

20th March , 1933

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

1933

FIFTH SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1933



SIMLA
GOVERNMENT OF INDIA PRESS

1933

M97LAD

Legislative Assembly.

President :

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

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

Deputy President :

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

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

Panel of Chairmen :

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

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

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

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

Secretary :

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

Assistants of the Secretary :

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

Marshal :

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

Committee on Public Petitions :

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

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

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

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

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

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

M97LAD

CONTENTS.

VOLUME III.—13th March to 30th March, 1933.

	PAGES.
MONDAY, 13TH MARCH, 1933—	
Questions and Answers ..	1933—66
Unstarred Questions and Answers	1966—73
Short Notice Question and Answer	1973—79
Motion for Adjournment <i>re</i> two Muslims shot down at Chittagong by the Military—Not moved	1979
Statements laid on the Table	1980—95
Election of the Standing Finance Committee	1995—2010
Election of the Public Accounts Committee	2011
The Cotton Textile Industry Protection (Amendment) Bill— Introduced	2011
The Indian Finance Bill—Discussion not concluded ..	2011—38
TUESDAY, 14TH MARCH, 1933—	
Statements laid on the Table	2039—44
Election of the President	2044, 2053—60
The Indian Finance Bill—Discussion not concluded ..	2045—52, 2060—92
Election of the Deputy President	2060
Appendix	2093
WEDNESDAY, 15TH MARCH, 1933—	
Statements laid on the Table	2095—96
The Indian Finance Bill—Discussion not concluded ..	2096—2145
THURSDAY, 16TH MARCH, 1933—	
The Indian Finance Bill—Discussion not concluded ..	2147—58, 2159—2203
The Indian Tariff (Ottawa Trade Agreement) Supplementary Amendment Bill—Introduced ..	2158
The Provincial Criminal Law Supplementing Bill—Introduced ..	2158
Statement of Business	2159

	PAGES.
MONDAY, 20TH MARCH, 1933—	
Questions and Answers ..	2205—31
Short Notice Question and Answer	2231—32
Election of the Deputy President	2232—34
Statements laid on the Table ..	2235
Election of the Standing Finance Committee for Railways ..	2236
Election of the Central Advisory Council for Railways ..	2236
Election of the Standing Committee on Roads	2237
Election of the Standing Finance Committee and the Public Accounts Committee ..	2237
The Salt Additional Import Duty (Extending) Bill—Introduced	2237—38
The Cotton Textile Industry Protection (Amendment) Bill— Passed	2238—78
TUESDAY, 21ST MARCH, 1933—	
Questions and Answers ..	2279—2303
Election of the Standing Finance Committee	2303—04
Election of the Public Accounts Committee	2304
Statement of Business	2304
Statements laid on the Table	2305—08
Election of the Deputy President ..	2308
Election of the Standing Committee on Emigration	2309
Election of the Standing Committee for the Department of Education, Health and Lands ..	2309
The Wheat Import Duty (Extending) Bill—Passed ..	2309—45
WEDNESDAY, 22ND MARCH, 1933—	
Questions and Answers ..	2347—59
Unstarred Questions and Answers	2359—68
Statements laid on the Table ..	2369
Message from His Excellency the Governor General	2370
The Indian Finance Bill—Discussion not concluded ..	2370—2413

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

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

LEGISLATIVE ASSEMBLY.

Monday, 20th March, 1933.

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

QUESTIONS AND ANSWERS.

MARRIAGES UNDER THE PROVISIONS OF THE SPECIAL MARRIAGE (AMENDMENT) ACT, 1923.

769. *Sir Hari Singh Gour: Will Government be pleased to state the number of marriages contracted under the provisions of the Special Marriage (Amendment) Act, 1923 (XXX of 1923)?

The Honourable Sir Harry Haig: The Government of India have no information. Registration of marriages is, under the Devolution Rules, a provincial transferred subject.

