, medical relief, etc., for their railway colony; and

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+ Answer to this question laid on the table, the questioner having exhausted his quota.

- (d) if Government have any understanding with the District Board as regards the taxation of railway employees?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b) No facilities and amenities are provided by the District Board within the Railway area, but employees are in a position to use amenities supplied outside that area.

(c) Yes.

(d) In the case of staff to whom the Payment of Wages Act, 1936, does not apply, the tax is collected by the railway through the salary bills, and the District Board allow a substantial rebate on the tax to such employees. There is no other understanding with the District Board as regards the tax in question.

**Mr. Sri Prakasa:** Are Government satisfied that no unnecessary hardship is inflicted on railway servants there?

**The Honourable Mr. A. G. Clow:** Payment of taxes is always a "hardship."

#### LIGHTING OF THE JUMNA BRIDGES AT DELHI AND ALLAHABAD.

1550. \***Mr. Sri Prakasa:** Will the Honourable Member for Railways state:

- (a) if it is a fact that vehicular traffic is carried under the railway track on the Jumna bridges at Delhi and Allahabad;
- (b) if Government have received any representation for the lighting of these bridges to facilitate vehicular traffic on dark nights;
- (c) if Government have received any complaints of thefts on the Allahabad bridge owing to lack of lighting facilities; and
- (d) if Government intend to take any action in the matter either by way of inducing the municipal authorities concerned to make arrangements for the lighting of the bridge or doing that themselves?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b), (c) and (d). No.

#### CONSULTATION OF THE GOVERNMENT OF INDIA IN RESPECT OF FOREIGN POLICY OF HIS MAJESTY'S GOVERNMENT.

1551. \***Mr. S. Satyamurti:** Will the Secretary for External Affairs be pleased to state:

- (a) whether there is any convention, understanding or practice, with regard to the occasions or the matters on which His Majesty's Government consult the Government of India in respect of the foreign policy of His Majesty's Government;
- (b) whether the Government of India have acquiesced in the position that His Majesty's Government need not consult this Government in respect of the foreign policy of Great Britain regarding the European situation, and, if so, the reasons why;

- (c) whether the Government of India are consulted by His Majesty's Government with regard to any questions of foreign policy and, if so, what they are;
- (d) whether the Government of India were consulted with regard to the policy of Great Britain in respect of the Sino-Japanese war;
- (e) what the occasions and the matters are on which the Government of India were consulted by His Majesty's Government during the last five years in respect of questions of foreign policy; and
- (f) the procedure, if any, adopted by the Government of India in offering advice or suggestions to His Majesty's Government in respect of these matters; especially about consulting Indian public opinion on them?

**Sir Aubrey Metcalfe:** (a), (b), (c), (e) and (f). The Honourable Member's attention is invited to the replies given to his starred question No. 1344 in the Legislative Assembly on the 21st November, 1938, and supplementaries.

(d) No.

**Mr. S. Satyamurti:** With reference to all the clauses except (d), with respect to which my Honourable friend referred me to his previous answer, may I know if there is any convention, understanding or practice in regard to the matters on which His Majesty's Government consult this Government in respect of the foreign policy of that Government.

**Sir Aubrey Metcalfe:** I have nothing to add to my reply to a precisely similar question to which I have referred the Honourable Member. If he will refer to the proceedings, he will find that four pages have been taken up with the question and the supplementaries.

**Mr. S. Satyamurti:** So far as my memory serves me, there was no answer to this particular question.

**Sir Aubrey Metcalfe:** I think you will perhaps permit me, Sir, to read a few sentences from the answer I gave on the last occasion:

"The degree and nature of the consultation which takes place depend upon the circumstances of individual cases. I am unable to give any information as to the procedure adopted which is necessarily confidential in character."

**Mr. S. Satyamurti:** With reference to the answer to clause (b) of my question my Honourable friend said the other day—I do not remember the exact date—that so far as European foreign policy is concerned this Government is not usually consulted. I have framed this question on that answer. May I know whether the Government of India have acquiesced in the position that His Majesty's Government need not consult this Government in respect of its foreign policy regarding European affairs?

**Sir Aubrey Metcalfe:** I do not know what the Honourable Member means by 'acquiesced'.

**Mr. S. Satyamurti:** I mean exactly what I say. I want to know whether this Government have been told by His Majesty's Government that they will not be consulted in regard to the foreign policy of His Majesty's Government regarding Europe, whether this Government have acquiesced in that position, and have not made any representations on it, protesting against that position.

**Sir Aubrey Metcalfe:** The Government have certainly not protested. There is no reason why they should.

**Mr. S. Satyamurti:** They have simply acquiesced . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): This matter has been discussed before.

**Mr. S. Satyamurti:** This particular point has not been discussed before. The answer may have taken four pages, but this particular point was not raised before. We have been told that this Government is not consulted by His Majesty's Government with respect to its foreign policy regarding Europe. This is the first time I heard that answer. I want to know what are the reasons why the Government have not protested against this position.

**Mr. President** (The Honourable Sir Abdur Rahim): He is not prepared to disclose the procedure that governs a matter like this.

**Mr. S. Satyamurti:** I am not asking him to disclose the procedure. I am simply asking him the reasons why Government have not protested against various events which have taken place in Europe with respect to Czechoslovakia, Danzig, the aggression against Poland and so on.

**Sir Aubrey Metcalfe:** The Honourable Member knows the answer as well as I do. As I informed him the other day, India is constitutionally in a different position from the Dominions.

**DRAFT AGREEMENT FOR A TREATY OF COMMERCE AND NAVIGATION WITH THE UNITED STATES OF AMERICA.**

**1552. \*Mr. T. S. Avinashilingam Chettiar:** Will the Secretary for External Affairs state:

- (a) whether Government have received the draft Agreement for the Treaty of Commerce and Navigation to be concluded with the United States of America;
- (b) if so, whether Government have considered the Agreement; and
- (c) whether the Legislative Assembly will be consulted before final conclusion of the Agreement?

**Sir Aubrey Metcalfe:** (a) No.

(b) Does not arise.

(c) The attention of the Honourable Member is invited to the reply given by me to part (d) of Sardar Mangal Singh's question No. 306 on the 10th February, 1939.

**LEASE OF LAND AT PATPORE CABIN NEAR JUMNA BRIDGE, DELHI.**

**1553. \*Mr. B. B. Varma:** (a) Will the Honourable Member for Railways please state :

(i) whether it is a fact that the Divisional Superintendent, North Western Railway, Delhi Division, is contemplating entering into an agreement with Messrs. Gopal Brothers of Delhi for lease of the land measuring 300 square yards situated at Patpore Cabin, East, Jumna Bridge, Delhi, on Rs. 54 for the year 1939-40; and

(ii) the purpose for which the land is to be leased?

(b) Is it a fact that negotiations are conducted privately?

(c) What are the reasons for accepting the lease on Rs. 54?

(d) What is the market value of the land?

(e) What are the rents per month derived by properties adjacent to that land?

(f) Has any application from any other person been received by that administration for the lease of that land? If so, with what result?

(g) What are the reasons for not auctioning that lease publicly, which may bring more revenues, as is done by the Improvement Trust and Municipalities?

(h) What are the reasons for departing from the ordinary rule of inviting tenders?

(i) Was the Collector of Delhi consulted?

(j) Has any action been taken to lease that land by public auction for the year 1939-40? If not, why not?

**The Honourable Mr. A. G. Clow:** Enquiries are being made from the Railway Administration concerned and a reply will be laid on the table in due course.

**PROMOTIONS OF TICKET COLLECTORS AND SPECIAL TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.**

**†1554. \*Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member for Railways please state whether it is a fact that all posts of all grades in the cadre of Ticket Collectors and Special Ticket Examiners on the North Western Railway are non-selection posts?

(b) What are the considerations on which promotions from one grade to another and from Ticket Collectors to Special Ticket Examiners are made?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b) Fitness, approved service and seniority.

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†Answer to this question laid on the table, the questioner being absent.

**TRANSMISSION OF TELEGRAPH MESSAGES FROM KANKANADY AND CODIALBAIL TO MANGALORE.**

**1555. \*Sri K. B. Jinaraja Hegde:** Will the Honourable Member for Communications be pleased to state :

- (a) whether it is a fact that messages are not transmitted from Kankanady and Codialbail Posts and Telegraphs Offices to the Mangalore city Telegraph Office by wire but are transmitted by telephone or by messengers;
- (b) whether it is a fact that the telephone in those two offices are not enclosed and that telegraph messages while being telephoned are overheard by people inside and outside those offices and that secrecy of messages is not maintained;
- (c) whether representations were made to the Post Master General, Madras, and that he failed to meet the objections raised by the people and traders of Mangalore; and
- (d) what steps Government are prepared to take to meet the objections?

**The Honourable Mr. A. G. Clow:** (a) Telegraph messages between the offices mentioned are transmitted by telephone.

(b) and (d). The telephones are in cabinets and ordinarily over-hearing should not be possible. But I am drawing the attention of the Postmaster General, Madras Circle, to the complaint and asking him to take any necessary steps to ensure secrecy.

(c) I understand that prior to the adoption of the present system of transmission of messages by telephone representations were made to the Postmaster General, Madras Circle, against the possible introduction of the system of transmitting telegrams by messengers. That system was not introduced.

**Sri K. B. Jinaraja Hegde:** Are Government aware that telephones are not enclosed in cabinets in post offices which transmit telegraph messages?

**The Honourable Mr. A. G. Clow:** My information is that they are enclosed in cabinets.

**DELAYS IN TRANSIT OF LETTERS ADDRESSED BY THE SUNDAY STANDARD.**

**1556. \*Sri K. B. Jinaraja Hegde:** Will the Honourable Member for Communications be pleased to state :

- (a) whether Government are aware of an article published in the *Sunday Standard* entitled "what's wrong with the Post Office", in its issue dated the 26th February, 1939;
- (b) whether it is a fact that there were inordinate delays in transit of letters addressed by the *Sunday Standard*; and
- (c) whether he is aware that scant attention is paid by the Post Master General, Bombay, to such complaints?

**The Honourable Mr. A. G. Clow:** (a) Yes.

(b) Investigation showed that there was a substantial delay in the sorting of a number of letters in the Bombay General Post Office.

(c) No. The matter received the personal attention of the Postmaster General and special arrangements have been made with a view to eliminating delay as far as possible.

#### WORK GIVEN TO KEYMEN ON THE EAST INDIAN RAILWAY.

1557. **\*Mr. Satya Narayan Sinha:** Will the Honourable the Railway Member please state whether it is a fact that in the time of the East Indian Railway Company the keymen had to work only two miles and now they have been given four miles on double line, *i.e.*, eight miles per head? Are Government prepared to adopt the old system of the East Indian Railway Company?

**The Honourable Mr. A. G. Clow:** The answer is in the negative so far as present practice is concerned. Actual figures for 1938 show that one keyman was employed for every 1.6 route miles on the Grand Chord section of the East Indian Railway, and one keyman for every two miles on the main line section between Asansol and Moghal Sarai.

**Mr. K. Santhanam:** May I know whether as a result of the Wedgwood Committee's recommendations there has been any change in the space allotted to each of the keymen?

**The Honourable Mr. A. G. Clow:** I would require notice of that.

#### REPLACEMENT OF THE GORAI BRIDGE ON THE EASTERN BENGAL RAILWAY.

1558. **\*Mr. Kuladhar Chaliha:** Will the Honourable the Railway Member please state :

- (a) whether the replacement of the Gorai bridge on the Eastern Bengal Railway has been completed, and what the cost has been;
- (b) whether the materials of the old bridge have been fully disposed of; if so, for what amount; what the estimated amount was;
- (c) whether the materials were sold by public auction, or by private agreement; and
- (d) the names of the purchasers above Rs. 1,000 with the amounts paid by each?

**The Honourable Mr. A. G. Clow:** Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

#### REST TO GUARDS ON THE EAST INDIAN RAILWAY.

1559. **\*Mr. Muhammad Nauman:** Will the Honourable Member for Railways be pleased to state why the first grade European and Anglo-Indian guards on the East Indian Railway are entitled to enjoy rest invariably on Sundays, and Indian guards who are termed non-Christian are not granted the privileges of rest on any week day in the same way as Europeans or Anglo-Indians enjoy rest on Sundays?

**The Honourable Mr. A. G. Clow:** With your permission, Sir, I propose to reply to this and question No. 1560 together.

I have called for the information required by the Honourable Member and will place a reply on the table of the House when it is received.

**ALLOWANCE TO GUARDS WORKING ON SUNDAYS ON THE EAST INDIAN RAILWAY.**

†1560. \***Mr. Muhammad Nauman:** (a) Is the Honourable Member for Railways aware of the fact that European and Anglo-Indian first grade guards on the East Indian Railway, who are booked on the line on Sundays, are granted double pay for working on Sundays?

(b) If the reply to part (a) be in the affirmative, will the Honourable Member be pleased to state why Indian first grade guards on the East Indian Railway are deprived of the same privileges in the matter of allowance and pay for working on Sundays?

(c) Will the Honourable Member be pleased to explain who is responsible for this kind of discrimination in the matter of grant of allowance and pay to staff by classifying them as Christian and non-Christian?

**DISCRIMINATION IN THE SUPPLY OF MEALS FROM EUROPEAN RUNNING ROOMS TO MUSLIMS GUARDS ON THE NORTH WESTERN RAILWAY.**

1561. \***Mr. Muhammad Nauman:** (a) Is the Honourable Member for Railways aware of the fact that Muslim guards on the East Indian Railway are not allowed to take their meals from European running rooms, though they are prepared to pay the highest cost for meals?

(b) If the reply to part (a) be in the affirmative, will the Honourable Member be pleased to state the reasons therefor?

**The Honourable Mr. A. G. Clow:** (a) and (b). Government have no information. I am, however, sending a copy of the question to the General Manager, East Indian Railway, for such action as he may consider necessary.

**ALLOWANCES SANCTIONED FOR THE TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1562. \***Mr. H. A. Sathar H. Essak Sait** (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha): (a) Will the Honourable the Railway Member be pleased to state whether it is a fact that the Moody and Ward scale of allowance sanctioned in 1931 by the Railway Board, has been appealed against by the Travelling Ticket Examiners (consisting of old Ticket Collectors and new Crew Staff) of the East Indian Railway?

(b) Is it a fact that the General Manager of the East Indian Railway is an authority over all the appeals against P. M. T. allowance sanctioned by the Railway Board inadequately or improperly between August 1926 and December 1933? If so, under which rules?

(c) Is it not a fact that an appeal does lie with the Railway Board where P. M. T. allowance sanctioned by them under Supplementary Rule 22, Appendix 13, is alleged to be improper and inadequate according to rules?

(d) Is it not a fact that P. M. T. allowance calculated on the basis of daily allowance on pay between Rs. 51 and Rs. 100 was arrived at wrongly at Rs. 15 and Rs. 20?

**The Honourable Mr. A. G. Clow:** (a) to (d). I would refer the Honourable Member to the reply given to Qazi Muhammad Ahmad Kazmi's question No. 832 on the 26th February 1936.

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†For answer to this question, see answer to question No. 1559.

PROMOTIONS IN THE TICKET CHECKING BRANCH ON THE EAST INDIAN RAILWAY.

1563. \***Mr. H. A. Sathar H. Essak Sait** (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha): (a) Will the Honourable the Railway Member be pleased to state how many promotion courses for promotions from grade to grade in the Ticket Checking Branch have been held during the last years?

(b) Is it a fact that the promotion in the above branch is given first according to the seniority and promotion examination is held afterwards?

(c) Is it a fact that the periodical test as outlined in rule 30 of the East Indian Railway T. C. Pocket Guide has not been observed on the Howrah Division?

(d) Is there any provision in the State Railways Establishment Code regarding periodical test? If not, does T. C. Pocket Guide supersede in the matter?

**The Honourable Mr. A. G. Clow:** (a) to (c). These are matters of detailed administration on which Government have no information. I am, however, sending a copy of the question to the General Manager, East Indian Railway, for such action as he may consider necessary.

(d) The reply to the first part is in the negative. I would, however, refer the Honourable Member to paragraph 29, Appendix XXII, page 379 of the State Railway Establishment Code. I am unable to reply to the second part of this question as I have not been able to obtain a copy of the Guide. It is, however, open to the Administration to issue such instructions in these matters as they consider necessary so long as they are not inconsistent with any orders issued by the Railway Board.

**Dr. Sir Ziauddin Ahmad:** Is it not a fact that the State Railways are directly under the Railway Board, who are responsible to this House, and we can ask questions about detailed administration only in this House alone, and it is not fair for the Honourable Member to say that this concerns the General Manager and is not therefore the function or the business of the Honourable Member to reply to? My point is this. The Honourable Member ought not to have evaded the reply only on the ground that this is a function of the General Manager and not of the Railway Board,—because the General Manager is responsible to this House only through the Honourable Member.

**Mr. President** (The Honourable Sir Abdur Rahim): That is not a question.

**Dr. Sir Ziauddin Ahmad:** Sir, the Honourable Member evaded a reply on the ground that this is the business of the General Manager.

**The Honourable Mr. A. G. Clow:** I am not evading a reply. I would remind the Honourable Member and I think he realises this fact himself that there are large matters of administrative detail. The Railway Board, although they are generally responsible, must leave certain matters to the discretion of the General Managers.

**Mr. Muhammad Nauman:** Is the Honourable Member prepared to instruct the General Managers then to reply directly when we write to them?

**The Honourable Mr. A. G. Clow:** The General Managers are willing to give information and also there are Advisory Councils in which matters of substantial importance can be raised.

**PREPONDERANCE OF NON-MUSLIMS IN THE ELECTRICAL BRANCH OF THE NORTH WESTERN RAILWAY.**

**1564. \*Mr. H. M. Abdullah:** (a) Will the Honourable Member for Railways please state whether the four senior and four junior scale gazetted posts in the Electrical Branch of the North Western Railway are equally divided between the Europeans and Hindus, and that there is not a single Muslim in the gazetted ranks of this Branch?

(b) Is it a fact that it is the accepted policy of Government to ensure that there is no undue preponderance of any one community in any Department of Government?

(c) Will the Honourable Member please state how Government propose to redress this undue preponderance in this Branch of the non-Muslim element?

**The Honourable Mr. A. G. Clow:** (a) Of the eight gazetted officers in the Electrical Branch, one is an Anglo-Indian, three are Europeans and four are Hindus.

(b) and (c). Government's policy in regard to communal representation in the services is stated in the Home Department's Resolution No. F. 14/17-B./33-Ests., dated the 4th July, 1934, (a copy of which is in the Library of the House). The claims of Muslims eligible for appointment will be considered as and when opportunity offers for recruitment to this Branch.

**Mr. Muhammad Nauman:** Are we to understand that no opportunity has occurred in that Branch?

**The Honourable Mr. A. G. Clow:** I believe there has been no recruitment in this particular Department since 1929.

**PREPONDERANCE OF NON-MUSLIMS IN THE ELECTRICAL BRANCH OF THE NORTH WESTERN RAILWAY.**

**1565. \*Mr. H. M. Abdullah:** (a) Will the Honourable Member for Railways please state whether the 24 posts of Senior Foremen, Foremen, Assistant Foremen and Oil Engine Inspectors of the Electrical Branch of the North Western Railway are divided amongst the different communities as follows: Europeans 12, Hindus 10, and Muslims 2 only—the percentage of Muslims working out to barely 8·3 per cent? If not, what is the actual composition by communities of the various categories mentioned?

(b) How many of these posts have been filled by promotion during the last three years and were the promotions made on the basis of seniority or selection? If all posts were not filled strictly in accordance with seniority, why could all posts not be filled by selection?

(c) Will the Honourable Member please state what steps Government propose to take to set right this inequality?

**The Honourable Mr. A. G. Clow:** (a) The figures quoted by the Honourable Member are not quite correct. There are 24 sanctioned posts, of which ten are held by Europeans and Anglo-Indians, nine by Hindus, two by Muslims and one by a person coming under the category of 'other communities'. Two posts are vacant.

(b) I have called for the information required and will place a reply on the table of the House when it is received.

(c) If the information when received discloses any irregularity in recruitment, the question will be considered.

**Mr. Sri Prakasa:** May I know why Europeans are not classed according to their religion?

**The Honourable Mr. A. G. Clow:** Their religion is not an exclusively European religion.

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

COMMUNAL COMPOSITION OF STENOGRAPHERS IN THE NORTH WESTERN RAILWAY HEADQUARTERS OFFICE, ETC.

1566. **\*Mr. H. M. Abdullah:** (a) Will the Honourable Member for Railways please refer to parts (b) and (d) of the answer given to starred question No. 1001, answered in this House on the 13th March, 1939, and state whether the clerical staff employed in the confidential branch simply perform duties similar to those of the record clerks employed in the Central Registry of the Headquarters Office or they also work as disposal clerks and deal with cases relating to appointments, promotions and appeals, etc., treated as confidential?

(b) What is the communal composition of the stenographers employed in the North Western Railway Headquarters Office in different grades?

(c) Is it a fact that all vacancies which occurred in the initial grade of stenographers in the North Western Railway Headquarters Office during the last seven years were filled by promotion from lower ranks, such as, parcel clerks, typists grade I, and clerks grade I and none of them was advertised and filled by direct recruitment according to communal instructions?

(d) Is the Honourable Member aware of the fact that as a result of filling the vacancies of stenographers in initial grade (starting with Rs. 100) by promotion from lower ranks during the last seven years, about 80 per cent. of vacancies went to non-Muslims, and qualified Muslim stenographers were deprived of the chances which would otherwise have gone to them by direct recruitment on a communal basis?

(e) If the replies to the latter portion of part (a) and parts (c) and (d) be in the affirmative, will Government please state what objection they have to fill all vacancies in initial grade of stenographers by direct recruitment as laid in rules 57, 68 and 77 of Appendix XXII to S. R. E. Code?

**The Honourable Mr. A. G. Clow:** (a) The men in the Confidential Section are stenographers and do not note on cases as disposal clerks would.

(b) Hindus—9, Muslims—2, Sikhs—4, Anglo-Indians—4.

(c) The reply to the first part is in the affirmative. As regards the second, one vacancy was advertised in 1934, but no suitable candidate was forthcoming.

(d) I am not aware what percentage of the six vacancies that occurred during the last seven years was filled by non-Muslims. Transfers of staff from one category to another are not regulated by communal considerations.

(e) Government must leave it to the General Manager to recruit stenographers by the method he considers desirable.

**EMPLOYMENT OF MUSLIMS IN CERTAIN POSTS ON THE NORTH WESTERN RAILWAY.**

**1567. \*Mr. H. M. Abdullah:** (a) Will the Honourable Member for Railways please refer to the statement made in this House on the 22nd February, 1939, that the Director of Establishments on the Railway Board and one of his Deputies were Muslims, while there was similar representation on all Railway Establishments, and state whether it is also a fact that an undertaking was given to this House on the 24th and 25th February, 1931, that due regard to the adequate number of Muslims will always be given when making appointments to the posts of Staff (Personnel) Officers, Office Superintendents and Head Clerk (Personnel) on the State-managed Railways?

(b) Is it a fact that the position of Muslim Staff (Personnel) Officers, Office Superintendents and Head Clerks (Personnel) on the North Western Railway as it stood in the year 1931-32 has been considerably reduced, say, as under? :

	1931-32.		March 1939.
Senior Scale	{ Headquarters Office . . . . . Divisions . . . . .	= 1	<i>Nil.</i>
		= 4	<i>Nil.</i>
Junior Scale	Division . . . . .	= 1	..
Lower Gazetted Office Superintendent.	{ Mechanical Workshops . . . . . Division . . . . .	= 1	2 Divisions.
		= 1	<i>Nil.</i>
	Total . . . . .	= 8	Total = 2

(c) Is it a fact that all the posts of gazetted officers, Office Superintendents and Head Clerks employed in Personnel Branch of the North Western Railway Headquarters Office are held by non-Muslims? If not, what is the communal composition in each class?

(d) If the reply to parts (a) and (b) or (c) be in the affirmative, will Government please state what steps they propose to take to implement the undertakings given to this House and to increase the number of Muslim Staff (Personnel) Officers, Office Superintendents and Head Clerks (Personnel) in the various offices of the North Western Railway and particularly in its Headquarters Office? If not, why not?

**The Honourable Mr. A. G. Clow:** (a) Sir Thomas Stewart said on 22nd February that the Director of Establishments on the Railway Board and one of his Deputies were Muslims but he did not say that there

was similar representation on all railway establishments. I have looked up the debates in 1931 to which the Honourable Member refers, but cannot trace a statement in the precise terms quoted by the Honourable Member.

(b) to (d). I am obtaining the information asked for and will lay a reply on the table of the House when it is received.

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APPOINTMENT OF AN INDIAN TRADE AGENT AT KABUL.

**1568. \*Mr. Abdul Qaiyum:** Will the Foreign Secretary please state:

- (a) whether at present there is an Indian trade agent at Kabul;
- (b) if not, when the last incumbent left that country, *i.e.*, Afghanistan;
- (c) whether the post is going to be filled up soon; if so, when the announcement is likely to be made; and
- (d) whether the Indian trade agent there is under the Commerce Department or the Foreign Secretary?

**Sir Aubrey Metcalfe:** With your permission, Sir, I will answer questions Nos. 1568 and 1569 together . . . . .

**Mr. Abdul Qaiyum:** Sir, we cannot hear . . . . .

**Sir Aubrey Metcalfe:** If Honourable Members would not make so much noise, he will be able to hear . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): When many Members are carrying on conversations, how can the Honourable Member hear?

**Sir Aubrey Metcalfe:** Mr. Mohammad Nasrullah of the Commerce Department, who has recently been working as Assistant Secretary of the Tariff Board, has been appointed as Indian Trade Agent, Kabul, and has already left for Afghanistan. The duties of the Trade Agent are to keep the Government of India informed about trade conditions in Afghanistan and generally to assist trade between the two countries by answering enquiries, exhibiting samples, supplying general information, etc. He is under the administrative control of the External Affairs Department, but corresponds direct with Commerce Department on technical matters.

**Mr. Abdul Qaiyum:** May I know whether the questions dealing with this Trade Agent are to be addressed to the Honourable Member himself or to the Honourable the Commerce Member because there is some confusion on the point

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has given the answer.

**Sir Aubrey Metcalfe:** If there is any confusion it will always be corrected in the proper place.

**Mr. Abdul Qaiyum:** I want to know why questions dealing with trade should be addressed to the External Affairs Department?

**Mr. President** (The Honourable Sir Abdur Rahim): That has nothing to do with this question, which has been answered.

**Mr. Abdul Qaiyum**: Part (d) of my question deals specifically with that point.

**Mr. President** (The Honourable Sir Abdur Rahim): Has the Honourable Member been referred to the Honourable the Commerce Member?

**Sir Aubrey Metcalfe**: No, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): Then, that question does not arise.

**Sir Aubrey Metcalfe**: It is a matter of arrangement between the Departments and I do not know how it concerns the Honourable Member with regard to questions

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has been given an answer. He has not been referred to any other Department.

**Mr. Abdul Qaiyum**: But there is no answer?

**Sir Aubrey Metcalfe**: I have given a perfectly clear answer. I have said that he is under the administrative control of the External Affairs Department but corresponds direct with the Commerce Department on technical matters.

**Mr. Abdul Qaiyum**: May I know why the Trade Agent at Kabul alone should be under the External Affairs Department when other Trade Agents are under the Commerce Department.

**Sir Aubrey Metcalfe**: Because it is a more convenient arrangement.

**Mr. S. Satyamurti**: As a result of this more convenient arrangement, to which Department are we to send our questions with regard to trade relations between Afghanistan and India—to the Commerce Department or to the Honourable Member's Department?

**Sir Aubrey Metcalfe**: It depends largely on the nature of the question. If the Honourable Member addresses it to the wrong Department it will be transferred to the proper Department

#### APPOINTMENT OF AN INDIAN TRADE AGENT AT KABUL.

†1569. \***Sardar Sant Singh**: (a) Will the Foreign Secretary please state if Government have taken any steps to appoint a commercial minded person as Trade Agent in Kabul to develop trade and bring about better trade relations between the two countries? If not, why not?

(b) If any steps are being taken, will Government state the duties that will be allotted to him?

(c) Will the work be under the Commerce Department or the External Affairs Department, as was the case with the First Trade Agent, Mr. Aslam Khatak?

‡1570\*.

†For answer to this question, see answer to question No. 1568.

‡This question was not put as some Honourable Members said that it was already answered.—*E. of D.*

## ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF COMMUNICATIONS.

**Mr. President** (The Honourable Sir Abdur Rahim): I have to inform the Assembly that up to 12 Noon on Monday, the 3rd April, 1939, the time fixed for receiving nominations for the Standing Committee for the Department of Communications seven nominations were received. Subsequently three Members have withdrawn their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following four non-official Members to be duly elected, namely:

- (1) Mr. C. C. Miller,
- (2) Mr. Umar Aly Shah,
- (3) Maulvi Abdul Wajid, and
- (4) Mr. Lalchand Navalrai.

## MESSAGE FROM THE COUNCIL OF STATE.

**Secretary of the Assembly:** Sir, the following Message has been received from the Council of State:

"I am directed to inform you that the Council of State at its meeting held on the 4th April, 1939, agreed without any amendment to the Bill to provide for the registration of foreigners in British India, which was passed by the Legislative Assembly at its meeting held on the 31st March 1939."

## THE REPEALING AND AMENDING BILL.

### APPOINTMENT OF MR. F. E. JAMES TO THE SELECT COMMITTEE.

**The Honourable Sir Nripendra Sircar** (Law Member): Sir, I move:

"That Mr. F. E. James be appointed to the Select Committee on the Bill to amend certain enactments and to repeal certain other enactments in place of Mr. P. J. Griffiths."

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

"That Mr. F. E. James be appointed to the Select Committee on the Bill to amend certain enactments and to repeal certain other enactments in place of Mr. P. J. Griffiths."

The motion was adopted.

## THE INDIAN TARIFF (SECOND AMENDMENT) BILL—*contd.*

**Mr. President** (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following motion:

"That the Bill further to amend the Indian Tariff Act 1934 (Second Amendment), be taken into consideration."

Dr. Sir Ziauddin Ahmad.

**Dr. Sir Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, yesterday, I was discussing some general questions about the Tariff Board, and then I came to the consideration of the Tariff Board report on magnesium chloride. Yesterday, I quoted to show that the Tariff Board said clearly that no objection was raised against the protection. This reminded me of a story of a person who was told by his father that he should always ask loudly whenever he finds a rupee on the road whether it belonged to any person. Now, his son found a rupee on the road and he said very loudly: "Has anybody lost"? But when he came to the second part of his sentence, he said quietly: "any rupee?" He shouted this sentence in this manner three times, and the only person who responded to his call was his accomplice, who said: "Nobody has lost his rupee." Consequently, he satisfied himself that it belonged to nobody, and, therefore, it was his property. The same is the case with our Tariff Board. They do not ask any person and they satisfy themselves, like the son, by saying that the only reply they got was from their accomplice, namely, the Millowners' Association, and this is what they say on page 14 of their report:

"This Association and other Textile Millowners' Associations have raised no objection to the continuance of protection to the industry and have, in fact, supported the claims put forward by the Pioneer Magnesia Works Company."

We cannot expect anything better than this from the Millowners' Association which is practically in the same boat. The other thing that I was pointing out yesterday was this, that we should always compare the c. i. f. with the prices at the factory. It is rather unfair to compare the prices at any particular town. In that case, the quantum of protection will vary enormously according to the place which you select. The point which I am now making is that magnesium chloride has now reached a stage when no protection is needed and we should now definitely declare that it has developed so much that we do not want to give it any further protection.

Now, Sir, I will give four reasons in support of my argument that this particular magnesium chloride does not need any protection. In the first place, I will refer to page 12 of the report where they say that we are the exporting country and we do not import magnesium chloride now. We find that in the year 1937 we produced 11,138 tons, out of which we exported 2,380 tons and we imported only 899 tons. Therefore, as against the import of 899, there is an export of 2,380. We cannot say, therefore, that we are not the exporting country in this case. My second argument against the protection being given to this article is, as is said on page 10 of the report, that this industry has now reached a stage when it can compete with the world market on equal terms. This is what they have said:

"This claim to improvement is justified by the fact that the Company is able to compete on equal terms with the German or French magnesium chloride in countries to which Germany and France export such as Holland and Czechoslovakia, leaving out of account the United Kingdom . . ."

Now, our own manufacturers can compete on equal terms even in places next door to Germany like Czechoslovakia and Holland and also with Germany. Therefore, it is proof conclusive that the protection is not needed. My third point is that it has established its position in England

[Dr. Sir Ziauddin Ahmad.]

where it enjoys a preference of £1 per ton. On page 9 of this report, it is clearly stated:

"In the United Kingdom alone, we have exported 2,198 tons of magnesium chloride and the sale price there is £4-5-10 per ton."

This shows that our market is established in the United Kingdom, because of this preference of £1 per ton. My fourth point, 12 Noon. which is the last nail in the coffin of the protection of magnesium chloride, is this, that the cost of production, according to their own figure, is Rs. 1-7-0 (see page 5) leaving out the sale prices and other things. Then, the import price, according to their own quotation of the latest year, is Rs. 3 per cwt., and the price at which they are selling in England is Rs. 2-14-0. May I ask the Honourable the Commerce Member to consider this fact that when the cost price of this article is Rs. 1-7-0 per cwt. and the c. i. f. price of that article is Rs. 3 and that article is being sold in the United Kingdom at Rs. 2-14-0, does it need any protection at all? Therefore, in view of the fact that we are selling this at enormous profit in the United Kingdom, and, in view of the fact that the price of the imported article is double the cost price, I challenge any one here—I am sorry, my Honourable friend, the Bombay Knight, is not here now—to say that he would recommend protection to this particular article. Looking into the details of this thing, the argument and the recommendations, I have laid down the following four dictums. The dictum of my Honourable friend, Mr. Manu Subedar, is more and more protection, larger and larger period, shorter and shorter enquiry. I think my Honourable friend, Mr. Satyamurti, shares these views. My Honourable friend, Sir Homi Mody's dictum is more and more taxation, less and less interference, greater and greater dividends. My Honourable friend, Mr. Joshi's dictum is more and more wages, less and less work, greater and greater security. The consumers' dictum, that is, my dictum, is more and more freedom, greater and greater choice, less and less price, and the dictum of my Honourable friend, the Commerce Member, is moderate protection, moderate freedom, moderate wages, moderate prices, moderate dividends, moderate enquiry and moderate interference. This is really the dictum on which this particular thing is going on.

Now, having finished magnesium chloride, I come now to paper industry. The paper industry in this country is a very old one. The first factory was established in 1870, and they have been carrying on very good work. As soon as this classical report was written, the Government appointed in 1925 the Tariff Board, and there was a revenue duty of 15 per cent. on this particular article. They made out a case for protection, and, consequently, it was given. Again, the thing was enquired into in March, 1931, and the duty was raised from 15 per cent. to 20 per cent. but no action was taken as regards paper. The next action was taken in 1931 and, on account of the surcharge, the duty was raised from 15 per cent., by 25 per cent., to 18½ per cent., and the specific duty was raised from one anna to one anna three pies per pound. The Tariff Board in 1931 recommended that the duty on imported wood pulp should be fixed at Rs. 45 per ton. Again, we come to the Tariff Board of 1938 in which

they have justified the reasons for the duty on pulp. In paragraph 44 page 36, the Tariff Board say :

"Taking all points into consideration, we do not think that it would be safe to fix the minimum rate of duty at anything less than Rs. 35 per ton which is slightly above the mean between the duty required for bamboo pulp and the duty required for grass pulp. This rate is Rs. 21-4-0 per ton less than the present import duty of Rs. 56-4-0."

That is, they diminish the duty of Rs. 56-4-0 to Rs. 35 per ton. But there was one important point in the argument used by the Tariff Board, and that is given on page 35. They give the values, at different times, of pulp. No doubt, in 1936, it went down to £ 7-13-0 per ton, but it rose at one time to £ 18-10-0 and, at the time they wrote the report, it was ranging from £ 12 to £ 13. This is rather unfair. When they calculate the fair selling price, they ought to take c.i.f. value of the imported pulp at the price at which it is quoted today, and it is not fair to take the minimum price which prevailed five or six years ago. Either they ought to take the mean value or they ought to take the value which is prevalent at the time. The method adopted by the Government is fundamentally wrong. If they should take the prices which were prevalent at the time when they wrote the report, and if they found that the fluctuation is very great and they cannot rely on the present figures, then the only other alternative is to take the mean value of all the prices during the last seven years, that is, from 1931 to 1938, when this report was written. But what they have done in this case, as well as in the previous case of magnesium chloride, is that they have taken the lowest figure which they found during five or six years and used it as the basis of calculation. This is what they have done and here they came to the conclusion that, instead of taking the mean value between £ 7-15-0 and £ 18-10-0, they took only £ 9 as the basis of calculation. This is perfectly wrong calculation and the conclusions arrived at by them were not justified. The Government do not require another Tariff Board to find out the mistake, they require common sense to arrive at the calculation. Any one, either on this side of the House or in the Commerce Department, will find out that there is a fundamental mistake in the method of calculation of the Tariff Board. That is, they have taken the lowest possible figure instead of taking the mean figure or the figure available in that particular year.