CARRIER ATTENDANTS AND ELECTRICAL SUPERVISORS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

764. *Raj Bahadur Lala Brij Kishore: (a) Is it a fact that the non-gazetted staff in the Engineering Branch (including the Electrical Branch) of the Posts and Telegraphs Department consists of only six classes of officers and there is no such class as Carrier Attendants or Electrical Supervisors (Carrier)?

(b) Will Government please state by whom and when such posts designated as Carrier Attendants and Electrical Supervisors (Carrier) were created and also the total number of such posts with respective grades and allowances, if any?

(c) If the answer to the first portion of part (b) be to the effect that no such post has been created, are Government prepared to consider the necessity for creating such posts?

Sir Thomas Ryan: (a) No. The classes referred to by the Honourable Member at the end of this part of his question actually exist.

(b) The posts were sanctioned by Government in 1931 on the introduction of the Carrier Current System of telegraph working between Calcutta and Bombay. There are 19 posts of attendants and three of supervisors, which are on a temporary basis and are being filled from amongst the existing staff of Telegraphists and Electrical Supervisors.

(c) Does not arise.

DECLARATION OF MR. GANDHI'S POLICY ON POLITICAL QUESTIONS.

765. ***Mr. B. Sitaramaraju** (on behalf of Mr. M. Maswood Ahmad):

(a) Are Government aware that in a Press interview on the 3rd March, 1933, Mr. Gandhi has stated in reply to a question that if necessary, permission were given to him, he would after duly examining the terms of the permission, quite willingly make a declaration of his policy on political questions, but that just now he was not thinking about it at all, politics having been excluded from his thoughts?

(b) Are Government aware that in reply to a question whether the "Harijan Movement had diverted his attention from the civil disobedience movement", Mr. Gandhi replied, "Surely, it is a matter which everyone can decide for himself, because all materials are before him. One might as well ask me what is the height of the Himalayas, when both he and I are seeing them"?

(c) Are Government aware that Chaudhury Khaliquzzaman of Lucknow, an old Congressman, left for Benares on the 2nd March to consult Pandit Malaviya for the purpose of emphasising the view that the next session of the Congress should consider favourably the working of the new constitution, if it is acceptable to the country, thereby changing the present policy of civil disobedience?

(d) Do Government propose to permit Mr. Gandhi to declare his policy on political questions?

(e) Do Government propose to give an opportunity to those Congressmen who want to change the policy to press their point of view in the next session of the Congress?

The Honourable Sir Harry Haig: (a), (b) and (c). I have seen the reports which appeared in the newspapers.

(d) and (e). I have nothing to add to what I said in reply to questions on these subjects on the 7th and 14th November, 1932, and the 1st March, 1933.

Mr. B. Das: Has a copy of the White Paper been forwarded to Mahatma Gandhi so that he can have a look at it?

The Honourable Sir Harry Haig: No: that action has not been taken.

Mr. B. Das: How is it then that Mahatma Gandhi will be in a position to make any declaration unless he has a look at the White Paper?

The Honourable Sir Harry Haig: I have no doubt that if Mr. Gandhi applies for a copy of the White Paper, it will be furnished to him.

PRINCIPLE OF ENUMERATION OF DEPRESSED CLASSES IN THE LAST CENSUS REPORT.

766. ***Mr. B. Das** (on behalf of Mr. Bhuput Sing): (a) Will Government be pleased to state under what principles have the Depressed Classes been enumerated in the last Census report? Was the general criterion of untouchability solely applied for the purpose?

(b) Is it a fact that one of the main principles was on the basis of social and political backwardness, irrespective of caste by birth?

(c) Will Government please state whether groups of primitive aboriginal people, such as Santhals and Bhils professing tribal or mixed religions, have been included under the name "Depressed Classes"?

(d) Have Government considered the question whether any changes are necessary in the numerical strength of their franchise qualification in view of the Yerwada Pact? If not, why not?

(e) Will Government please state whether representations have been received by them from any public bodies, castes or associations on the question of their classification since the Yerwada Pact? If so, what?