The next thing I should like to point out is this: I also partially alluded to it yesterday. Whenever they calculate the quantum of protection, they ought to give us, at least in their report, profit and loss account of these mills. I have now got before me the profit and loss account of some of the paper mills, and, by reading the figures, can any one say that they need protection? Even my Honourable friend, Babu Baijnath Bajoria, will be hard put to explain the case for protection, because he gets fair dividends. The Bengal Paper Mills' shares were floated for Rs. 25, and now the value of each share is Rs. 89, that is, more than 3½ times on account of the special duty which the Government have imposed on the consumers of the country which is morally wrong. The dividend they paid was 14½ per cent. and the highest they paid was Rs. 19-10-0. Take the Indian paper mills,—the share was issued at Rs. 100 and it is now quoted at Rs. 101, and the dividend is three per cent. and the highest price for the share at one time was Rs. 183. The Titaghur Paper Mills,—the value of the share ranged from Rs. 5 to Rs. 12½, and they have been giving a dividend of 16½ per cent., and, at one time, it rose to 19 per cent. In these days, when the Bank rate is two per cent., these people are now

[Dr. Sir Ziauddin Ahmad.]

getting a fat dividend of 16½ per cent. on account of protection. I think, my Honourable friend, Babu Baijnath Bajoria, will be perfectly justified every morning to go to the Commerce Member, whoever he is, for his kindness in giving such high protection. This is the case with regard to all mills, and yet my Honourable friend desires more and more protection. In support of my argument, I will read a paragraph from the Tariff Board report itself as to the nature of the business which they are doing. The first complaint that I have is that, in spite of the high protection they have got, they are very unkind to the Indian consumers and, by means of combination, they fix a price which is just below the price at which the foreign articles will be imported into this country. They say, in paragraph 57, on page 45 :

"During the period under review the policy of the mills belonging to the Indian Paper Makers' Association or working in conjunction with it has been to combine for the purpose of price fixation and for the allotment of contracts with the Central and Provincial Governments, which represent 20 to 25 per cent. of their total production, according to an agreed arrangement among themselves."

So they combine and quote one particular price for the customers and another for the Government:

"This combination has enabled the mills to maintain prices at a level slightly below the level of prices quoted for imported paper of similar quality."

Such being the case, the only solution is to ask Government to reduce this duty in order to lower the price level and the enormous dividends produced by these companies :

"We are informed that Indian mills have been able to secure a predominant share in the Government contracts, either because the prices quoted by them were lower than the prices quoted for imported paper, or because their quality of paper was more satisfactory than the quality of imported paper, judged by the prescribed specifications."

I think the Tariff Board is wrong in both these arguments. It is practically due to the pressure which we put on Government for buying Indian paper :

"The fact that mills have been able to rely on an assured market for so large a proportion of their production is an important consideration. We are informed that in 1937-38 they were so busy with Government contracts that at times they were unable to promise supply to ordinary purchasers under four to six months."

They cannot supply ordinary purchasers, but still they force them to purchase foreign things at a very high value. Is it fair to give them protection in these circumstances, and does the industry need further protection?

Now, I will mention one or two points about their recommendations with which I do not agree, because they do not tally with the figures supplied by them. I take from the summary recommendation 21 :

"It is impossible to predict the future prices of imported paper with any certainty, but the tendency will probably be downwards."

In this case, they say definitely that they cannot fix the price level of c.i.f. articles in this particular case. There being greater uncertainty, they should fix *ad valorem* value and not specific value. I am opposed to fixing specific value on any article whatever. The duty, whether protective or revenue, should be *ad valorem* and not specific, because the latter helps to create cheaper quality, and specific duty always acts adversely in the case of the cheaper article. There the duty should always be *ad valorem*. So we should remove the specific duty of nine pies or 11 pies and have

a revenue duty only. So I have come to the conclusion that this article should now stand on its own legs. As they are so busy as not to be able to supply the needs of ordinary customers, they have reached a stage when no protection is needed; and, in the interest of our newspapers and books, it is essential that the cost of paper should be the minimum.

**Babu Baijnath Bajoria** (Marwari Association: Indian Commerce): Paper for newspapers is not manufactured here.

**Dr. Sir Ziauddin Ahmad**: My friend does not manufacture paper for the newspapers, but he manufactures paper used by customers like myself. So he wants to levy a very high duty on poor consumers like myself while giving relief to the newspapers, so that they may not curse him in their columns. My Honourable friend's explanation makes the case still worse. But I maintain that, on account of the fat dividends they are paying and on account of the fact that they are too busy to supply the needs of ordinary customers who are not the Government, we have reached a stage when no protection should be given to this industry. We should simply put any revenue duty which is considered proper and finish this matter, because, once a duty is imposed, there should be some end to it. And the duty is not to be indefinite. We imposed a duty in 1935, but four years have passed away, and the time has come when there should be no more protection to this industry, because it is not needed.

**Mr. T. S. Avinashilingam Chettiar** (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): Sir, I should like to address myself first to the last point referred to by Dr. Sir Ziauddin Ahmad. He referred to the combination that existed among the paper manufacturing companies to put up the price.

**Mr. Muhammad Nauman** (Patna and Chota Nagpur *cum* Orissa: Muhammdan): Not to put up the price but to control the price.

**Mr. T. S. Avinashilingam Chettiar**: I should like Government to examine whether there has been any organisation or understanding between companies to control the price of paper so that there may not be free competition.

**Dr. Sir Ziauddin Ahmad**: I quoted the Tariff Board report.

**Mr. T. S. Avinashilingam Chettiar**: I may point out that at the end of the same paragraph which the Honourable Member quoted they say:

"We do not, therefore, consider that there is any serious danger of a combination among mills being able to maintain prices at an artificial or excessive level."

But, apart from what the Tariff Board might have said, it is really a serious matter if an industry which is protected should combine to exploit the consumer and not give the benefit of free competition among the mills themselves. And I shall be glad if Government make it a point systematically to examine the industries to which protection is given and see whether any combination exists against the interests of the consumer.

I would like now to refer to one matter which has not been put up with the emphasis it requires, and that is the matter of rice. Bigger industries have got advocates and they are able to put their case to the

[Mr. T. S. Avinashilingam Chettiar.]

public and to the Legislature with greater effect than the agriculturists. May I, with your permission, Sir, refer to what the then Commerce Member said, when he first introduced the Bill to give protection to rice? That was in 1935. The Honourable Sir Joseph Bore then said:

"The special officer appointed by the Madras Government to investigate the rice question reported that the dominant factor in the dislocation of price levels of local rice which has been so detrimental to the interests of the local rice grower, is the increasing, uncontrolled import of cheap inferior rice from overseas, in particular, the recent rapid increase in the imports almost entirely of broken rice from Siam."

Further on, he said:

"I ought again to emphasise the fact that in respect of both wheat and rice these duties are entered as protective duties, and, hence, they are liable to enhancement by Government if they find at any time that the purpose which they have in view is not being served."

I would like to point out, Sir, that the purpose which they had in view has not been served at all. The purpose they had in view was to increase the price of rice. The price of rice.....

**The Honourable Sir Muhammad Zafrullah Khan** (Member for Commerce and Labour): The purpose was to stop the imports of rice from Siam and Indo-China.

**Mr. T. S. Avinashilingam Chettiar:** May I point out from the passage I read out just now why it was suggested that imports from Siam ought to be stopped? There was nothing intrinsically wrong in the import itself.....

**The Honourable Sir Muhammad Zafrullah Khan:** It was competing with our rice here.

**Mr. T. S. Avinashilingam Chettiar:** Let me point out why it was attempted to be stopped. It was competing with rice produced in India and the price of rice in Madras was going down and the Government wanted to stop that going down of the price of rice: they wanted to give better protection to the rice grower by giving a better price for his rice. The object of the import duty was not merely to stop Siam rice but to give a better price to the rice grower in the Madras presidency where these imports have been greatly concentrated. There is no virtue in a particular import being stopped unless it achieved the real end in view, which was to give better price to the rice grower. That Bill, at that time, was expected to achieve that object by stopping imports from Siam: that object of giving a better price to the rice grower has not been achieved. Soon after the duty was levied there was a rise in price. The price was Rs. 4-4-0 in April, 1935; it increased to Rs. 5 in January, 1936: but later on there has been a serious fall. In April, 1936, the price was Rs. 5 and in January, 1937, the price came down to Rs. 4-8-0: in April, 1937, it was Rs. 3-14-0 and it continued to be so for some time; in April, 1938, it was Rs. 3-5-0. I am quoting from the Review of Trade in India for the year 1937-38. It will, therefore, be seen that the real object of the imposition of this duty was not merely the stopping of imports from Siam but the raising of the price of rice so as to give a better price to the rice grower, and this object has not been achieved.

As to who are the principal importers of rice into this country I would refer Honourable Members to pages 49 and 50 of the Accounts of the Sea-borne Trade and Navigation of British India for February, 1939. It will be found there that the imports of broken rice from Siam have almost stopped. But that is not the object we had in view, the object was to give a better price to the cultivator of rice here. The real imports which affect the price of rice are from Burma which has considerably increased. In February, 1938, the imports were 1,095 tons, while in February, 1939, the imports are 8,689 tons. The total imports for the eleven months ending February, 1938, were 28,214 tons, whereas, this year, for the eleven months ending February, 1939, the total is 47,256 tons. It will, therefore, be seen that the real problem is to stop the imports from Burma if we are to give the cultivator a better price for his rice. I can understand the difficulties that exist in the way because of commitments we have in the Indo-Burma Agreement and I would like to urge upon this House that the time has come when this matter should be looked at from this angle and I would like the Government to expedite the matter of giving notice to Burma in this matter of the trade agreement. This is no more than what Sir Joseph Bore had himself promised when he said that in respect of both wheat and rice these duties were entered into as protective duties, and, hence, they are liable to enhancement by Government if they find at any time that the purpose which they have in view is not being served. I say the purpose has not been served and I hope the Government will take sufficient measures to see that the purpose which they had in view to get a better price for the rice grower is served.

**Dr. P. N. Banerjee** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, this Bill has been placed before us in the shape of a miscellaneous Bill and it deals with four items which are entirely unconnected with one another. This is hardly fair to the House because these items affect different interests differently. Rice is an agricultural product. Magnesium chloride is a manufactured product. Paper and wood pulp are manufactured and partly manufactured; and lastly, silk and silk goods are also partly manufactured and partly unmanufactured. Now, it is impossible to deal with that amount of fairness and justice with these different items which would be desirable in a single Bill. Our difficulty is further accentuated by the fact that not one Bill but three Bills have been thrown at our heads, and the notice that has been given is very inadequate. However, I will content myself with a few brief observations on some of these items.

As regards broken rice, my Honourable friend, Mr. Avinashilingam Chettiar, has dealt fully with it and I do not wish to say anything more about that matter. With regard to magnesium chloride, I find that the recommendation of the Tariff Board with regard to the period of protection has been accepted, but the rate has been reduced on the ground that this rate is too high and there is an error in calculation. Who investigated the conditions in the up-country markets? My Honourable friend, Sir Cowasji Jehangir, pointed out yesterday that it is only 800 out of 6,800 tons that is consumed in Northern India. If the Government of India thought that the Tariff Board fell into an error, would it not have been right on the part of the Government of India to refer back that report to the Board? That would have been a fair treatment of the Board. Now, the Board is constituted of three persons, who are

[Dr. P. N. Banerjea.]

expected to be fair minded, who are expected to be experts in the sense that they are expected to apply their minds fully to their work. Now, if the Government of India did not think it right to accept the recommendation of the Tariff Board, the obvious course for them to adopt would have been to refer the matter back to the Tariff Board for reconsideration. But they did not do it, and they reduced the measure of protection substantially.

Now, Sir, coming to paper and paper pulp, I desire to observe that there is a very large demand in the country for paper, and this demand is likely to increase as literacy increases in the country. At the present moment only ten per cent. of the people are able to read and write; and when we have a cent per cent. literate population in the country, the demand for paper will very greatly increase. There is thus an almost unlimited field for the production of paper. Now, what is the present situation? During the last few years, the local production of paper has greatly increased, but at present this production is only 40 per cent. of the total consumption in the country. Thus, 60 per cent. of the requirements of the country is still imported from abroad, and there are certain qualities of paper which are not produced in this country at all. Therefore, it is desirable that protection should be continued for a longer period. My friend, Dr. Sir Ziauddin Ahmad, asked whether it was not desirable to put a stop to the protection of paper at the present moment. He thought that 14 years were quite enough; he made a slight miscalculation, although he is a great mathematician. This paper industry has been enjoying protection not for 14 years, but for 13 years. It is true that the first Tariff Board reported 14 years ago, but the industry itself enjoyed protection for 13 years.....

**Dr. Sir Ziauddin Ahmad:** For 13½ years.

**Dr. P. N. Banerjea:** Very well, for 13½ years, if you are satisfied with that. Now, he referred also to the question of price. I shall read to the House the Report of the Tariff Board where they say—"Indian mills have not increased their prices to the extent that the rise in the price of imported paper justified and that the margin between the two has widened to about five pies per pound against the usual margin of two to three pies per pound." This disposes of the contention that there has been a combination among the paper mills in this country to raise prices and to affect the consumers hard.

Then, again, Sir, what is the proper period for which protection should be granted? The Fiscal Commission, if I remember aright, observed that 20 years was the normal period for which protection was to be granted. Now, protection has been granted in this case for 13 years, and, therefore, in the normal course protection ought to be granted for a further period of seven years; and if we want the country to be self-sufficient in respect of the production of paper, I think it will be necessary to grant protection for a still further period. Now, is it or is it not desirable to make the country self-sufficient in regard to the production of paper? Paper is an article of prime necessity, and as time goes on and as the country progresses, it will become a thing of greater necessity. Every man, woman and child in India will need paper. Therefore, it is desirable to continue the protection for at least 20 or 25 years.

Now, Sir, what has been the attitude of the Government of India towards the Report of the Tariff Board? The Government of India thought that protection should be continued, but they differed from the recommendations of the Tariff Board on three essential points. In the first place, they differed as to protection being given to grass pulp; in the second place, they differed as to the measure of protection; and in the third place, they differed as to the period for which protection had been given. In other words, the recommendations of the Tariff Board have practically been thrown into the waste paper basket. And what are the grounds on which the Government have come to these decisions? They say that with regard to the quantum of protection, the Tariff Board made a mistake. Here, again, may I ask, if the Government of India thought that the Tariff Board made a mistake, why did they not refer the matter back to the Tariff Board for reconsideration? That would have been eminently fair and just to a body constituted like the Tariff Board. As for the protection being limited to three years, the arguments of the Government do not seem to me to be at all convincing, and it has been pointed out by previous speakers that grass pulp should receive some amount of protection for some longer.....

**The Honourable Sir Muhammad Zafrullah Khan:** They have some amount of protection.

**Dr. P. N. Banerjea:** Yes, some amount of protection; but the amount should be adequate for their needs, otherwise those mills which are at present using grass pulp would be put to very great difficulty, and you do not want these mills to be closed down immediately. If you do not want that, you should give them that amount of protection which is needed. Gradually, perhaps, they will be able to substitute bamboo pulp for grass pulp; but till then, an adequate measure of protection should be continued.

Sir, the last item in this Bill is that which deals with silk and silken goods. Now, this is a very important item. A Tariff Board considered this matter last year and submitted its Report about two months ago. Now, may I ask why the Report of the Tariff Board has not yet been published? It is the practice of the Government to withhold Reports for a considerable length of time and then throw these Reports at the heads of Honourable Members of the Assembly at the eleventh or even the twelfth hour. Is that fair and just? Sir, this is not right. I hope the Government will see their way to publish the Report of the Tariff Board on silk and silken goods at the earliest possible opportunity and give the public and the Assembly ample time to consider the question from all essential aspects.

Sir, this leads me to the question of the general policy which the Government wish to pursue with regard to protection. We all know that during the last five years one Member of the Government of India—I will not name him—has been showing a definite amount of bias against protection. This bias has gone so far that we may say that it is a sort of malady. And the contagion has spread to the other Members of the Government. It is a great pity that the Honourable the Commerce Member, who is an Indian and who is not a bureaucrat, has not been able to escape the contagion. We have the right to expect better things from him. However, we should like to know definitely what is the present

[Dr. P. N. Banerjea.]  
policy of the Government of India. Do they or do they not stand by the policy of discriminating protection laid down by the Fiscal Commission and accepted by the Government fifteen years ago?

**The Honourable Sir Muhammad Zafrullah Khan:** Certainly.

**Dr. P. N. Banerjea:** If so, they should not act in the manner in which they have done in recent years. It is one thing to launch a frontal attack on discriminating protection; it is another to destroy it bit by bit by attacking it from behind. I am sorry that this policy of discriminating protection has been attacked from behind and is being destroyed gradually by a slow process. This is wrong. If you think that the policy of discriminating protection is wrong for India, then you should come out boldly and say, "we are going to reverse the policy". But you should not destroy this policy in a manner where the people will not be able fully to understand your motive. This policy has been very successful during the last fifteen years. It has given rise to many industries in this country—industries which would not have been able to prove a success without the help of protection. There are many other industries which will require, in future, the assistance of Government. Therefore, if the Government do not accept a sound policy of protection, the country will greatly suffer and the Government of India will stand condemned before the bar of public opinion. I hope and trust that the present Government will consider the pros and cons of the question and take care that they are not affected by the contagion to which I have referred but take up a reasonable attitude towards the question of protection.

**Prof. N. G. Ranga** (Guntur *cum* Nellore: Non-Muhammadan Rural): I take it that every responsible Party in this House is in favour of discriminating protection alone and not indiscriminate protection. From that it naturally follows that the Tariff Board should have the discretion to report when necessary even in favour of a reduction in the rate of protection that has been provided for any particular industry or a reduction in the number of years for which protection has been given or is to be given in future. Therefore, on the mere ground that these two Tariff Boards have suggested some alteration for their own good reasons, in the nature of protection that has been granted or the duration of it, I do not wish to find fault with them. I wish to take these things on their own merits. I do not wish to weary the House by quoting a number of figures or a number of passages either. Taking, first, the case of paper, I am particularly anxious that India should become self-sufficing in this regard.....

**Mr. S. Satyamurti** (Madras City: Non-Muhammadan Urban): And also export outside.

**Prof. N. G. Ranga:** I am not in favour of that.

**Mr. S. Satyamurti:** Why not?

**Prof. N. G. Ranga:** I am never in favour of protecting our industries in order to enable them to sell these things outside at a lower price than is possible for us to get it in our own country. My anxiety and the anxiety, I am sure, of every consumer is and ought to be to see that he is assured of the supply of all those materials and goods, which are absolutely essential for a civilised existence, by manufacturers of his own country. It is not to the interests of our consumer that he should go on providing so much

protection as to enable these manufacturers to go and sell in other countries and compete with other people and so on. It can add to our dignity, it can add to our economic status also, it may even help to raise the economic status of our own country, even the national income if we enable our industries to go and sell their goods abroad and compete with other industries. But that can be done, ought to be done, not, all the time, by having protection in order to protect for them the home market and thus extract as much as possible from our own consumers and then go into other countries and sell their goods at much less than the price for which they sell in the mother country itself. Therefore, I am anxious that we should become self-sufficing in regard to paper.

In these days of war no country wishes to depend on another country for the supply of newsprints or other kinds of paper or pulp or any of these things for the satisfaction of its own internal needs. We want newspapers, we want more and more paper to come into use with our people. In fact, we do not have as much of newspaper reading as we should have. And newspaper reading must become cheap, but before it can be made sufficiently cheap, necessarily there is a transition stage in which the consumer has got to put up with a certain amount of discomfort.....

**An Honourable Member:** ..... make a sacrifice.

**Prof. N. G. Ranga:** ..... a certain amount of sacrifice in order to achieve that object. I quite concede that and that is why we have had this duty till now.

The question is whether we should accept the proposal placed before us by the Government as against the recommendation of the Tariff Board, that there need be no protection for wood pulp in this country. On that I wish to say this. I am rather struck with the disparity in the price of one of the most important factors of production, that is, this pulp—the difference between bamboo pulp and grass pulp. We find in the summary of recommendations that the average price of bamboo is Rs 17 per ton and the average price of grass is Rs. 35 per ton. Surely, those who depend upon bamboo pulp for the manufacture of their paper must be making enormous profits and getting a great leverage as compared to those who depend upon grass pulp alone. If both of them were to sell the same kind of paper at or about the same price, who is getting this particular profit? Those few people alone. How many mills do you have in this country? Very few. Are they anxious that the number of these mills should increase? No. Only recently we had a speech from the President of the Paper Manufacturers' Association at Calcutta deploring the fact that more paper mills are going to be started in this country.

**Dr. P. N. Banerjee:** We should not accept their view.

**Prof. N. G. Ranga:** I should have thought that once we have given protection we should welcome more and more mills being started in this country, more and more paper being produced in this country, and more and more competition between various mills so that the consumer will get the benefit and the Indian market, will become more and more self-sufficing. Instead of that, this is the patriotic attitude of the President

[Prof. N. G. Ranga.]

of these Manufacturers who are so very anxious that we should continue to give them as much protection as they can get from Government! Therefore, I wish to make one suggestion. I cannot very well be a party to this proposal of Government that this protection should stop in regard to wood pulp. No. But, at the same time, I cannot very well agree with those who say that it should be extended for as long as the Tariff Board have suggested. Here, I would like to make a suggestion and that is that Government should give definite notice to these mills which are dependent for their manufacture on grass pulp, say, four years or three years or five years beyond which this protection will not be continued at all and within which these mills should make every possible effort to change over from the use of grass pulp to bamboo pulp. There is this particular difficulty that it is not available in the United Provinces, the Punjab and Bengal. They can certainly get it from Madras and Bombay. Bamboo is available in India. I do not suggest that bamboo should be imported into this country but, certainly, Indian mills must be patriotic enough to purchase Indian bamboo. There is some difference in the transport charges, I admit. It is for the manufacturing industry to come forward and make out a case as to the quantum of protection needed if paper is manufactured out of bamboo alone. They can certainly ask for it and nobody would object to it. I see no earthly reason why we should ask the consumers to depend indefinitely on protected paper which is to be manufactured out of grass which has got to be paid at Rs. 35 against Rs. 17, which is the price for bamboo. My friend, Mr. Chettiar, has drawn my attention to one other practical difficulty and that is there are no transport facilities for bringing bamboo from inaccessible places to the very doors of these mills at reasonable prices. Therefore, it is for the Government to say within what time they would be prepared to provide all these facilities and place this bamboo from their own forests and other forests, which are inaccessible, at the disposal of the manufacturers. Up to that particular period, I am quite willing to have the protective duty extended,—not a day beyond.

Then, Sir, I come to another question. Are we quite sure that the prices are not being kept up in this country? My friend, Mr. Nauman, was saying that they are being controlled. That is bad. The Tariff Board states that the Chambers of Commerce and even importers have not objected to this protective duty. Why should the importers object to this as long as they find that the prices charged by our own manufacturers in this country, behind the tariff wall, are about the same at which they are prepared to sell their goods? Supposing the tariff wall is at say Rs. 20 and our people are prepared to sell their goods at 15, then the importers certainly have legitimate grievance against our own manufacturers and then they can go on clamouring that the tariff wall is too high but supposing our own producers, as is alleged here, are willing to sell at Rs. 19 or Rs. 19/8 and the foreign importers can bring their stuff only at Rs. 20, then there is not very much of a margin.

As regards competition, I do not think there is any more need to make any inquiry into that. The Tariff Board itself bears testimony to the fact that these people have succeeded in controlling prices. There may be something to be said in favour of putting down cut-throat competition amongst these people which may prove to be thoroughly uneconomic and

suicidal for the industry itself. As long as we are sure that competition is not so bad as to lead to the destruction of the industry itself, we should certainly welcome competition amongst these various mills but we find that there is not as much competition as there ought to be. One would think that the Tariff Board has a kind of power of attorney from the industry concerned and that it is not an impartial authority at all. They simply say: "We learn some more mills are going to be started and there are certain prospectuses issued by some other joint stock companies and so on. Therefore we think that in the very near future there is going to be competition and so we are right in coming to this conclusion that there is no fear of the consumers being fleeced". I am afraid this is going rather out of the way. I think there is a good case made out that steps should be taken to see that proper competition is allowed to have its free play and prices are sought to be kept down as low as possible, leaving, of course, the possibility of these mills making reasonable profits and thus to protect the interests of the consumers of this country.

Then, Sir, about the Indian Forest Research Bureau. They want Rs. 12,000. They have not been able to get that. These industrialists were expected to make donations. What donations did they make? They were keen in making as much profit for themselves as possible but when it came to paying for research, which would in course of time benefit themselves, they were very niggardly. They said that they were going to have their own research. Their research establishments are only in name. Even their names are not given. If this is so, I say they are pursuing a short-sighted policy and my friend, Dr. Banerjea, also agrees with me. We have got to insure ourselves against that short-sightedness. A suggestion is made here and that suggestion is that there should be a cess of four annas per ton of pulp levied upon all the stuff that these people utilise or manufacture. That is a very small sum and even that the industrialists oppose. Government have not come forward with any definite suggestion. They simply say that this has got to be discussed later on. It is, I think, a mistake on the part of the Government. Government should, by themselves, have come forward with suitable proposals, if such a provision could not be made in this Bill itself. If the cess is levied, the money will be placed at the disposal of the Forest Research Institute for the purpose of carrying on the necessary researches into various aspects of the paper industry and the utilisation of our Indian raw materials with a view to make India self-sufficing in regard to paper in the shortest possible time.

Then, Sir, I come to labour conditions and the personnel of the industry. The Tariff Board is talking about the Indianisation of the staff. But no information is provided in this report as to whether the industrialists are Indians or foreigners. We should like to know to what extent they are foreigners and how many of them are Indians. What is the total amount of foreign capital, what is the proportion of foreign capital in this particular industry and of Indian capital? There is no information given. I think this Tariff Board should have taken the trouble to provide us with that information. Anyhow, I hope the Government will vouchsafe some information in regard to that. Here it is stated that more and more progress is being made with Indianization.

**An Honourable Member:** That was in the earlier report.

**Prof. N. G. Ranga:** Well, that was in the earlier report and if these people are saying that more and more progress is being made with Indianization of the staff, how is it that Government have given us no information about how many Indians there are in the total number of the superior staff and how many there were when the last Tariff Board conducted its inquiries? There is no such information given. I am afraid we are providing protection and getting all this from out of our own consumers for people who do not deserve it because they are not our own nationals. Therefore, Sir, the House has got to be very careful. It would be criminal on the part of Honourable Members.....

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is using very strong expressions. Honourable Members are free to vote or speak in any way, but they cannot describe that as "criminal".

**Prof. N. G. Ranga:** I am sorry—although it is not unparliamentary.

**Mr. President** (The Honourable Sir Abdur Rahim): It is certainly unparliamentary.

**Prof. N. G. Ranga:** If it is unparliamentary, I am extremely sorry.

It would be unfair on the part of Honourable Members to grow enthusiastic and put forward every suggestion for protection to a particular industry merely on the assumption that it is going to be for the protection of some Indian industry. There are industrialists and industrialists. They might all be in name "Indian industrialists". Even in the textile industry we found that my Honourable friend, Mr. James, was found supporting the textile industry, not because he was in love with our Bombay and Ahmedabad friends but because he was very much in love with Messrs. Harvey and others. So there are Europeans masquerading as Indian industrialists and we have got to be very careful.

Sir, I come now to the question of broken as well as whole rice. Sir, rice growers are all broken today. I wish to say this that full rice is also being imported into this country in larger quantities this year than during the corresponding months of last year and not only from Burma but also from other countries. So there is justification for a feeling on the part of our kisans that the price of rice is going down also because of these imports from countries other than Burma. It may be very small quantities but it is not the smallness or the largeness of the quantities at all that really settles the price that has got to be paid. My Honourable friend must have by now become an expert in economics even if he has not had economics for his honours. If my Honourable friend only remembers that small principle that is talked about by students of economics, the principle of marginal values, he will know that it is always the last bit that is sold that settles the price of all the smaller bits of a commodity that is placed on the market. Now, if the imported rice sells at so much lower price than the local rice, then that certainly settles the price of all the rice sold in this country or of as much as is accessible to the nearest markets; and as long as these small quantities are allowed to come into this country from countries other than Burma—I am leaving out of consideration for the time being Burma because we are still under this trade agreement with Burma—and if the price of rice cannot go up, then it would be impossible for rice growers in this country to produce any other

commodities in larger quantities than they are producing today. Sir, the rice growers are the largest number of people in this country engaged in agriculture or in fact in any industry. There are eighty million acres under rice, and these people are suffering very badly. Today there is the news about a man being committed to jail in the Central Provinces for having advocated a no-tax campaign there. Now why did he advocate it? Not because he thought they should not pay any tax but because kisans are not able to pay the tax. And why are they unable to pay the tax? They are unable to pay the tax because the prices of rice are so low as also the prices of other commodities. Therefore, I am extremely anxious that Government should consider this in a very serious manner and bring forward the necessary legislation both protective and otherwise in order to ensure for these people a good enough price at which it would be possible for them to avoid making the losses that they have been sustaining for the last nine years or even longer.

Then, coming to the question of magnesium chloride, that is a very curious article. It is utilised by other manufacturers; so it is a sort of key commodity for other manufactures,—and a very small item in their factors of production. Therefore, it is a flea-bite and these manufacturers do not mind at all what amount of protection is given to it.

**An Honourable Member:** Then why worry?

**Prof. N. G. Ranga:** Because it is a combination of robbers.

**Mr. M. S. Aney** (Berar: Non-Muhammadan): This is certainly more unparliamentary and worse than "criminal".

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair does not think the Honourable Member referred to any Members of this House as being robbers.

**Prof. N. G. Ranga:** Sir, the textile industry, which wants protection, cannot very well grudge protection for a side industry and the Chambers of Commerce, which want protection for so many industries, cannot very well grudge the extension of protection to another group of industries. This is a vicious circle: the Chambers of Commerce, the Merchants' Chamber, the textile industry, iron and steel, the whole of the Indian industrialists in this country are interested in providing as much protection as possible for themselves at the expense of the consumer. But the consumer is quite prepared to provide them as much protection as they really deserve and need. My Honourable friend, Dr. Sir Ziauddin Ahmad, has pointed out two very relevant factors. As a student of economics I am afraid there may be lots of things which I myself have not been able to understand even from a laborious study of these Tariff Boards' reports, Sir, how is it that these people want protection as against all outsiders, and who are the outsiders? The Japanese who may bring in their imports later on—it is all problematical, but yet our people go to Czechoslovakia and other countries, compete with Germany on her own terms and defeat Germany and are able to sell their commodities there. How is it possible? One thing must be happening. The internal price in India must be so high as to leave these people in possession of so much spare cash with which they go and finance their sales in other countries. It may be called dumping. If those people take objection to it, it is dumping but if they

[Prof. N. G. Ranga.]

do not object to it, then it is not. At the same time, they want protection here but they do not want protection in Czechoslovakia and other places as against Germany. Then, why do they want protection in their own home market? We do not know.

It may be that the Tariff Board has thought it fit to ask for the further extension of this protection with some reductions and alterations. The Government also in their wisdom have thought it fit to extend it. But I want them to go into this thing more carefully than they seem to have done. I know that they have already considered it but I hope they will not think it beneath their dignity to go into it again from this point of view. Unless they go into it very carefully and see that those industries are provided with protection with only that much protection as is absolutely needed here in this country in order to satisfy our own markets as against foreign importers, they will be really making a free transference, a charitable transference of national income.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban) : Where have you got these facts from?

**Prof. N. G. Ranga:** From the Tariff Board's report. I do not know whether my Honourable friend wants to imitate my Honourable friend, Dr. Sir Ziauddin Ahmad, by asking me to quote the paragraph and the page for everything that I say and then go on pouring himself on this paper. Let him take some trouble and go through it himself.

**Sir Cowasji Jehangir:** I have read it.

**Prof. N. G. Ranga:** Unless the Government take care to do that, they will be making a charitable transference of the national income of these poor consumers to the producers. It may be said that, after all, the Ahmedabad and Sholapur industrialists are so rich that they can certainly pay to a great extent. But they, in their turn, will ask the consumers to pay more for their cloth because of their incidental expenses which they have got to incur. They may not care at all as long as they are assured of a market in this country, but we, the consumers, pay for it. That is why I think it is the duty of the Government to go into these things from every point of view.

Sir, I have one more point and that is about the labour conditions. I am glad these Tariff Boards have tried to go into this particular question. But I do not think they have done justice to this particular study or they have studied it as carefully as they should have. Anyhow, one thing they say, that the conditions are improving. But in many cases conditions are not satisfactory. They themselves confess it. But they do not stipulate any conditions there, although they state that it is one of the objects kept in mind by the Fiscal Commission. They do not stipulate the condition that this protection should be granted only on the condition that certain prescribed minimum conditions of welfare, employment and wages are satisfied by these industrialists. Sir, there is a precedent for the demand I am making in the Australian protective system and also in the system that the State Railways themselves have developed here. The contractors on the railways have to satisfy certain minimum conditions of working, wages and other conditions. They have asked the General Managers to see that those conditions are satisfied. If that is so in regard

to the railways, where, after all, the contractors are not given any protection at the expense of anybody else except what they make in the course of their business, the justification for this particular stipulation in regard to this protected industry is very much greater. Therefore, I hope Government will take the earliest possible steps to see that these minimum conditions are stipulated in regard to these and other protected industries to which the consumers are expected to make such a contribution every year. So, Sir, on the whole, I support the main contention placed before the House by various speakers that these industries should be protected and the country should be enabled to become more and more self-sufficient in regard to these industries at the earliest possible moment.

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 Abdur Rahim) in the Chair.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, there are three items of industry with respect to which the Tariff Board made its report,—with respect to sugar, with respect to wood pulp and paper and with respect to magnesium chloride. According to the Tariff Board report, all these three industries have sufficiently justified the protection that was afforded to them. The Tariff Board in each case has gone elaborately into the details, took evidence and the reports which it submitted along with the evidence in one or two cases have been placed in the hands of Honourable Members. One would naturally expect, if there is anything far wrong in the recommendations made by the Tariff Board, there would be need for the Government of India to differ from those recommendations. I do not contend for one moment that, whatever conclusions the Tariff Board arrives at, these conclusions ought to be adopted automatically. But, if, only for the purpose of interfering with the recommendations of the Tariff Board, some deduction is made, I object to it. I am sure, the Honourable Member in charge of the Bill must have had a lot of trouble and anxiety inside the Cabinet. I am sure, he would have fought very hard to maintain the recommendations of the Tariff Board. This is my own inference. I see the hand of the Honourable the Finance Member in the reduction made by the Government of India in the Bill which has been placed before the House for consideration.

Take the case of sugar industry: From Rs. 7-4-0, which is recommended by the Tariff Board, there is a reduction of eight annas sought to be made by the Government of India. When that matter is discussed, I shall try to place before the House as to how this is not going to affect either one way or the other, but for the satisfaction of reducing it and not standing by the report of the Tariff Board, there is nothing substantial in the reduction. There is no further justification for the reduction. Now, let me take wood pulp and paper. So far as paper is concerned, there is a reduction from 11 pies to nine pies. It is made of meticulous calculation as if the details of the works regarding the cost of production of pulp and the conversion thereafter from pulp into paper, as if all these can be weighed in the scale pan. Evidence was placed before the Tariff Board by three or four paper mills. There the cost of production given by one

[Mr. M. Ananthasayanam Ayyangar.]

mill is not the same as that given by another. After all, in such matters, the Tariff Board can only come to rough and ready estimate. No doubt, if it is far beyond the mark, there is a case for interference by the Government. Even in the case of survey of the same area, there is some margin allowed, the margin being between five and ten per cent. If there is a similar margin, we ought not to stand in the way of the Government proposal, but the Government of India do not give sufficient reasons to interfere with the decision arrived at by the Tariff Board. So far as wood pulp is concerned, it is conversion from protective to revenue duty to which I shall refer more in detail. The justification of the Honourable Member is that the revenue duty is sufficient, so far as bamboo pulp is concerned.

Now, so far as magnesium chloride is concerned, from Rs. 1-5-0, the Tariff Board recommended a reduction to fifteen annas. The Government have sought to reduce it still further from fifteen annas to twelve annas. There is no reason given for this reduction, and we have to find ourselves the reasons set out in the order which came from the Government of India, the only reason given there being that they took into consideration freight charges. Therefore, they have concluded that there must be a reduction of at least half of seven annas which was taken into account by the Tariff Board. Therefore, I say, this is not a thing to be weighed in the scale pan, namely, the adverse effect of reduction of duty or the improper effect on the consumer if the protective duty, as recommended by the Tariff Board, is changed. It is not so much the reasons for the interference as the general policy which has been laid down from time to time by the Honourable the Finance Member for the benefit of the Assembly and the country at large that he is opposed to this protection, that he is a free trader and, therefore, before he goes out of the country, he would like to put his foot down on protection. Unfortunately, the Honourable the Commerce Member was not able to resist the influence or the overweighty influence of the Honourable the Finance Member. Otherwise, I do not find how the Government can come to a different conclusion. No doubt, it sometimes happens that on the same materials, two Courts come to different conclusions. If one Court, say the lower Court, comes to one conclusion on a certain set of materials, the appellate Court can come to a different conclusion on the same set of materials. I only bring this as an example. But there is not complete analogy. If there is interference by the appellate Court, the whole thing is sometimes modified. That is what has happened so far as this Resolution is concerned with respect to the three items for which protection is sought for. There is no difference in substance. The Government Resolution does not say there is material alteration; but, somehow, for the purpose of alteration, it has been done. Therefore, I am justified in saying that there is a hidden hand behind this apparent hand of the Commerce Member, the sponsor of the Bill.