The Honourable Sir Brojendra Mitter: (a) The Honourable Member is referred to paragraph 9 on pages 5—6 of the Census of India Abstract, 1931, a copy of which has been supplied to Honourable Members.

(b) No.

(c) No. Though it is not always easy to draw a border line.

(d) The Honourable Member is referred to the White Paper which has been published.

(e) No. Such representations, if any, would be submitted to the Local Governments concerned.

GANDHI-WILLINGDON CORRESPONDENCE AFTER MR. GANDHI'S RETURN FROM LONDON.

767. ***Mr. B. Das** (on behalf of Mr. Bhuput Sing): (a) Will Government be pleased to state whether their attention has been drawn to the statement issued by Sjt. Rajgopalachari to the Press on the communiqué recently issued by Government relating to the Gandhi-Willingdon correspondence that passed immediately on Mahatma Gandhi's return from London?

(b) If so, why was the portion of the Viceroy's reply to Gandhiji's telegram, dated the 29th December, 1931, which intimated that Gandhiji could see the Viceroy only if he agreed not to discuss the Ordinances or the repressive measures and that, if he insisted on discussing these matters, then the Viceroy would not receive him, suppressed in the communiqué recently issued?

(c) Why was the Mahatma's wire of January 1st, 1932, asking the Viceroy to reconsider his decision and see him as a friend without imposing any condition whatsoever as to the scope of the subjects for discussion and he on his part promising that he would study with an open mind the facts that His Excellency might put before him and unhesitatingly and willingly go to the respective provinces and that if he came to the conclusion after study of both sides of the question that people were in the wrong and Government were right, he should have no hesitation whatsoever in making that open confession and advising the Congress accordingly, suppressed in the Government communiqué?

(d) Why has the correspondence been now published?

(e) Was the communiqué published under the orders of the Executive Council of the Governor General or without their knowledge by the Publicity Department?

The Honourable Sir Harry Esig: (a) I have seen the statement.

(b), (c), (d) and (e). The communiqué was issued with the approval of Government to correct certain misapprehensions regarding the correspondence between His Excellency the Viceroy and Mr. Gandhi in January, 1932, which had appeared in the Press.

INTRODUCTION OF THE NEW CONSTITUTION IN INDIA.

768. ***Mr. B. Das** (on behalf of Mr. Bhuput Sing): (a) Will Government be pleased to state whether the lives of the present Central Legislature and the various Provincial Councils are proposed to be extended till the introduction of the new constitution?

(b) When do Government expect that the new Constitution will be introduced in this country?

(c) What is the reason for the delay? When is the Joint Parliamentary Committee expected to be formed and how many Members will be selected from the Central Legislature?

The Honourable Sir Brojendra Mitter: (a) So far as the Legislative Assembly is concerned the Honourable Member is referred to the Governor General's message which was read in this House on the 6th March, 1933. A similar question does not at present arise in the case of the Council of State. As regards the provincial Legislative Councils, the decision rests with the Governors of the various provinces.

(b) The Honourable Member is referred to my reply to Mr. Lalchand Navalrai's starred question No. 148 on the 6th February, 1933.

(c) The Honourable Member is referred to my reply to Mr. M. Maswood Ahmad's starred question No. 470 on the 25th February, 1933. I understand that His Majesty's Government will ask Parliament to set up a Joint Select Committee for its consideration at an early date.

PROVISION OF A GATE ON A LEVEL-CROSSING ON THE EAST INDIAN RAILWAY ON THE DURGAPUR ROAD NEAR MONGHYR.

769. ***Mr. Bhuput Sing:** (a) Will Government be pleased to state whether they are aware that the Cigarette Factories' private siding of the East Indian Railway crosses the Durgapur Road near Monghyr station and that no level-crossing gate is provided to protect the public from the danger of being run over there?

(b) Is it not a fact that the locality is a very crowded one and that only very recently a man was run over and killed on this siding?

(c) Do Government propose to ask the Railway authorities to provide a gate on this level-crossing on the East Indian Railway?