Far from criticising the Tariff Board's constitution or the industries to whose help the Tariff Board has come, and legitimately too, on evidence placed before it, I should like to take this opportunity of congratulating all those industries on the magnificent manner in which they have justified the help that has been given to them, once in 1925, then, later on, and so on. They deserve every credit. So far as the Tariff Board is concerned nothing can be said against its constitution. There was a

European Chairman, there was a Muslim Member. These are all persons against whom nothing could be said. It could not be said they were inclined in favour of India. So far as their impartiality is concerned, it cannot be impeached. I, therefore, could see no justification for the Honourable the Commerce Member to depart from the conclusions which have been arrived at by the Tariff Board on the materials placed before them.

Let us now examine one or two objections that were raised with respect to the quantum of protection that was advised by the Tariff Board regarding several matters.

I will take wood pulp first. So far as that is concerned, it is not a question of the reduction of protective duty. The Honourable the Commerce Member has removed it from the category of protection and has imposed a revenue duty. I will come later to the quantum of revenue duty which is a different matter altogether. First, he has made up his mind that it is not a case which requires protection at all. I submit with great respect that his judgment is erroneous and the materials that have been placed, both before him and before the Tariff Board, do not warrant the removal of protection from wood pulp. The removal of protection from wood pulp would mean the removal of the pillars from this Chamber and asking the roof to stand. Wood pulp is really the primary material from which all paper is manufactured; and what is the justification for removing protection from this? Was there any evidence placed before him, either in the form of a recommendation of the Tariff Board or any other independent testimony, saying that protection is not any longer necessary for wood pulp? Not a single person, call him consumer or anything else, has come forward and said that protection is no longer necessary for it. There is absolutely no agitation of that kind. So far as wood pulp is concerned, the argument of the Honourable Member is that it is bamboo pulp and that the price of bamboo pulp has gone down. Today bamboo sells at Rs. 17 a ton. If the price of raw bamboo is Rs. 17 a ton, the cost of conversion into pulp comes to nearly Rs. 111 a ton as reported by the Tariff Board. As against this the cost of imported pulp is Rs. 120, and 25 per cent. of that, which is *ad valorem* duty, increases it by Rs. 30. So there is sufficient protection so far as bamboo pulp is concerned. There may not be sufficient protection for grass pulp, the cost of which will come to Rs. 173. It is not enough to say that there is sufficient protection for bamboo pulp, and, therefore, he has removed the protective duty. The Honourable Member unfortunately has ignored the vital difference between protective duty and revenue duty: The same amount of duty, if it is called revenue duty, is intrinsically and inherently different from the same quantum of duty if it is protective duty. Now, what is the guarantee that the price of the imported pulp would remain at Rs. 120? It may go down. If it goes down to Rs. 100 or so, 25 per cent. of that will be Rs. 125, in which case there will be only a small margin. Or, it may go down further. So far as wood pulp is concerned, it is being manufactured in America, in Germany, in Scandinavia and in various other places. India is the only country which manufactures bamboo pulp, and India has to contend against various other countries with long experience which have almost become experts in this matter. You are now trying to calculate upon the present current prices. So far as Rs. 120 is concerned, it is not a single price; it is taken to be the average. I find in the report of the Tariff Board that the cost of the pulp is quoted as £8-13-9 in 1936-37, which comes to Rs. 115.

[Mr. M. Ananthasayanam Ayyangar.]

Rs. 120 was taken to be the price which may come down, in which case the Honourable Member, by converting the protective duty into a revenue duty, has placed it beyond his control to increase the quantum of protection in case the price comes down. What is the justification for that?

My Honourable friend, Sir Ziauddin Ahnada, commented upon a statement of my Honourable friend, Mr. Bajoria, that his ancestors and he have been connected with this paper industry for nearly three generations, and he said that if in three generations the industry has not been able to stand on its own legs, it should be put down. But he has forgotten to note, in spite of his careful reading of books, that protection has been given to this industry only since 1925, though it might have been struggling through for nearly three generations. Fourteen years have passed and the industry has thoroughly justified itself. Let us see what was the price of bamboo in 1925 and how it has come down. I am talking of bamboo raw material. It was selling at Rs. 58, and then it came down to Rs. 35, and today it is Rs. 17. Bamboo is not a yearly crop; grass may be grown yearly, and that is the difference between grass and bamboo. There is all the difference between bamboo and wood, also regarding so many tons that are necessary as material for these mills, so as to avoid their being kept idle. Bamboo takes 25 years or 15 years to grow, and this industry, which was given a chance in 1925 by being given protection, has, in the course of 14 years, reduced the cost of raw material to Rs. 17. Then, let us come to the cost of conversion into pulp. It was estimated at Rs. 227 in 1925, it came down to Rs. 196 in 1931, and it was Rs. 111 in 1937. So, between 1931 and 1937, there is a reduction of Rs. 85 per ton. So, during the period of 14 years, there is a reduction in the cost of converting bamboo into pulp to the extent of Rs. 115 per ton, which is nearly 50 per cent. from Rs. 227 to Rs. 111. I do not know if the Honourable the Commerce Member, who is in charge of this portfolio, has examined the records of the various other industries. This is an industry which has justified itself much better than any other industry which has been given such a long protection as this. Therefore, the point now is this. It can be truly said by the Commerce Member that the industry has become stabilised now, and it no longer requires protection. Now, let us ascertain if the industry is able to stand on its own legs. The industry is able to produce bamboo pulps to the extent of 19,000 tons per year. But grass pulp is also produced to the extent of 11,000 tons per year, and there is imported material to the extent of 10,000 tons. In all, about 40 odd thousand tons are being consumed, year after year, of pulp in this country. So far as bamboo pulp is concerned, there is a progressive increase in the quantity of bamboo pulp that has been produced. It has risen from very small beginnings. From 8,000 tons in 1931-32, we are producing 19,281 tons in 1936-37. So far as grass pulp is concerned, it has increased from 9,000 tons to 11,000 tons. The imported material has decreased from 20,000 tons to 10,000 tons between 1931-32 and 1936-37. Therefore, bamboo pulp is increasing progressively, and grass pulp is also increasing. If protection is removed, grass pulp would be affected immediately. The imports of foreign pulp will go up again. Bamboo pulp is trying to take the place of imported wood pulp. The evidence taken clearly shows that, with all their effort, the several mills, which are now converting bamboo into pulp, are not able to produce more than 19,000 tons, but the authors of the report do not despair. They say, the capacity is nearly 90,000 tons, whereas they

are producing only 19,000 tons; and, if protection is extended by a further period of seven years, there is every chance that larger quantities of bamboo pulp will be manufactured in this country so as to drive out the foreign article absolutely from the market, or at least to see that more than five per cent. of the pulp does not come in by way of imports. Today, nearly 20 per cent. of the article comes in by way of import. They envisage a period within seven years when this imported pulp will go down, and there will be no need for the foreign article. I, therefore, submit, that this is not the time when the helping hand of protection should be withdrawn; the progress of the industry has been sufficient to stabilise it and, under this protection, only small quantities of pulp are imported. If that is so, is it at all advisable to withdraw it? If the protection is withdrawn, as the Honourable the Commerce Member has himself admitted, it will mean the death-knell of grass pulp in this country. The price of grass pulp is Rs. 173 a ton: with protection *ad valorem* 25 per cent., it will come to 120 *plus* 30, or 150 in all. There is still a deficit of 35 rupees; and, therefore, the cost of grass pulp would be much more to the extent of 23 rupees; and, at this rate, none of these mills can continue to use grass pulp, and grass pulp will, therefore, soon have to be substituted either by bamboo pulp or wood pulp. Bamboo pulp is being produced in sufficient quantities for consumption by the mills. In the near future, larger quantities of bamboo pulp may not be produced having regard to the fact that these mills which are now using grass pulp may be driven to the foreign market and use imported wood pulp. Is that the object of the Commerce Member? After all, the grass pulp industry is not small. It is 11,000 tons as against the 19,000 tons of bamboo pulp. Why does the Honourable the Commerce Member think that it is only bamboo pulp that has to be protected? Unfortunately, I believe there is a lurking mistake in his mind. That mistake might have arisen like this. In 1925, when protection was first given to this industry, the nomenclature of that Act was protection to the bamboo paper industry. They originally thought that bamboo would be the raw material of which paper could be manufactured, and, therefore, it was that industry that had to be protected. In 1927, and, again in 1931, when the Act was modified, the same nomenclature was used, and bamboo was the premier article that was converted into pulp, and it was expected that that alone could survive. But, after so many years of experience, we find, as the authors of the report say, it is not only bamboo, but grass also that must be taken as one of the ingredients to which protection should be granted to found a stable paper industry in this country. Let us not forget those passages in the report. If bamboo pulp has to be protected, grass pulp also has to be protected, as the industry depends on both. I would say, as the authors of the report say in paragraph 75, that protection ought not to be confined to bamboo pulp industry alone. They say :

“We would recommend that the nomenclature of the Act extending the period of protection to the industry should be changed. India Act No. VI of 1932 which follows the wording of Act No. XXV of 1925 and Act No. XX of 1927 is called the Bamboo Paper Industry (Protection) Act and the object is stated to be the fostering and development of the bamboo paper industry in British India. While we consider that the case for the protection of the industry depends mainly on the use of bamboo as raw material, we have recommended that grass and other indigenous material should be recognised as playing an important, if subsidiary, part in the development of the industry. We would therefore suggest that if our recommendation for the extension of protection to the industry is accepted, the amending Act to extend the period of protection be named the Paper Industry (Protection) Act and the object of the Act be declared to be the fostering and development of the

[Mr. M. Ananthasayanam Ayyangar.]

use of indigenous material such as bamboo and grass in the manufacture of paper in India, so that grass may be recognised as an important ingredient in the manufacture of paper as both the Tariff Board of 1931 and ourselves have found."

Therefore, grass pulp is as good and as useful as the bamboo pulp itself, and if protection is to be given to the bamboo and grass pulp industry for a further period of seven years, the industry will, within that period, adjust itself, and no further protection may be necessary.

When my Honourable friend, Mr. Bajoria, was speaking, the Honourable the Commerce Member asked one question as to how protection for a further period of seven years would help the grass pulp industry to stand on its own legs. Mr. Bajoria answered that question to some extent. I will only say this: that it is not expected that grass pulp will continue for ever and ever at this price. Newer methods of converting are being explored and newer plant is being installed, and there is an indication in the report that, with better machinery, the cost of production of grass pulp may also go down. There is another thing also. Bamboo pulp may replace grass pulp in this country during a period of seven years, and there is every chance of the bamboo pulp industry growing to such an extraordinary height that the use of grass pulp may be abandoned. On the other hand, if protection is not continued, the bamboo pulp industry also will go to the wall, because we find that sooner or later the price of wood pulp may become lower than the price of bamboo pulp, in which case grass pulp producing mills may also go to the wall along with the others.

**The Honourable Sir Muhammad Zafrullah Khan:** That is not the finding of the Board. They find that the price of imported wood pulp is bound to go up.

**Mr. M. Ananthasayanam Ayyangar:** I would say that that is a temporary feature. No doubt, it went up in 1936-37. But attempts are being made in various countries to devise new methods, and it will go down. The bamboo pulp is a new industry and we are the pioneers in that industry, while others have been carrying on with the wood pulp for a number of years. Other countries are still carrying on experiments with wood pulp and, therefore, there is no indication that the price of wood pulp will go on increasing in years to come. There were rumours of war in the air, and there are other considerations also, and there is want of material; and though the price has gone up now, it will not continue to be so perpetually. There is one other matter. In Kashmir, the authors of the report think, there is every prospect of setting up a factory for the conversion of wood into pulp. If that comes into being, there will be no difficulty. We will have wood pulp also manufactured in this country at a cheap cost, and that will supplement the bamboo pulp. . . .

**Captain Sardar Sir Sher Muhammad Khan (Nominated Non-Official):** Have you been to Kashmir?

**Mr. M. Ananthasayanam Ayyangar:** The next time you talk of it, I will ask you whether you have gone to the north pole. It is not necessary that I should have gone to Kashmir—it is enough if I have read . . .

**Mr. M. S. Aney:** Whom are you addressing?

**Mr. M. Ananthasayanam Ayyangar:** I shall now address the Chair. My Honourable friend, who interrupted me, might have gone to the heights of Kailas. In Kashmir, they say it is possible to have a factory manufacturing wood pulp. Therefore, the cost of wood pulp may not go up though it has gone up temporarily. All these factors have to be taken into consideration. Perhaps if we also go in for large quantities of wood pulp, the prices in the world market may go down. The cost may be lessened with a larger output, so that larger profits may be obtained.

Sir, the mills are using both grass pulp and bamboo pulp. Two or three mills are exclusively depending upon grass pulp; thus, <sup>3 P.M.</sup> four out of ten, during a period of all these 70 or 75 years, to a large extent are depending upon grass pulp. One factory is using 78 per cent. of the material from grass pulp, and others 58 per cent. Therefore, grass pulp must come in for protection as much as wood pulp, and there ought to be made no difference whatever in the amount of protection granted to these two materials. In a period of seven years, bamboo pulp is likely to grow enormously in this country, and it will, in course of time, take the place of grass pulp. Therefore, I think the Honourable the Commerce Member has not bestowed enough thought on this matter as to whether protection ought to be continued for pulp or not. He thought that revenue duty would be sufficient so far as bamboo pulp is concerned, and immediately he makes no difference whatever between the protective duty and revenue duties. This is a serious mistake, and, therefore, it ought to be rectified.

Then, Sir, so far as paper is concerned, the Honourable the Commerce Member said that the protection ought to be reduced from 11 pies to 9 pies. 11 pies is the duty recommended per ton by the authors of the Report. The Commerce Member said, there is a mistake in their calculation. I would request him to look once again at page 31 of their Report. My argument is this. The authors of the Report called for memoranda from the companies manufacturing paper asking them to submit to them the cost at works and the cost of conversion. At page 31, under table IX, their memoranda are printed. Their works cost of bleached pulp is Rs. 140, and the conversion cost is Rs. 140; that is this conversion cost, according to the memoranda submitted by them, is Rs. 140 exclusive of bleaching cost. That is to say, the works cost also is made to include bleaching cost, and it was calculated at Rs. 140. Now, so far as the works cost is concerned, the authors of the Report reduce it from Rs. 140 to Rs. 111 exclusive of bleaching, add Rs. 20 more as the cost of bleaching, and thus reduce the works cost from Rs. 140 to Rs. 131. That is the change they have made so far as the works cost is concerned. So far as conversion is concerned, they accepted the memoranda submitted by these companies, but the Tariff Board thought that they had made a mistake that Rs. 140 included the bleaching cost also. It is not so. They came to the conclusion on the memoranda submitted by the companies that Rs. 140 is the cost of conversion of bleached pulp into paper. That is an independent conclusion. They also wanted to support it by

[Mr. M. Ananthasayanam Ayyangar.]

reference to a similar cost in the previous Tariff Board Report of 1931. It is no doubt true that a mistake was made there. All that I am submitting to the House is,—I will read this for the benefit of the House:

“We accept Rs. 140 as a reasonable estimate as the cost of conversion which is lower than the figure taken by the Tariff Board of 1931. We accept Rs. 140 as a reasonable figure.”

Now, what does acceptance mean? Acceptance always means acceptance of a proposal or a statement made by some other person. Now, who is that other person earlier in the paragraph? The Companies, who manufacture paper and who submitted their memoranda, wherein they have said at page 31 that the conversion cost of bleached material is Rs. 140 per ton. Therefore, the authors of the Report say that they accept Rs. 140 as the cost of conversion by bleached material. This gets added support from this fact, because, in the earlier paragraph, they also say that the price of bleached pulp is Rs. 130. They divide the whole process into two portions. Whatever the authors of the Report of 1931 might have done, so far as the authors of this Report are concerned, they divide it into two portions,—(1) till the end of bleaching, and (2) after bleaching the conversion into paper. The authors of the Report of 1931 took it in a different way. They calculated the cost of unbleached pulp, and, then, in a separate heading, they calculated the cost of bleaching *plus* the conversion into paper. Today the authors of the Report say the cost of bleaching as the first process should be considered when calculating the works cost, and then start the question of the later process. With respect to the later process also, Rs. 140 was given as the cost for the industry. The authors of the Report reduced the earlier part of it from Rs. 140 to Rs. 131. That means, the bleached cost of pulp is Rs. 131 per ton. Now, I would ask the Honourable the Commerce Member to find from what stage we start. We start from the bleached pulp. Next is the process of conversion, and the cost is Rs. 140 as given by the authors of the memoranda, and that is accepted by the Tariff Board. What does that mean? They accept the statement that the cost of bleached portion is Rs. 140. They also incidentally say that this is lower than that other figure of Rs. 140. There they made a mistake. Let it not be said by the Commerce Member, whatever he may ultimately do, so far as the vote is concerned, he is making a mistake. It is not that the authors of the Report have made a small mistake. They don't use the argument of the previous Report as the basis of their conclusions. They took it from the memoranda submitted by these people. They wanted to reinforce their argument by reference to a previous Report, and then they came to a conclusion. Therefore, I say that, so far as this portion is concerned, there is no question of mathematics or anything here. It is clear that Rs. 140 is the cost of bleached portion. My friend might ask as to why when the cost of bleaching *plus* the cost of conversion is Rs. 140 in the previous Report; it could have developed to Rs. 140 in 1937 so far as the further conversion alone is concerned. I am answering that question also. During the last few years, better machinery has been installed and newer processes have been adopted in the conversion. The authors also refer to this. Still we are far behind in this industry in the world market. Even the Controller of Stores who purchases nearly 20 per cent. of our material says that our paper is improving and it is much cheaper than foreign paper. Therefore, Sir, I would, with very

great respect, ask the Commerce Member to review his ideas in the light of what I have said, and I would only request him to accept the memoranda as it is.

Sir, I shall now proceed from paper to magnesium chloride. So far as magnesium chloride is concerned, both my friends, Dr. Sir Ziauddin Ahmad and Prof. Ranga, thought that the consumer was affected. The consumer is not an abstract quantity. The consumer is definitely known. With respect to wheat and rice, we were the first people who demanded protection. My friend, Dr. Ziauddin, coming from the North wanted protection for wheat, and I, coming from the South, wanted protection for rice. Now, who are the consumers other than the producers? Therefore, it is not an abstract question but in each case it has to be considered as to who are the consumers and who are going to be adversely affected. Now, so far as magnesium chloride is concerned, only those people who have cloth mills are going to be affected. They use it in large quantities, and none of them has any objection. And who are we? So far as we are concerned, my friends have said that ultimately the cost will fall on the consumer. That is, if I wear the cloth for sizing the yarn, magnesium chloride is necessary, and what is the additional burden? It is .0710 of a pie. Though I am a mathematics graduate, it takes a lot of time for me to find out all these meticulous things, whether it is one cloth or two cloths. If we make up our mind that we must avoid all protection, these industries must go to the wall and we must go to the foreign countries for even a pin or a needle. But if we have the interests of our country at heart, we must see that something is done for our industries. The point is this that the duty has been reduced from Rs. 1-5-0 to annas fifteen. But what about the freight charges? They have to be taken into account. It is not as if the whole thing can be weighed as if in vacuum. There are certain things which can be said and there are others which cannot be said. To some extent the quantum of protection must be based on sufficient material, but it cannot be as if it could be weighed in the scales. So far as this industry is concerned, it is idle to contend that the consumer suffers. Who is the consumer? The consumer is ready and willing to have such a burden upon himself. As a matter of fact, I do not know how far this information is correct,—some of these mills have an interest in this industry. I would ask the House to read this report a little more carefully. Magnesium chloride is a by-product of salt. Salt is being produced in this country. Till now, no by-product has been tapped, as the authors of the Report say. Various by-product industries could be started.

For the last six or seven years, the glass industry stood before the Government of India for protection. Every article, every raw material is produced in this country, only one single item, namely, soda ash was not available, and the Government have refused protection. There are 130 factories in this country, and soda ash is a small thing which could be manufactured. In Kathiawar, they wanted to start a factory, but the Government could not give any helping hand. When any factory comes forward to manufacture these by-products, they want to kill it. I would say that exporting a small quantity of magnesium chloride is not a proper index of the state of the industry. If a small quantity is sent out to foreign countries, I would say that that should not be taken

[Mr. M. Ananthasayanam Ayyangar.]

as an argument against protection. Therefore, even with respect to magnesium chloride the argument of the Commerce Member ought not to be accepted.

As regards silk, we do not know what the report is, and I want to protest against the manner in which these reports are placed before this House for consideration. I hope that at least with respect to silk the report will be made available as soon as possible to the House.

I would answer one of the objections raised by my Honourable friend, Dr. Ziauddin. He seems to be a free trader; he does not want any industry to progress in this country. We do not go by the nomenclatures as to what section we belong, to what economic school we belong. But we do want first to make this country self-sufficient in almost all the manufactured goods as far as possible. To that extent we have to put ourselves to some strain. After we produce all these articles in our own country, the question of distributing the wealth between one section and another may come in. Even now, it is open to Government to withdraw protection to some extent if protection is abused. I would also say that there are various methods by which excess profits may be taxed. It is open to Government to use those methods. It is one thing to say that no protection ought to be given. In that case we shall have to go on continuously exporting our raw materials to foreign countries and getting the manufactured goods, from a pin or a needle to an aeroplane, from those outside places. I have not been able to understand the view point of Dr. Ziauddin. Does he want that there should be no protection at all? Does he want us . . . . .

**Dr. Sir Ziauddin Ahmad:** I want no protection where it is not needed and where the industry is paying a very heavy dividend. (Interruption.)

**Mr. M. Ananthasayanam Ayyangar:** I am glad that Dr. Ziauddin has tried to clarify the issue. He is not against protection in principle, but in practice he is against protection. It is open always to him, being in a minority of one as against 144, to say, "Yes, in this case I do not want protection." I have heard my friend with patience. What are the grounds which he has produced for saying that the paper industry does not require protection? He says, though I am for protection in general, this does not want protection. This is like the story of the Pancha Pandavas. "How many were the Pancha Pandavas?" was the question asked. The reply was: "Like the legs of a *charpoy*, 3, showed two fingers, wrote down 1, and erased even that 1." The same is the case with my Honourable friend. There is no use showing lip sympathy. If protection is withdrawn from paper today, foreign paper will kill the industry. Merchants are merchants and businessmen are businessmen. (Interruption.) We can understand the difficulties of the industry. It is not that I should eat poison before I declare that poison will kill a man. My friend did not go into the question as to how 1 started, how 2 started. He started with the proposition that there is 1, there is 2. He started with the proposition that Newton's law of motion is accepted. It is not necessary for me to go up the roof of this hall and fall down to prove the gravitation theory of the law of Newton, and kill myself in the process. Newton's theory is taken as a basic thing. My Honourable

friend wants to get back to the Fiscal Commission of Noah's Ark period. The Fiscal Commission report has been torn to pieces. Possibly, my friend alone has got a copy of it. When the House will discuss the sugar industry protection, it will find that in Russia, while two million tons . . .

**The President** (The Honourable Sir Abdur Rahim): The Honourable Member had better leave that Bill alone. Let him confine himself to the Bill under discussion.

**Mr. M. Ananthasayanam Ayyangar:** I shall make no reference to it. I only want to refer to this that foreign countries have tried to protect their own industry. In a short period of five or ten years, each country has been trying to become self-sufficient absolutely. We alone shall be throwing open our doors, removing all shackles to trade, and importing every manufactured article,—from a pin or needle right up to an aeroplane. My friend must have been born in some other age when Karna was born, and not today. So I cannot follow him.

So far as my Honourable friend, Mr. Ranga, is concerned, I have no disagreement with him. If the industry is to be taken over by the State, let the State take it. So far as the capitalist system is concerned, human nature being what it is, naturally those in charge of an industry would try to make as much money as they can. So far as these industries are concerned, let the Government fix fair selling prices. They did so with respect to salt. When salt protection was given in Bengal, they fixed the fair selling price from year to year. Why should not such power be taken here? I should very much welcome with respect to each of these an independent Protection Act with a clause in regard to labour wages, fair selling price from time to time. We should see to it that these people do not exploit our willingness to give them protection, so far as industries are concerned. Of course we should not make a mountain of a molehill. When an industry is coming for protection, we should not raise the question of labour going to the wall. Then, the protection will go and labour will go. Both capital and labour are necessary. Labour is live capital, money is dead capital. Both are necessary. We should not lose our sense of proportion and make too much of either. Each has its own place. So far as this Bill is concerned, we cannot add a clause in regard to labour, because you, Sir, will rule it out of order, as being foreign to the scope of the Bill. Fortunately you have allowed us to refer to the subject. That is the way in which we are circumscribed. So, let us not stray away from the field.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has already ranged all over the field.

**Mr. M. Ananthasayanam Ayyangar:** I have finished, Sir.

**Several Honourable Members:** I move that the question be now put.

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

“That the question be now put.”

## The Assembly divided:

## AYES—43.

Abdul Hamid, Khan Bahadur Sir.  
 Aikman, Mr. A.  
 Aiyar, Mr. T. S. Sankara.  
 Ayyar, Mr. N. M.  
 Bajpai, Sir Girja Shankar.  
 Bewoor, Mr. G. V.  
 Bhagchand Soni, Rai Bahadur Seth.  
 Boyle, Mr. J. D.  
 Buss, Mr. L. C.  
 Chanda, Mr. A. K.  
 Chapman-Mortimer, Mr. T.  
 Christie, Mr. W. H. J.  
 Clow, The Honourable Mr. A. G.  
 Dalal, Dr. R. D.  
 Dalpat Singh, Sardar Bahadur  
 Captain.  
 Greer, Mr. B. R. T.  
 Grigg, The Honourable Sir James.  
 Hardman, Mr. J. S.  
 James, Mr. F. E.  
 Jawahar Singh, Sardar Bahadur  
 Sardar Sir.  
 Kamaluddin Ahmed, Shams-ul-Ulema.  
 Kushalpal Singh, Raja Bahadur.  
 Lillie, Mr. C. J. W.

Mackeown, Mr. J. A.  
 Maxwell, The Honourable Sir  
 Reginald.  
 Menon, Mr. P. A.  
 Menon, Mr. P. M.  
 Metcalfe, Sir Aubrey.  
 Miller, Mr. C. C.  
 Mukerji, Mr. Basanta Kumar.  
 Nur Muhammad, Khan Bahadur  
 Shaikh.  
 Pillai, Mr. N. R.  
 Rahman, Lieut.-Col. M. A.  
 Row, Mr. K. Sanjiva.  
 Scott, Mr. J. Ramsay.  
 Sher Muhammad Khan, Captain  
 Sardar Sir.  
 Sircar, The Honourable Sir Nripendra.  
 Sivaraj, Rao Sahib N.  
 Slade, Mr. M.  
 Spence, Mr. G. H.  
 Sukthankar, Mr. Y. N.  
 Sundaram, Mr. V. S.  
 Zafrullah Khan, The Honourable Sir  
 Muhammad.

## NOES—57.

Abdul Ghani, Maulvi Muhammad.  
 Abdul Qaiyum, Mr.  
 Aney, Mr. M. S.  
 Ayyangar, Mr. M. Ananthasayanam.  
 Azhar Ali, Mr. Muhammad.  
 Bajoria, Babu Baijnath.  
 Banerjea, Dr. P. N.  
 Basu, Mr. R. N.  
 Chaliha, Mr. Kuladhar.  
 Chaudhury, Mr. Brojendra Narayan.  
 Chettiar, Mr. T. S. Avinashilingam.  
 Chetty, Mr. Sami Vencatachelam.  
 Chunder, Mr. N. C.  
 Das, Mr. B.  
 Datta, Mr. Akhil Chandra.  
 Desai, Mr. Bhulabhai J.  
 Deshmukh, Dr. G. V.  
 Deshmukh, Mr. Govind V.  
 Essak Sait, Mr. H. A. Sathar H.  
 Govind Das, Seth.  
 Gupta, Mr. K. S.  
 Hans Raj, Raizada.  
 Heede, Sri K. B. Jinaraja.  
 Hosmani, Mr. S. K.  
 Tedhe, Mr. K. M.  
 Jogendra Singh, Sirdar.  
 Kailash Behari Lal, Babu.  
 Lahiri Chandhury, Mr. D. K.  
 Lalchand Navalrai, Mr.

Laljee, Mr. Husenbhai Abdullabhai.  
 Mangal Singh, Sardar.  
 Manu Subedar, Mr.  
 Misra, Pandit Shambhu Dayal.  
 Mudaliar, Mr. C. N. Muthuranga.  
 Muhammad Ahmad Kazmi, Qazi.  
 Nauman, Mr. Muhammad.  
 Paliwal, Pandit Sri Krishna Dutta.  
 Parma Nand, Bhai.  
 Raghubir Narayan Singh, Choudhri.  
 Ramayan Prasad, Mr.  
 Ranga, Prof. N. G.  
 Rao, Mr. M. Thirumala.  
 Raza Ali, Sir Syed.  
 Saksena, Mr. Mohan Lal.  
 Santhanam, Mr. K.  
 Satyamurti, Mr. S.  
 Sham Lal, Mr.  
 Sheodass Daga, Seth.  
 Siddique Ali Khan, Khan Bahadur  
 Nawab.  
 Singh, Mr. Gauri Shankar.  
 Singh, Mr. Ram Narayan.  
 Sinha, Mr. Satya Narayan.  
 Som, Mr. Surya Kumar.  
 Sri Prakasa, Mr.  
 Subbarayan, Shrimati K. Radha Bai.  
 Varma, Mr. B. B.  
 Ziauddin Ahmad, Dr. Sir.

The motion was negatived.

**Mr. Muhammad Nauman:** Sir, before I come to the Bill, I am so sorry for this incident which has happened and which only reminds me of a poetry line of late Sir Muhammad Iqbal reading in urdu as following:

*"Ye-dastoor zaban bundi hai kaisa taree mahfilmain,  
Yehan bhee bat karnai ko tarasti hai zaban mari."*

Sir, this new practice of shutting up our tongues in the open Assembly by moving closer is surprising even in this place where everybody should have the right of free expression . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): Will the Honourable Member withdraw what he said and apologize?

**Mr. Muhammad Nauman:** I was referring to the Opposition, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member cannot comment on the proceedings of this House like that; he must withdraw it.

**Mr. Muhammad Nauman:** I withdraw, Sir.

Speaking on the Bill, Sir, I did not have any intention of detaining the House for any longer period, and it was not my desire to tire the House on a Bill which has been sufficiently discussed. I wanted just to give expression to certain things which I felt it necessary to do in the interest of my constituency who are consumers and in the interest of more information to the House, and it was for this reason that I wanted to use this chance of speaking upon the subject. I do not want to discuss the question of magnesium chloride, as the same subject has been fully dealt with by my Honourable friend, Sir Ziauddin Ahmad, and I only agree with the remarks that he has made in this connection. I do not think that the protective duty on an industry has any justification unless it is proved within a limited period that it has reached a point where consumers can expect better results out of the same. The position has been explained by Dr. Sir Ziauddin and requires no further exposition so far as magnesium chloride is concerned.

Now, Sir, I wanted to discuss particularly bamboo pulp and the protection to the paper industry. Before I come to my own arguments, we have seen that the case has not been made by the Tariff Board in favour of protection in such strong terms as would convince anybody of its necessity. On the one hand, the guiding star of the Tariff Board is the basis of protection. When a Tariff Board is set up, probably the members feel and think that it is the necessary duty of the members to advise some sort of protection or other. I may here point out that the whole question of taxation, direct and indirect, has probably become out-of-date in India and as my Honourable friend from Madras also just now suggested that the Fiscal Commission Report is out of date and should not have been taken into consideration.

**An Honourable Member:** But he wants more protection.

**Mr. Muhammad Nauman:** That is a different point of view that he wants more protection, but I am using only that part of his sentence in which he has said that the Fiscal Commission's report does not stand good for all the time. Government are always normally being guided by the Fiscal Commission's Report of 1922. Things have changed a lot since 1922, and I think the fiscal policies of a great many countries of the world have changed in the light of circumstances. Even the British Government have

[Mr. Muhammad Nauman.]

not got the same freedom in actions as they had in 1922. With the beginning of the responsible forms of Government in the provinces they have tried to give chance to the responsible members of Legislatures to do as they thought best and probably things are changing slowly and will change for all times to come, so as to keep pace with the demands of the time. In this connection, certainly the time has come when the taxation policy should have been revised in the interest of this country, as a whole and its industrialists, and its consumers. Sir, in the matter of protection, the Fiscal Commission Report made only three points. As Dr. Sir Ziauddin Ahmad also pointed out that Fiscal Commission Report stated that for an industry to justify protection, there must be three conditions satisfied :

- (1) that there should be an abundance of raw material,
- (2) that there must be a good home market for consumption, and
- (3) that the industry should be able to stand on its own legs within a comparatively short period.

That last point is very necessary, *viz.*, that protection is not to be given to an industry for ages together, for centuries together, and if there be no time limit it is something which at least I cannot understand. The Fiscal Commission did not consider the philosophy of protection in the wider sense. Actually, protection is given to develop an industry to an extent that might repay the general public, the consumers, in the form of employment, lower prices and other advantages within a certain limit of time. Unless this is the point of view, unless this be the ultimate aim, there can be no sense in giving protection to any industry whatsoever. I do not want to comment on the personnel of the Board at all, as my friend, Sir Ziauddin Ahmad, has done, but I think the Tariff Board should be a permanent body, which should continue to examine the position of the industries from time to time, those under protection and even those industries which are not under protection. That permanent body would be able to get the market reports of the industries under different conditions under which the different industries, protected and non-protected, are working and will be able to compare those with other industries of the different parts of the world, and, in that way, would be of substantial help to the industrialists, to the consumers and to the country all around. As regards the consumers' contribution towards the development of these industries, it is very reasonable that they should be given opportunities of being benefited when the industries have developed to a point when such protection might not be very necessary.

Now, Sir, as regards the protection on the paper industry, it has been placed before the House by my Honourable friends that it has made great development and does not require protection for existence. This statement has been borne out by the market value of these shares referred to by Sir Ziauddin Ahmad, for example, two of the paper mills, Tittaghur Paper Mills and Bengal paper mills, whose share values have gone up three times and which in one case has paid profits to the extent of about 19 per cent. I know most of these paper mills are being managed with a very top-heavy administration and expensive arrangements under European managing agents, but still they are in a position to pay high dividends, and protection is being given to them at a time when they had developed their resources to an extent that they can probably compete in the open market with other papers which are being imported or may be imported into this country. In

the interests of the industry itself, it is necessary that opportunities should be given to the industry for healthy competition in the open market of the world. If you nurse a child to an advanced age, he will never be able to learn to stand on his own legs. If you carry the baby in your arms up to an age when he should not have been so carried, he will never have the strength to stand on his own legs and to have confidence to take up the responsibilities and measure his physical capacities. How long can these industries be carried in arms and maintained artificially only on the basis of protection? Protections are given for the sake of a certain benefit for a certain length of time, so that during this period the industrialists may be able to increase their resources and develop their conditions of economic working and be in a position to compete not only in the home market, but also with the industries of the world. Unless the industries are able to take responsibilities and to stand the competition of the world, I think it would be very unfortunate and it would probably be a sort of a slur on India herself that we cannot bring our industries to a level when they are able to compete with the other markets of the world in any reasonable speculation of "future". What should be chief aims of our industries? Not only to cater to the needs of India, but to cater to the need of the world as much as we can. If Japan or England or Germany would have only developed their industries to cater to their own needs probably they would not have occupied the same position amongst the nations of the world as they do today. When we think of developing our cotton industry or the paper industry or any other industry in the world, we certainly think that our ultimate aim is to compete in the world market on economic grounds of mass production and at parity of prices. If we cannot bring our productions on those systems and on those rates on which other countries are working, with certain advantages or disadvantages that we may have, I think all these protections are not of much value. Whatever developments we make by the help of protective duties are a sort of contributions being made by the consumers to a certain industry. I agree that we give opportunities to our labour for employment, but at the same time the ultimate end must be that we should be able to compete in the world market on parity of prices.

Now, Sir, with regard to this particular industry of paper, we find that the prices which are quoted in the foreign markets and the prices for the ordinary class of paper which are quoted in the Indian market, even without the protective duties, would be such as to enable our industries to exist and to exist fairly well. It may be that the industries may find some amount of difficulty in earning that amount of profit which they have been getting, but then that may give them a little more impetus and they may probably improve their industries in a manner that they may be able to compete in other markets as well. Now, Sir, my Honourable friend from Madras was criticising the question, whether the protection is abused or not. My Honourable friend, Dr. Sir Ziauddin Ahmad, said in his speech that they are abused in some cases, and my information is that they are being abused in the case of this paper industry. These paper mills made a sort of combination amongst themselves in 1937 to control the prices in a way which were not in the interests of the country. Prices were controlled. In a way that would give them a profit which is far higher than the profits of the other industries in that particular period. I hope my Honourable friend from Madras does realise that it is absolutely necessary that no protection should be abused, and although he has said that there should be a Central control by mutual understanding, I do not really know what he

[Mr. Muhammad Nauman.]

means. So long as Government have not got any organisation and proper machinery to control the prices, I think it is absolutely necessary that the protective duties should be reduced and should be reduced to an extent where it can allow the industries to exist in a fairly better manner, but would not give them an opportunity to earn heavier profits than they should have earned in the ordinary course of events.