Mr. F. R. Sax: Government have no information. A copy of the question is being sent to the Agent, East Indian Railway, for any action necessary.

STOPPAGE OF THE SUPPLY OF DRINKING WATER TO THE LABOURERS IN NEW DELHI.

770. ***Mr. Bhuput Sing:** (a) Will Government be pleased to state whether their attention has been drawn to the action of the New Delhi Municipality in stopping the supply of drinking water to the 10,000 labourers who had built the New Delhi palaces and made the town what it is today?

(b) Is it a fact that Government ordered these men to vacate the havelis they occupied and leave the town?

(c) What was the necessity of such an order and the consequent stopping of the supply of drinking water to the labourers?

Mr. G. S. Bajpai: (a), (b) and (c). The attention of the Honourable Member is drawn to the information laid on the table of the House on the 14th March, 1933, in reply to starred question No. 349 asked by Mr. Gaya Prasad Singh on the 20th February.

PENALTY FOR DELAY OR DEFAULT IN PAYMENT OF INCOME-TAX.

771. ***Mr. Bhuput Sing:** (a) Will Government be pleased to state what are the grounds on which the imposition of penalty by the Income-tax Officers for delay or default in payment of income-tax is made? What principles govern the gradation of the penalty as regards the amount?

(b) Have Income-tax Officers power to remit the penalty on sufficient and reasonable cause being shown? If not, why not?

(c) Are there any special instructions from the Board of Revenue on the subject? If so, what?

(d) Are Government aware that in many cases of penalty payments of income-tax are not being made or accepted, simply because the assesses find it too hard to pay the penalty which the Income-tax Officers are powerless to remit now that it has been already imposed?

(e) Is any list of defaulters maintained separately in all the income-tax offices?

The Honourable Sir George Schuster: (a) Attention is invited to sections 45 and 46 (1) of the Income-tax Act, XI of 1922, under which Income-tax Officers are empowered to impose penalties at their discretion when tax is not paid within the time allowed for its payment. Failure to pay the tax demanded within the time allowed is thus the ground for the imposition of a penalty.

As regards the latter part of the question, attention is invited to the provisions of section 46 (1A) which empower an Income-tax Officer to impose, at his discretion, penalty at a sum less than the amount of tax due and to increase it from time to time in case of a continuing default until it equals the amount of tax due. The amount of penalty in each case is determined according to the nature of the default.

(b) No, because the Income-tax Act gives authority only to a Commissioner of Income-tax to revise orders passed by an Income-tax Officer.

(c) Instructions were issued in 1925 but when the law was amended in 1928 and section 46 (1A) introduced empowering Income-tax Officers initially to levy penalty at an amount less than the amount of tax due and then increase it gradually in the case of a continuing default, these

instructions became superfluous and were, therefore, withdrawn. Attention is also invited to paragraph 91 on page 238 of the Income-tax Manual, 5th Edition.

(d) No. Government are, however, aware that in many cases defaulters do approach the Commissioner of Income-tax to get penalties reduced or cancelled in case they find it too severe.

(e) Yes.

DISCRIMINATION WITH REGARD TO THE DEFENCE COUNSEL IN THE INDIVIDUAL CASES AGAINST THE SAME ACCUSED AS WERE INVOLVED IN THE DELHI CONSPIRACY CASE.

772. *Bhai Parma Nand: (a) Is it a fact that the services of the same Public Prosecutor, Mr. Abdul Aziz, Bar.-at-Law, who was prosecuting the Delhi Conspiracy Case, have been retained by Government on the same terms to conduct the individual cases against the same accused as were involved in the Delhi Conspiracy Case?

(b) Is it a fact that in the Delhi Conspiracy Case the accused were given two defence counsels at Government expense, and all the accused were supplied with copies of proceedings and other necessary papers free of any cost?

(c) Is it a fact that after withdrawal of the Delhi Conspiracy Case, the accused applied to Government that the services of their defence counsels be retained and copies of proceedings and other necessary papers be supplied to them free of cost as was done in the Delhi Conspiracy Case?