Now, Sir, it was also stated on the floor of the House that the history of the paper industry is that it was first established in this country in 1871. It is more than 60 years, and we have not been able to compete in the world market without some sort of protection even for catering the requirements in India. As Dr. Sir Ziauddin Ahmad pointed out, in 1925 the Tariff Board recommended a protection of 15 per cent., and then it was brought to 20 per cent., and then to 25 per cent. If with all these protective duties the paper industry has not been able to compete in the open market of the world on the basis of parity of prices, I do not see any reason why that protection should be continued for unlimited time. This was the very argument which I used some years ago—I think it was, in 1935—on the question of the reduction of duty on the export of raw hides and skins. The hides and skins, in order to develop the tanning industry, were given a protective export duty of about 15 per cent. That duty was maintained for about 16 or 18 years. In spite of all that, what we noticed was that the tanning industry of India did not improve except to the extent that they were able to produce half-tanned leather and export them in turn in that condition to England and other Continental countries. Now that those protective duties have been removed, the tanning industry has not suffered at all, because the fact of the matter is that they were nursed for nothing at all. They never required that nursing and probably they abused the protection that was given to them. The real idea of giving protection to that industry was that the leather industry in this country should be developed to an extent that it will not only be able to cater to the needs of this country but will also be able to compete in other markets of the world on the world's parity prices. This did not happen. So far as the paper industry is concerned, I do not say that things are as bad at all. The paper industries have made a headway. They have developed their conditions to such an extent that the general impression is that they can exist fairly well without any protection in this country. Whether they can as yet compete with other countries on the world parity prices or not is a matter on which I cannot express any opinion.

My Honourable friend, Babu Baijnath Bajoria, would probably enlighten the House whether the paper produced in India could compete in the European market at world parity prices or not. He has also said on the floor of the House that papers required for newspapers are not produced yet in this country. I know that particular variety is not protected, bamboo pulp is protected, and, probably, for preparing paper for newspapers, that pulp is not necessary. However in spite of the protection we are giving to the paper industry, I do not know why it is not possible to produce that paper yet. Taking the Tariff Board, I find that their recommendations are also based on more or less the easy ground that they have not made out a case when they say:

"We have further considered whether this rate of duty should be the same for all kinds of imported pulp. There is some variation between the prices of different kinds of pulp, but there would be custom and administrative difficulties if different rates of duty were imposed."

The Tariff Board also were not convinced whether all sorts of pulps should be given the same amount of protection or there should be differentiation. Owing to difficulties in custom administration, they say there should be the same rate of duty.

In conclusion, I wish to say there has been some mistake made in the recommendation of the protective duties on bamboo pulp. The fundamental mistake which the Tariff Board made in the calculation of protective duties, as pointed out by my Honourable friend, Dr. Sir Ziauddin Ahmad, is that while the paper mills are making a reasonable amount of profit no mention of that fact has been made. Under the circumstances it would not be in the interest of the country to continue that protective duty. It will only help the paper mills to make huge profits at the expense of the consumers. Only that much of protective duty should be allowed as would enable the industry to exist in a condition in which it can develop later on, and show prospects of becoming a national asset in near future. With these few observations I take my seat.

**Sri K. B. Jinaraja Hegde** (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, till now we were told about paper, bamboo pulp, magnesium chloride, etc., I feel that the poor rice which is the staple food of this country is neglected. I was very much disappointed to see the Second Tariff Amendment Bill because the Honourable the Commerce Member was not kind enough to introduce a higher protective duty on rice. Yesterday our Deputy Leader said that wheat was the concern of the Punjab and, therefore, it immediately got protection, unfortunately rice was not in the good books of the Central Government and that was why this step-motherly treatment was given to it. In the matter of rice import the Central Government had dealt with it in an irresponsible manner and this has led to great disappointment and there is nothing short of poverty and disease in all those provinces where rice is grown. It should be remembered that more than 90 per cent. of the population of India entirely depends upon agriculture and out of this 90 per cent., more than 60 per cent. are rice growers and rice eaters. In spite of this no notice has been taken, so far, to protect the Indian rice against imported foreign rice. The worst sufferer in this respect is my province, the Madras Presidency, next comes Bengal and the third is Bombay. The chief agricultural produce in Madras is rice, that is the staple food of the people. The chief source of revenue in the Madras Presidency is land revenue and these rice growers pay to the extent of six crores as land revenue to Madras Government. This high assessment was fixed some years ago when rice was being sold at nearly double the price at which it is sold today. The calculation of land revenue is also peculiar to the Madras Presidency. It may be remembered that it is the *ryotwari* system that is prevailing in the greater part of the Madras Presidency according to which 50 per cent. of the net income from land is taken as land revenue. As a matter of fact, in practice, it is found that nearly 75 per cent. goes towards land tax. What is left to the tenant is only 25 per cent. of the net produce of the land. To take a concrete example, take a small family consisting of only five members owning about ten acres of land. In the present conditions in the Madras Presidency it comes to this. On ten acres of land he has to pay nearly Rs. 100 assessment annually. According to Government calculation the net income out of ten acres is about Rs. 100. This small family consisting of five members earns only Rs. 100 in the course of the

[Sri K. B. Jinaraja Hegde.]

year which comes to Rs. 20 per head. That is the state of agriculture in the Madras Presidency. Now, if it happens that these ten acres are being cultivated under a landlord, then in the generality of cases it is found that 60 per cent. of tenant's net income goes to the landlord and about 40 per cent. is left to the tenant. Therefore, if it is a tenant family having five members cultivating these ten acres, it is found these days that he is not able to earn more than Rs. 20 or 25 by his agriculture. Under these circumstances both the landowners and the tenants in the Madras Presidency have suffered a good deal on account of the import of foreign rice.

It is found from the figures of import, Madras has the largest share and it is also found on account of this import since the year

4 P.M. 1929-30, the value of rice has fallen by half, and, consequently, the landowners as well as the tenants are today steeped in debts. Some Members of this House must be aware that recently the Madras Government was obliged to pass a Debt Relief Act by which it is enacted that after paying interest amounting to twice the principal amount, the principal itself is wiped off. During that enactment it was found that in course of 50 years the agricultural debt in the Madras Presidency increased from 30 crores to 210 crores. It was also found that the debt of these agriculturists increased particularly after the year 1929-30 and that was directly due to the fall in price of rice. Now, coming to the figures of import of foreign rice we see that the total import of rice in 1926-27,—I am taking paddy and rice together and two tons of paddy is taken as equal to one ton of rice,—was only 386 tons. In five years, that is in 1931-32, this import increased to 22,452 tons. In another five years, *i.e.*, in 1936-37, it went up to 48,996 tons. In 1937-38, *i.e.*, even after levying this so-called protective duty the import was 12,16,069 tons; whereas the import of wheat during the year 1935-36 was only 9,590 tons. And in the year 1937-38, the total import of rice alone is found to be the highest and it is 11,98,063 tons. The share of Madras in this import came to 6,80,221 tons, and the total value of this rice that was imported in 1937-38 in Madras alone come to Rs. 6 crores and odd. The twelve annas duty on broken rice, we find, has been totally ineffective, because in the year 1937-38 out of 11,98,063 tons of imported rice 11,97,734 tons came from Burma alone and only 229 tons came from Siam and other places. Therefore, it has been found that this twelve annas duty on imported rice has been totally ineffective. And, furthermore, the duty is only on broken rice, as if the merchants cannot import whole rice or paddy and convert it into broken rice. It has been argued that because this broken rice was found competing with the low quality of Indian rice a duty of twelve annas was put so that the low quality of Indian rice might get better price in the market; but, in practice, it has been found that this has been totally ineffective inasmuch as no tax worth the name has been put on Burma's export of rice into this country. We have been told that the Madras Government have been making representations, time and again, to the Central Government to put some duty so that the agriculturists in the Madras Presidency might be able to pay the land tax and earn their livelihood, but the Central Government have been giving a deaf ear all these years. It was not only on this question but it was also on the question of imports of copra from Ceylon. We discussed this question some days back. These two indigenous products of the Madras Presidency have suffered badly,—copra on account of import-

of Ceylon copra and rice on account of the import of Burma rice. No step has been taken by the Central Government to save these two products of the Madras Presidency. I may not be wrong when I say that after the Congress has accepted office in the different provinces the Central Government have not been favouring any of their recommendations. On the other hand it may even be said that they are treating them on inimical terms and the Congress Governments have been getting nothing short of step-motherly treatment. Whenever we put questions here they are either evasively answered or we are told that the matter is secret and confidential and could not be disclosed in public interest. Therefore, in these days of so-called semi-responsible Governments in the provinces who are responsible directly to the agriculturists and to the common people of the land and this irresponsible Central Government, the life of the agriculturists in this country is becoming very precarious.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

It has been found clearly that the Central Government take very little interest in and very little care of agriculturists. Whenever any questions arise the agriculturists are asked to address their grievances to their own Provincial Governments who, on their part, plead inability to do anything in this respect. When I look into these tariff manipulations of the Central Government and the irresponsible manner in which these manipulations are carried on, it is more than clear that these manipulations are managed to create a better market for British goods either in Burma or Ceylon and not to offer a good market for our goods in this country. Therefore, I feel that this Bill deserves no respect from our Party and it should be rejected.

**The Honourable Sir Muhammad Zafrullah Khan:** Sir, a complaint has been made by several Honourable Members that the three reports on the sugar industry, magnesium chloride and paper and pulp were not made available to Honourable Members in time for them to carry out a detailed examination of the recommendations and the evidence on which the recommendations were based. I confess that there may be something in that complaint in the sense that within the space of a very few days Honourable Members have been called upon to study these reports and to make up their minds with regard to the recommendations contained therein and the action that Government propose to take on the basis of those recommendations and I assure them that if it had been possible to afford them longer time for the study of these reports, that would certainly have been done. It is due to a combination of a variety of circumstances that Honourable Members have been given less time than under normal circumstances should have been the case. I assure them further that on future occasions Government will make every effort, if it is at all possible, to give them longer time for consideration. It just happens that at the end of the last financial year the duties in respect of so many of the protected industries. . .

**Mr. S. Satyamurti:** May I ask my Honourable friend one question? May I know what is the difficulty on the part of Government in publishing these reports, as opposed or contrasted with their own conclusions on the recommendations in the reports?

**The Honourable Sir Muhammad Zafrullah Khan:** That matter has been discussed often during the question hour between the Honourable Member who has put this question to me and myself. That is a large question on which I am not able to make any statement this afternoon. But I was trying to explain that one of the factors in the situation this year has been that Government were bound to take action of some sort or the other at the end of the last financial year with regard to several of these industries and that made it necessary to bring so many matters together before the Legislature. If it had been possible to place these reports and a summary of Government's conclusions thereon before the House earlier, that would have been done; but I am afraid in any case it would not have been possible to postpone the consideration of the legislative measures based thereon.

Another matter, stressed by Mr. Satyamurti and referred to by other Honourable Members, was the setting up of a permanent Tariff Board. I am not in a position to go into this matter at this stage in any detail, but I am free to confess that there is something in that suggestion and that suggestion is being examined by Government.

Then, Mr. Satyamurti complained that there was one Bill dealing with so many matters—broken rice, magnesium chloride, pulp, paper, silk and silk goods: what possible relation can any of these articles have to any of the others? As a matter of fact this is only a drafting arrangement. All these items are dealt with in one Tariff Act and, therefore, it was considered that one Tariff Bill should contain all the proposals with regard to the amendment of that Act. I do not think any confusion has resulted from that arrangement being adopted.

The first matter that Mr. Satyamurti criticised and several other Members have drawn attention to, is the position with regard to broken rice. Here, the greater part of the criticism was directed not towards what is proposed to be done by this Bill, but towards what has been omitted, if I may so put it. So far as the continuation of the duty on broken rice is concerned, Honourable Members have no objection to it; but some of them have pointed out that there is a large import of rice from Burma which in their view, at any rate, depresses the price of rice in India, and that something ought to be done about it. That matter was gone into in very great detail when the question of terminating the Indo-Burma Trade Regulation Order was discussed in this House. That really has no connection whatever with the duty on broken rice. The duty on broken rice was imposed in order to stop the imports of broken rice from Siam and Indo-China inasmuch as though in those countries it was only a by-product of the rice industry, it was beginning to compete here actively with our rice and in that respect the duty has been entirely effective. One Honourable Member said "True: this duty has had the effect of stopping imports of broken rice from those countries; but it has not succeeded in raising the price of rice, and though there was some rise in the price when the duty was first imposed, subsequently prices have gone down." I have tried to explain on other occasions, particularly when the question of imposing or raising the import duty upon wheat has been under consideration, that though an import duty might reduce or altogether stop the imports of the commodity upon which it is levied, it may or may not result in raising internal prices, that is to say, it would not necessarily result in raising prices, and that it is a fallacy to assume that the quantum of the duty is the degree by which prices would rise as the result of the duty being imposed. All that a duty of that kind can do is to

reduce imports or stop them altogether; and if as a result of that, prices do rise, to that extent relief is afforded to the cultivator in the matter of prices also. But they may not rise. That would depend upon the internal supply and demand and factors operating in respect thereof. Therefore, if this duty has operated to keep out the imports of broken rice from the countries from which they were coming when this duty was imposed, then it has been completely effective. . . .

**Prof. N. G. Ranga:** What about the imports of rice from countries other than Burma?

**The Honourable Sir Muhammad Zafrullah Khan:** There is very little, as the Honourable Member himself admitted. One Honourable Member speaking on the other side, I think, gave the quantity in the last year from Siam as 229 tons. It is almost negligible. As I was saying, the duty has been completely effective. Government propose to continue the duty for another year and I really do not see what criticism can validly be levelled against this proposal contained in the Bill. The last speaker speaking on behalf of the Madras Province said the position was so bad that this Bill ought to be rejected altogether. That means the duty on broken rice ought to be discontinued. I do not know by what process of reasoning he has arrived at that conclusion. But I do assure him that if his suggestion were adopted the position of the rice cultivator in Madras would be very much worse than it is at present.

Then, with regard to Government's decision to reduce the duty on magnesium chloride from 15 annas a cwt., as recommended by the Tariff Board, to 12 annas a cwt. as is prescribed in the Bill, a good deal of criticism was offered, and it was said that there was really no justification for Government reducing the duty from 15 annas to 12 annas. My attention was drawn to page 13 of the last Tariff Board's report, and somehow it was argued that what was said there was sufficient refutation of what I had said in support of Government's decision. This is what the Board say there.

"As regards the Ahmedabad market, the Tariff Board of 1929 noted that the Indian product enjoyed a freight advantage which however it did not consider it necessary to take into account for the reasons given in paragraph 13 of its Report."

I shall presently revert to paragraph 13 of that Report and show that those reasons are no longer operative, and that if they are no longer operative then the freight advantage should have been taken into account subject to what is said further on in this paragraph. I am reading now from the 1938 Report:

"Since then the position has been altered owing to the facility of importing magnesium chloride through Kathiawar ports. During 1936 and 1937 the price realised by the Company was the same as in Bombay, though in previous years it was generally 1 to 2 annas a cwt. higher."

From this, Sir Cowasji Jehangir drew the conclusion that there was now a freight disadvantage of one to two annas per cwt. He used the expression ton, but I believe he meant a cwt. Nothing of the kind is suggested by the Board here. They have given an indication that though previously the price realised in Ahmedabad used to be one to two annas a cwt. higher, during the last year or two it has been the same as in Bombay:

"We think, therefore, we may leave out of account any question of freight advantage or disadvantage and base our calculations on the amount of protection required on the prices of delivery at Bombay . . . . ."

**Sir Cowasji Jehangir:** May I make a personal explanation, Sir. I did not draw that inference only from the report, but I said that as a matter of fact the imported article had an advantage over the home made article by two annas a cwt. due to the imported article being imported into India and Ahmedabad through Kathiawar ports.

**The Honourable Sir Muhammad Zafrullah Khan:** That was the Honourable Member's argument, but I believe one of the considerations that he thought supported him in that argument was this consideration mentioned by the Board. Now, I may draw the attention of the House to paragraph 13 of the 1929 Report. I am reading now from the top of page 11 of that report:

"The difference between these figures (3 annas 8 pies) represents the amount by which our fair selling price might theoretically be reduced at Ahmedabad. It would then stand at Rs. 3-0-10. The price of imported magnesium chloride delivered at mill at Ahmedabad is Rs. 3-11-0 per cwt. on the basis of a *c.i.f.* price at Okha of £3-19-0 per 1,000 kilos. The Indian product, therefore, enjoys an advantage of 10 annas 2 pies per cwt. at Ahmedabad. This advantage, however, is somewhat illusory."

And now the Board give the reason why they think that this or the greater part of it should not be taken into account:

"Indian magnesium chloride is of a greyish colour while the imported article is white. Millowners at Ahmedabad take advantage of this to offer a lower price for the Indian product."

Meaning thereby that there is a difference in quality between the imported article and the indigenous article:

"Moreover, the importance of maintaining output and so reducing costs, places the Pioneer Magnesia Works in an unfavourable position in negotiating sales to the mills enabling the latter to bargain for Bombay prices. Actually the company has received on an average seven annas per cwt. less than the import price of foreign magnesium chloride at Ahmedabad would justify."

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

Out of Rs. 0-10-2 freight advantage which the Board stated was enjoyed by the Indian article at Ahmedabad, they say that seven annas per cwt. is accounted for by the difference in quality. They say that the remaining might be taken into account which comes to Rs. 0-3-2:

"The advantage of the Indian industry is thus reduced to three annas two pies per cwt. and on the assumption that one third of the Company's output is sold elsewhere than in Bombay, it would be possible to reduce our fair selling price by about 1 anna to Rs. 3-3-6. This will make little difference to our proposals, and it is doubtful whether with the recent reduction in *c.i.f.* price Bombay from £4-19-0 to £3-19-0 even this advantage will remain. We prefer, therefore, in framing our proposals to leave it out of account."

So it comes to this. The reasons given in paragraph 13 and to which the Board of 1938 have referred are, that though there is a freight advantage of Rs. 0-10-2, seven annas out of it should be allowed for difference in quality, and the remaining is so small that it will make only a difference of one anna per cwt. and, therefore, that need not be taken into account. Now, let us see what has happened to the quality in the meantime. Does it stand where it stood then, or has there been any difference? In paragraph 9 of their Report, the 1938 Board deal with this question. They say:

"We have next to consider whether any allowance should be made for difference in quality between the Indian product and the foreign product with which it competes. In 1929, Indian magnesium chloride was greyish in colour and for this reason was regarded as inferior to the whiter imported article and commanded a lower price,

estimated by the Tariff Board to average seven annas a cwt. The position is now changed. Improvements in the processes of manufacture have enabled the Pioneer Magnesia Works Company to produce magnesium chloride which is claimed to be equal in colour and in all other respects to the imported article. This claim to improvement is justified by the fact that the Company is also able to compete on equal terms with the German or French magnesium chloride in countries to which Germany and France export such as Holland and Czechoslovakia, leaving out of account the United Kingdom, where the Indian product enjoys a measure of preference."

That being so, there has been an improvement between the time that the 1929 Board reported and the time that the 1938 Board reported, in the quality of the Indian product which would have justified a reduction of seven annas per cwt. all over. On that ground alone this reduction of three annas per cwt. might be more than amply justified.