(d) Is it a fact that Government have refused to comply with any request of the accused with regard to the appointment of the defence counsel at Government expense and the free supply of copies of proceedings and other papers relating to it?

(e) Is it also a fact that Government are sanctioning Rs. 68,000 for the prosecution, but have made no provision for the defence of the accused?

(f) Will Government be pleased to give any reason why they have made discrimination with regard to the defence counsel?

(g) Are Government prepared to reconsider their applications regarding defence counsel, etc., favourably?

(h) Is it also a fact that Messrs. P. P. Jain, S. H. Vatsyayan and Vaishampayan are still undefended in the individual cases against them?

The Honourable Sir Harry Haig: (a) and (b). Yes, except that the question of the reduction of the emoluments of the prosecuting counsel is under consideration.

(c) Three accused submitted petitions to the local authorities that Government should continue to pay defence counsel.

(d), (f) and (g). The accused have no claim to defence at Government expense, and as at present advised the Government have no reason to think that there are any special grounds for affording assistance.

(e) Yes.

(h) Yes, just as they were undefended in the case before the Tribunal where they declined the services of counsel paid by Government. They are, however, being tried jointly with other accused who are defended by counsel.

TRANSFER OF SURPLUS TELEGRAPHISTS FROM THE CENTRAL TELEGRAPH OFFICE, CALCUTTA, TO THE CALCUTTA GENERAL POST OFFICE.

773. *Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that only in Calcutta 28 surplus telegraphists have been transferred from the Central Telegraph Office, Calcutta, to the Calcutta General Post Office to work as signallers?

(b) Is it a fact that as a result of this, candidates who were working in these vacancies have been discharged?

(c) Is it a fact that amongst the discharged candidates there are about 20 men who passed the signalling examination?

(d) Will Government please state why, instead of retiring superannuated telegraphists from the Central Telegraph Office, Calcutta, 23 junior telegraphists have been transferred to the Calcutta General Post Office in this manner?

(e) Is it a fact that in no circle this procedure has been followed except the Bengal and Assam Circle?

(f) Is it a fact that in the Bombay General Post Office, 35 discharged candidates have been confirmed a few months ago by giving them first chance?

(g) Are Government prepared to see that in the Calcutta General Post Office also the discharged candidates are first provided in vacancies before the postmen are promoted in the lower division? If not, why not?

Sir Thomas Ryan: (a) No. Calcutta is not the only place where surplus telegraphists have been employed in combined post and telegraph offices. The Honourable Member's attention is invited in this connection to the reply given to parts (b), (c) and (e) of Mr. S. C. Mitra's starred question No. 208 in this House on the 13th September, 1932.

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

(d) There are no superannuated telegraphists in the Central Telegraph Office, Calcutta and the Honourable Member's question therefore does not arise.

(e) The Honourable Member is referred to the reply given to parts (a) and (d).

(f) Government have no information.

(g) The Honourable Member's attention is invited to parts (f) to (h) of the statement laid on the table of this House on the 27th February, 1933, in reply to Mr. S. C. Mitra's starred question No. 252 asked on the 8th of the same month in which the steps already taken in the matter were explained. Government regret that they do not see their way to going further in the interest of the candidates.

Lieut.-Colonel Sir Henry Gidney: With reference to the Honourable Member's reply to part (f) of this question, in which he said that Government had no information, will the Honourable Member state whether he will obtain information on this matter?

Sir Thomas Ryan: If it is a matter of particular interest to the Honourable Member, I shall do so.

Lieut.-Colonel Sir Henry Gidney: Yes, the matter is of some interest to me and I am desirous of getting this information.

DELAY IN THE DELIVERY OF MAELS FROM CALCUTTA AT THE CHOTKHAND BRANCH POST OFFICE IN BURDWAN.

774. ***Mr. S. O. Mitra:** (a) Is it a fact that the mails posted at Calcutta are delivered on the third day by the Chotkhand B. O. (Burdwan)?