I shall now come to the figures which Sir Cowasji Jehangir was kind enough to supply. He said the total production was 6,800 tons, but the detailed figures which he gave, when added up, came to 7,000 tons. We shall assume the total figure to be 7,000 tons. Out of this Sir Cowasji Jehangir said, Bombay proper consumes 1,500 tons. In respect of that the full allowance of  $7\frac{1}{2}$  annas per cwt. would be justified. Then, he says, 2,100 tons are consumed in Central India, the Central Provinces and the Deccan. I do not know how Sir Cowasji would apportion it. Let us say 1,300 tons for Central India and Central Provinces and 800 for the Deccan. Now, so far as the Central Provinces and Central India are concerned, if there is no freight advantage, at any rate, there will be no freight disadvantage. With regard to the Deccan, as the carriage would have to be *via* Bombay, in any case, one might assume that the full freight disadvantage might be allowed. That makes 1,500 tons for Bombay and 800 tons for the Deccan.

**Sir Cowasji Jehangir:** May I interrupt the Honourable Member. I stated those figures. I also added that the trade to Central Provinces and Central India, as a matter of fact, went through Bombay.

**The Honourable Sir Muhammad Zafrullah Khan:** I do not know whether that assumption is correct. There is no reason to make that assumption.

Ahmedabad, 1,300 tons, if you import it through the Kathiawar ports, there would be, according to Sir Cowasji Jehangir, a freight disadvantage of one to two annas per cwt.; according to the Tariff Board of 1929 there would be a freight advantage. But let us assume for the purpose the figure given by Sir Cowasji Jehangir, one to two annas freight disadvantage, that is to say, on the average  $1\frac{1}{2}$  annas freight disadvantage. At any rate there is a saving of six annas per cwt. as against the full freight disadvantage allowed by the Board. With regard to Madras, 500 tons; my friend said, as it went *via* Bombay this would also require the full allowance.

**Sir Cowasji Jehangir:** Madras, Cochin and Calicut.

**The Honourable Sir Muhammad Zafrullah Khan:** Yes. That makes up 1,500 plus 800 plus 500, or 2,800, for which full allowance should be made. The consignments to the United Provinces and Northern India, according to Sir Cowasji, enjoyed a certain amount of freight advantage. The figure of consumption was 800 tons, and if we estimate a freight advantage of say two annas per cwt. that would cancel out the freight disadvantage in

[Sir Muhammad Zafrullah Khan.]

respect of Ahmedabad. Then, Calcutta and other places—we are entitled to assume that as regards the “other places” there would be neither advantage nor disadvantage. Calcutta—500 tons—has a freight disadvantage. So that the total figure that we get with regard to freight disadvantage comes to about 3,300, roughly say 3,500, out of 7,000 tons, and, therefore, half the quantity does not suffer from any freight disadvantage.

**Sir Cowasji Jehangir:** How do you get it?

**The Honourable Sir Muhammad Zafrullah Khan:** Just as I have worked it out and have given the figures, and that is how I get, half the quantity suffers no freight disadvantage at all, and, therefore, it would be perfectly justifiable, apart from the difference in quality that has occurred in the meantime, to reduce the freight disadvantage by half. Government have reduced it only by 40 per cent. that disposes of the criticism that Government have acted purely arbitrarily. There are three factors which really ought to have been taken into consideration: one, the high allowance in respect of profits, eight per cent., which should not have been higher than six per cent., it would make a difference of just over nine pies per cwt. Secondly, an allowance in respect of freight disadvantage in respect of the whole of the product of the industry which would not be justified for more than 50 per cent. of the total Indian consumption. Government have allowed it in respect of 60 per cent. Then there is the improvement in quality in respect of which seven annas per cwt. were allowed by the 1929 Board and in respect of which nothing has been allowed by the 1938 Board.

**Mr. S. Satyamurti:** There is the reduction from Rs. 1-5-0 to 15 annas.

**The Honourable Sir Muhammad Zafrullah Khan:** That has been made on account of the reduction in costs of production, not on account of the improvement in quality. The cost of production of a cwt. of magnesium chloride is less by six annas than it was, making allowance for other factors also, in 1929, but no allowance has been made in respect of the improvement in quality. I submit that taking all these factors into consideration the deduction made by Government is not only amply justified but leaves a large margin to the protected industry.

With regard to paper, the first criticism was with regard to my statement that the 1925 and 1931 Boards had based their recommendations upon protection being granted to bamboo pulp and paper made from bamboo pulp, and Honourable Members made efforts to show from the reports of those two Boards that those two Tariff Boards had recommended protection for the grass mills also. Let me re-state the position that I took up when moving for consideration. The position that I took up was that the recommendations of the previous Boards—the 1925 Board's in respect of paper and the 1931 Board's in respect of pulp as well as in respect of paper—were based upon figures relating to production from bamboo only. Their position was that the grass mill's had not made out a case for protection, though they were entitled to enjoy the benefit of the protection which might be given to the bamboo mills. One of the proposals considered by the 1925 Board was, there being a case for protection, at any rate for an experimental period as they put it, for the bamboo product and no case having

been made out for the grass mills, would it not be better to grant protection by way of a bounty to the bamboo mills? One of the reasons that they gave for not recommending this course was that that would make too sharp a distinction and discrimination between the two kinds of mills and that it was better that, though protection was being granted on the basis of the bamboo production, whatever benefit the grass mills could derive from it, they should be permitted to enjoy. Let me pursue this matter a little further and show that I did not, in any way, over-state the position in my speech when moving for consideration. In this connection I may invite Honourable Member's attention to pages 84 and 86 of the 1925 Report. This is Chapter VI of the Report which sets out the Board's conclusions and recommendations:

"(1) The existing paper mills which use *sabai* grass do not satisfy the conditions laid down by the Fiscal Commission and their needs are therefore irrelevant in considering the claim to protection."

Government have been charged, during the course of this debate, that they are withdrawing protection from grass mills. That is not the position. They were at no time granted protection in the ordinary sense.

**Mr. S. Satyamurti:** They have enjoyed it.

**The Honourable Sir Muhammad Zafrullah Khan:** They have enjoyed it and they continue to enjoy it under this scheme also in exactly the same way. The Honourable Member may shake his head, but that makes no difference to the position:

"There is, however, one locality in the north of India where the conditions are unusually favourable for the manufacture of paper from *sabai* grass for sale in the markets of Upper India, and a moderate amount of protection at the outset might facilitate the establishment of the industry there. Subject to this exception the claim to protection depends entirely on the possibility of manufacturing paper from bamboo."

Then at page 85, paragraph 5:

"The matters on which further information is wanted are:

- (a) The cost at which bamboo can be delivered at the mill.
- (b) The extent to which the coal consumption can be reduced by using only the best coal.
- (c) The extent to which the cost of chemicals per ton of pulp and paper can be reduced either in the sulphite process or in the soda process with fractional digestion."

In sub-para. (8) on the same page they say:

"The manufacture of pulp and paper from bamboo might in time become a very important industry in India, and the prospects are good enough to justify the grant of State assistance to the firms who are endeavouring to promote its development."

Nothing about grass. Then in para. 133, on page 85 they say:

"It will be seen that we contemplate the grant of State assistance for a limited period in order that the possibilities of the manufacture of paper from bamboo may be fully explored. At the end of the period, Government would decide in the light of the information obtained, whether the industry should be protected and, if so, to what extent and by what means".

that is to say, the manufacture of paper from bamboo. Then on page 93, in para. 144, they say:

"If the future of the Paper industry depends entirely on the use of bamboo, and *sabai* grass is likely to fall more and more into the background, the assistance required might naturally be given in a form which would encourage the use of the

[Sir Muhammad Zafrullah Khan.]

cheaper and more abundant material. Bamboo paper can be sold at present at an average net price of Rs. 513 a ton., and, if Rs. 560 a ton or a little more is the price which is considered fair and reasonable, the payment of a bounty of Rs. 50 on every ton of paper manufactured from bamboo, would secure the desired result."

Then, they proceed to examine this suggestion and come to the conclusion that the grass mills should also continue to enjoy whatever benefit they could derive from a protective duty imposed upon imports of foreign pulp which was based on calculations relating to bamboo pulp and had no reference to calculations based on manufacture from grass pulp. Then on page 100, para. 156, they say :

"It was no part of our object to adjust the scheme of protection so as to permit the grass mills to survive, and their disappearance would not ultimately endanger any important national interest. What the actual course of events may be it is difficult to forecast. It is possible, especially if the reconstruction scheme contemplated by the Directors of the Titaghur Company is approved, that the three mills in Bengal which use grass may still be working at the end of five years. It is not likely in any case that all will go under, for the closing down of one four-machine mill would make it much easier for the others to sell their output. We do not believe that in the long run the grass mills can hold their own in competition with bamboo paper, except in Upper India."

Stopping here, can it be contended that the Board were out to recommend protection for grass mills? They had even reconciled themselves to the view that their recommendations, inasmuch as they did not go far enough so far as the grass mills were concerned, would result in some of the grass mills shutting down and they said that would not be a loss of national importance. This also disposes of the allegation, it was more than an insinuation, made by more Honourable Members than one that a duty upon wheat was imposed quickly because I came from the Punjab and was subject to pressure from the Honourable Sir Sikandar Hyat Khan, the Premier of the Punjab, and that I was paying no attention to rice, because the province mainly concerned was Madras. These grass mills are situated in the Punjab and at Saharanpur in the United Provinces. If there had been any prejudice of that kind Honourable Members should have expected that I should be keen to extend protection to the grass mills and it could be done easily by accepting the recommendation of the Tariff Board. Now, let us see the attitude on this matter of the 1931 Board. In paragraph 76 of their report on page 77 they say :

"On the facts set out in the preceding paragraphs, we find that the existing supplies of *sabai* grass are insufficient to allow for an expansion of the Paper industry if based mainly on grass, that any extension of the output of paper composed chiefly of grass will make it more difficult for the industry to dispense with protection and that the Indian market will be unable to absorb larger quantities of such paper. Our examination of the evidence in this enquiry has confirmed the findings of the Tariff Board on the subject of *sabai* grass in 1925."

So they have carried the matter no further.

Then on page 92 they say:

"We have proposed in Chapter VI that a duty should be levied on imported wood pulp."

Later on they say:

"We, therefore, consider that the figure we have estimated *viz.*, Rs. 186 should be regarded under present conditions as a reasonable estimate of the works cost of bamboo pulp. Commercial imported pulp is also sold on an air dry basis and the figure of Rs. 186 will therefore be the correct one to take for purposes of comparison."

Their recommendation of a duty of Rs. 45 per ton on imported pulp was based on this figure of Rs. 156 which they find to be the works cost of bamboo pulp. That again bears out my contention that the fixing of the duty by the 1931 Board was with reference to the works cost of bamboo pulp and that the fixing of the duty on this occasion also ought to be with reference to the works cost of bamboo pulp alone, though I said in my opening speech, and I repeat, that grass mills are welcome to the enjoyment of any protection that might be given to the bamboo mills and the Bill gives them almost as much protection as the Board have recommended, as I shall show in a moment. On page 106, sub-para. (12) they say:

"The evidence received during the present enquiry has confirmed the findings of the Tariff Board in 1925 regarding the possibilities of bamboo and grass as raw materials for the Paper industry. The future of the Indian Paper industry depends on the exploitation and development of bamboo, and it may reasonably be expected that paper made from bamboo will eventually be able to dispense with protection. Although the future expansion of the industry will be based mainly on bamboo, grass also occupies a recognised place in it and for this reason no distinction should be made between the two in the application of proposals for assistance",

that is to say, the application should be by way of a protective customs duty and not by way of a bounty to bamboo mills alone. Then, on the next page, in para. 17 they say:

"The duty on imported pulp should be fixed at Rs. 45 per ton which is approximately the difference between the works cost of bamboo pulp and the current price of imported pulp."

I have merely sought to apply the same standard to the calculations made by the present Board:

"Assuming that at the end of the protective period no more than 25 per cent. of imported pulp in terms of paper would be used, the increase in the cost of manufacturing paper would be about Rs. 19 per ton."

I hope that makes it sufficiently clear that neither of these Boards recommended a duty based upon the works cost of grass pulp and that was the criticism of the report of the present Board I made—that they have sought to extend protection to grass mills in the face of the findings of the previous Boards and without any finding arrived at by themselves that the protection ought to be extended to grass mills.

I pointed out when I was speaking yesterday on this motion that, even taking into account the works cost of both these kinds of pulp, the revenue duty is quite enough to give protection to both.

**An Honourable Member:** For grass mills also?

**The Honourable Sir Muhammad Zafrullah Khan:** Yes, on this basis. Rs. 111 has been found to be the works cost of a ton of bamboo pulp. Rs. 140 has been found to be the works cost of a ton of grass pulp. The ex-duty price of imported pulp has been found to be Rs. 126. Add Rs. 30 revenue duty and it comes up to Rs. 156,—and that covers both the works cost of bamboo pulp and the works cost of grass pulp. But the Board have gone further and have recommended a higher duty inasmuch as they have added Rs. 33 per ton, being 60 per cent. of the over-head charges in respect of the manufacture of paper from beginning to end including the manufacture of pulp, to the works costs, which brings it, in the case of bamboo pulp, to Rs. 144, and in the case of grass pulp to Rs. 173. I pointed out yesterday—and I have not been contradicted—that this again

[Sir Muhammad Zafrullah Khan.]

is something which the previous Board had not done. The 1931 Board found Rs. 186 as the works cost of manufacturing a ton of bamboo pulp without making any allowance for any portion of the over-head charges, for the reason that these over-head charges were incurred in the course of one continuous manufacturing process and the whole of the charges are allowed in calculating the duty on paper.

**Mr. M. S. Aney:** Is the Honourable Member satisfied that the over-head charges mentioned here in the present report are really not required at all?

**The Honourable Sir Muhammad Zafrullah Khan:** I assume the Honourable Member's question is whether I consider that they should not have been taken into account at this stage. I have not said that they are not being incurred, but what I was trying to explain was that the whole of them have been taken into account in calculating the duty on paper and that it is a wrong method to divide them up and to account for as much as 60 per cent. of them in determining the duty to be levied on imported pulp, and I illustrated it in my previous speech and I may illustrate it again by a reference to what the last Board did. The last Board recommended a duty of Rs. 45 per ton on the basis of a works cost of Rs. 186 per ton of bamboo pulp, which did not include any portion of the over-head charges. Now, if they had included the same proportion of over-head charges in their calculations, that is to say, 60 per cent. that would have come to Rs. 40 a ton and the duty then recommended would have been Rs. 85 a ton. Actually, they recommended a duty of Rs. 45 a ton and that has proved quite adequate both for bamboo mills and grass mills, and therefore there was not the slightest justification for the present Board adding 60 per cent. of the over-head charges at that stage to the works cost of the pulp.

I now come to paper. This matter was argued in detail by Mr. Ananthasayanam Ayyangar and his position was this. He said, "you start from the statement at the top of page 32 of the present Board's report where they say—the cost of conversion accepted by them, being Rs. 140 per ton, is lower than the cost of conversion accepted by the 1931 Board". He says, "that is an error into which the Board fell", that is to say, that the cost of conversion was actually higher now than it was in 1931, but that they fell into the error of thinking that the figure of Rs. 140 included all the items that the figure of Rs. 141 had included in 1931". He tried to explain that paper is manufactured from bleached pulp and not from unbleached pulp and that we must allow for the cost of bleaching. According to him, Rs. 111 being the works cost of unbleached pulp, Rs. 20 should have been allowed for the cost of bleaching and the works cost of bleached pulp should have been taken as Rs. 131. But may I remind him that the works cost, worked out by the previous Board at Rs. 186 per ton, was also the works cost of a ton of unbleached pulp and they added only Rs. 141 for conversion? This Board have found the works cost of unbleached pulp to be Rs. 111 per ton and to that they have added Rs. 140 as the cost of conversion which they claim is less than the cost of conversion accepted by the previous Board and have gone on to add Rs. 32 more which admittedly was

included in the Rs. 141 by the previous Board. But assuming the position was as Mr. Ananthasayanam Ayyangar has presented it, we are forced to the conclusion that on the one hand this Board has said that there has been improvement in the process of manufacture and there has been a reduction in the cost of conversion and yet, according to Mr. Ananthasayanam Ayyangar, as against Rs. 141 accepted by the previous Board as the cost of conversion there has been Rs. 172 accepted by the present Board as the cost of conversion. And in any case, how does he justify the addition over again of the items under selling expenses, insurance, rates and taxes,—another Rs. 12 per ton? I am afraid there is no escape from the conclusion that if the present Board's finding that there has been an improvement in the process of manufacture and that there has been a reduction in the cost of conversion is correct, then the cost of conversion could not be higher than it was in 1931. (Attempted interruption by Mr. M. Ananthasayanam Ayyangar). The Honourable Member has explained his view in great detail already and I am not overlooking what he said. It is perfectly clear that either he was wrong or I am wrong. I am explaining my own point of view, and he gave his. I am afraid I will have to repeat, owing to the Honourable Member's attempted interruption, that the Board finds that there has been an improvement in the process of manufacture. They find there has been a reduction in the cost of conversion. That necessarily leads to this that the cost of conversion including bleaching, selling expenses, insurance, rents, rates and taxes cannot be higher than Rs. 141, inasmuch as that was the figure at which it stood in 1931. The Honourable Member says he thinks they have fallen into one error. I say they have fallen into another error. We really do not know which error they have fallen into but we agree that they have fallen into an error and that is the reply to those critics who say that there should have been a reference back to the Tariff Board. Even Honourable Members on the opposite Benches have discovered that the Board must have fallen into an error, and they have discovered that,—because it appears that they did, after all, make an attempt to reconcile these two positions but found they could not be reconciled. I have tried to show that in view of their finding that the cost of conversion is now lower than the cost of conversion in 1931, they have fallen into the error of counting certain items twice over.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member can continue his speech tomorrow, unless he wants to finish it in a few minutes.

**The Honourable Sir Muhammad Zafrullah Khan:** Well, Sir, I will conclude by referring only to one more matter. Perhaps I can defer  
 5 P.M. the rest of what I have to say to a later stage. The point that I wish to refer to now is the criticism that was levelled against providing for the duty on imported pulp, apart from the quantum of it, by way of a revenue duty. At this stage, all that I need say is that the revenue duty is very much in excess of the protective duty that would be justified on the findings of the Board. Rs. 111 is the works cost of bamboo pulp. As against that, the cost of the imported article, after it has paid the duty, would be Rs. 156 if prices stood where they are. That leaves a good deal of margin for any fluctuation in prices. With regard to this matter I will have something more to say when we come to the discussion of the relevant

[Sir Muhammad Zafrullah Khan.]

amendment. Finally, I would submit that Government have not acted in either of these cases in an arbitrary manner. Their conclusions have been arrived at after a very careful consideration of the Tariff Board's reports. They have not differed much with the recommendations of the Board either in the case of magnesium chloride or of paper. They have accepted their methods of calculation; they have accepted their figures, but they could not shut their eyes to obvious miscalculations which the Board had made and even then the deductions made have been very slight as compared with the deductions which might have been justified.

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

"That the Bill further to amend the Indian Tariff Act, 1934 (*Second Amendment*), be taken into consideration."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 6th April, 1939.