(b) Is it also a fact that this post office is less than 50 miles away from Calcutta?

(c) Is it a fact that inhabitants of the villages served by the Chotkhand B. O. submitted a representation to the Postmaster General, Bengal and Assam Circle, suggesting that mails for that post office may be conveyed by the 41-Up and 42-Down trains from and to Howrah, so that the mail matters may be sent by the Memari sub-office to the Chotkhand B. O. on the morning of the second day for delivery to the villages on that day?

(d) Are Government prepared to see that the villagers experience no further difficulty in receiving their letters from Calcutta on the second day?

Sir Thomas Ryan: (a) and (c). Yes.

(b) The mail route is a little longer.

(d) The matter is receiving the attention of the Postmaster General.

INCREASE IN THE NUMBER OF GAZETTED POSTMASTERS.

775. ***Mr. S. O. Mitra:** (a) Are Government aware that in the Budget for the year 1933-34 provision has been made for 58 Presidency and Gazetted Postmasters against 55 in the year 1932-33? If so, will Government please state whether they intend to increase the number of Gazetted Postmasters in the ensuing year? If so, where?

(b) Is it a fact that in the Calcutta General Post Office the posts of two Gazetted Assistant Presidency Postmasters have been reduced?

(c) If so, where have these two posts been transferred?

Sir Thomas Ryan: (a) and (b). The figure 58 has been incorrectly shown in respect of the year 1933-34, owing to a clerical error for drawing attention to which I am obliged to the Honourable Member. Taking into account the replacement of two gazetted posts in the Calcutta General Post Office by non-gazetted ones for which orders have recently been issued, the actual figure for 1933-34 should be 53.

(c) Does not arise.

PROVISION FOR MANAGEMENT OF POST OFFICE SAVINGS BANKS AND GOVERNMENT SECURITY AND CASH CERTIFICATE WORKS.

776. ***Mr. S. O. Mitra:** (a) With reference to the provision of Rs. 47,00,000 for management of Post Office Savings Bank and Government Security Works and Rs. 8,30,000 as charges in connection with Cash Certificates, will Government please state on what calculation credits have been given to the Post Office for the services rendered?

(b) Will Government please furnish a statement showing the number of clerks, supervisors employed for Savings Bank, Government Security and Cash Certificate works in the Post Offices and what amount is necessary for their pay, pensionary charges and leave provision?

(c) Will Government please also furnish a statement showing the number of clerks, supervisors, etc., employed in the Postal Audit Offices and what amount is charged to Post Office for their pay, leave provision and pensionary charges?

Sir Thomas Ryan: (a) The cost of managing the Savings Bank and Government Security work is calculated on the number of transactions (deposits, withdrawals and transfers) at the rate of seven annas per transaction *plus* the actual cost of Audit; that of the Cash Certificate work is also calculated on the number of transactions (issues, discharges and transfers) at the rate of four annas and three pies per transaction *plus* the actual cost of Audit.

(b) Separate figures are not available as in most of the offices the same staff are employed on these as well as on other classes of work.

(c) The numbers of officials employed in Postal Audit offices on the work mentioned are 15 Accountants, 342 Upper Division clerks, 138 Lower Division clerks, and 63 sorters. A sum of about Rs. eight lakhs, being the pay, leave salaries and pensionary charges of this staff, is charged to the Post Office.

**SUBSIDY PAID TO THE PENINSULAR AND ORIENTAL COMPANY FOR CARRYING
MAILS BETWEEN INDIA AND ENGLAND.**

777. ***Mr. S. O. Mitra:** (a) Will Government please state what amount of subsidy is paid to the Peninsular and Oriental Company for carrying mails between India and England and what amount was paid to them before the renewal of the present agreement?

(b) Will Government please further state whether tender was invited from other steamship companies before renewing the contract? If not, why not?

(c) Will Government please state why there has not been any reduction in the item "Subsidies to Steamship Companies" in the Budget for the year 1933-34, although rates of fare have been reduced by many steamship companies?

Sir Thomas Ryan: (a) No subsidy is paid by the Indian Posts and Telegraphs Department to the Peninsular and Oriental Company, which holds a contract with His Majesty's Postmaster-General in London. The contribution made by India to the British Post Office towards the payment made by the latter to the Peninsular and Oriental Company for the conveyance of letter mails was £30,244 during 1930-31. In addition to this a sum of £9,576 was paid to the British Post Office on account of sea transit charges on parcels conveyed by the Company's steamers from India during the same year. The existing contract between His Majesty's Postmaster-General and the Peninsular and Oriental Company came into force on the 1st February, 1908, in each of the three years immediately preceding this, India paid £56,485 including charges for the transit of parcels.

(b) Does not arise as the contract is not with the Government of India.

(c) The reduction of passage fares cannot affect payments made for the conveyance of mails which are fixed for the periods of the various contracts.

Mr. S. C. Mitra: When does the contract expire, may I know?

Sir Thomas Ryan: The contract was made for a certain term of years and subject to termination by notice thereafter. That notice has not been given, and consequently the contract still runs and will do so until notice of termination is given.

Diwan Bahadur A. Ramaswami Mudaliar: May I understand that the original period of contract has still to run and that the contract subsisting is liable to be terminated at any time after due notice?

Sir Thomas Ryan: It is open to His Majesty's Postmaster General to give notice of termination of the contract, the original period of contract has expired.

INCREASE IN THE BUDGET ESTIMATE UNDER THE HEADING "SUBSIDIES TO OTHERS".

778. ***Mr. S. C. Mitra:** (a) Will Government please state the reason for the increase in the Budget estimate under the heading "Subsidies to Others" where provision has been made for Rs. 25,20,000 for the year 1933-34 against Rs. 24,85,000 in the year 1932-33?

(b) Are Government aware that there have been considerable reductions in rates of fare of all conveyances? If so, why have there not been considerable reductions in this item too?

Sir Thomas Ryan: (a) The small increase of Rs. 35,000 is on account of conveyance of mails between Karachi, Ahmedabad, Bombay, Bellary and Madras by a new air service which was inaugurated during the latter part of the current year.

(b) Any reductions that may have occurred in fares would not immediately affect the charges debited to this head which consist mainly of payments for the conveyance of mails under contracts running for a number of years. The Honourable Member will no doubt have observed from a study of the figures shown against the item referred to by him, that the provision proposed for 1933-34 is less by over Rs. 55,000 than the actual expenditure for 1931-32. This is due to the replacement of contracts on their expiry by fresh ones on more favourable terms.

INTEREST ON THE COST OF RAILWAY VANS SET APART FOR USE BY THE POST OFFICE.

779. ***Mr. S. C. Mitra:** (a) With reference to the provision of Rs. 2,38,900 as interest on railway vans set apart for use by the post office in the Budget, will Government please state why this interest is charged to post office?

(b) Will Government please state whether the mail vans are constructed at the expense of the post office or railways? What amount was expended by the railway for the construction of the mail vans for which such a big amount is charged as interest?

The Honourable Sir Frank Noyce: (a) When railway accommodation set apart for postal use forms part of passenger or other coaches, the coaches are constructed at the cost of the railways and not at that of the Posts and Telegraphs Department. The department has, therefore, to pay interest to the railways on the capital outlay.

(b) Mail Vans, which form complete vehicles, are constructed at the cost of the Posts and Telegraphs Department, while for those forming part of other vehicles, the post office pays interest to the railways on the capital cost as just stated. The total amount spent by the Railways for the construction of mail vans of the latter type for which the sum of Rs. 2,88,900 is to be paid as interest, is Rs. 48,18,458.

**DELIVERY OF LETTERS TWICE A WEEK IN VILLAGE NAGLA BHAWANI SINGH
NEAR AGRA CANTONMENT.**

780. ***Rao Bahadur M. O. Rajah:** (a) Are Government aware that in village Nagla Bhawani Singh which is situated at a distance of about a mile from the Agra Cantonment, and about two miles from the General Post Office, Agra, *dak* is delivered only twice a week, i.e., on Mondays and Thursdays?

(b) Are Government aware that in the Cantonment, as also in other parts of Agra, viz., Civil Courts, Dayal Bagh, Belanganj, Jin-ki-Mandi, Loha-Mandi, Shahganj and other places, which are situated at a distance of not less than three miles, *dak* is delivered three times a day?

(c) If the reply to the above questions be in the affirmative, are Government prepared to make arrangements for the delivery of the *dak* in the villages named above similar to those existing for more distant localities in that area?

Sir Thomas Ryan: (a) Yes.

(b) Mails are delivered twice and not three times daily in the localities mentioned.

(c) As the village is situated outside the Municipal limits and the number of articles received for delivery is very small, Government do not consider that any modification of the existing arrangements is necessary.

**BUNGALOWS HIRED FOR THE OFFICERS OF THE NORTH WESTERN RAILWAY
DIVISIONAL OFFICE, DELHI.**

781. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal):

(a) Will Government please state the total sum of money spent on rent of the bungalows hired for the officers of the North Western Railway Divisional Office, Delhi, and also the total sum of money recovered from them as rent of these bungalows, bringing out clearly the rent borne by the Railway on this account?

(b) Will Government please state the total sum of money spent on the cost of water supplied to the above bungalows, as compared with the water charges recovered from the officers?

(c) Do Government propose to let the officers make their own arrangements as regards the house rent and water charges, and avoid all possible losses to Government? If not, why not?

Mr. P. R. Rau: (a) The total monthly rent of bungalows hired for the officers of the North Western Railway Divisional Office, Delhi, amounts to Rs. 1,558-2-0. The rent actually recovered at the rates applicable to

officers on the North Western Railway, comes to Rs. 576-10-0. The balance of Rs. 981-8-0 is paid by Government.

(b) The average monthly cost of water for 1931-32 amounts to Rs. 265. The amount actually recovered from the officers is Rs. 63 per mensem.

(c) It has already been decided that the existing arrangements should not continue beyond the expiry of the present leases.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member please inform this House whether in view of the recent enhancement of rents to subordinates, the same rules are applied to officials; and (2) what percentage of salary do railway officers pay as house rent?

Mr. P. B. Rau: I am not exactly aware what enhancement of rent the Honourable Member is referring to; I am not aware of any such recent enhancement on the North Western Railway.

As regards the second part of the question, the rents are pooled rents taking into account quarters of the same sort of accommodation elsewhere and subject to a maximum of ten per cent. cut of the officer's salary.

Lieut.-Colonel Sir Henry Gidney: Is it or is it a not fact that officers of the North Western Railway receive house accommodation totally at variance with the amount of accommodation they receive for the rent they pay, or, in other words, do these officers receive a larger amount of accommodation than is justified by the actual rent paid by them as compared with subordinates?

Mr. P. B. Rau: I have not made any such detailed comparison, and I am afraid I cannot give a reply off hand to my Honourable friend.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member make the necessary inquiries in the matter?

Mr. P. B. Rau: If the Honourable Member will put down a question on the paper showing exactly what he wants, I will consider it.

MOTOR CAR ALLOWANCE GRANTED TO THE OFFICERS OF THE NORTH WESTERN RAILWAY DIVISIONAL OFFICE, DELHI.

782. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): Will Government please state the number of officers of the North Western Railway Divisional Office, Delhi, who are granted motor car allowances, with the total amount involved in this? Will Government please state the average number of mileage each officer has to travel, in return for the motor car allowances granted to him?

Mr. P. B. Rau: I lay on the table a statement which gives the information required.

Statement showing the number and designation of officers of the North Western Railway Divisional Office, Delhi, drawing Motor Car Allowance.

No.	Designation of Officers	Amount of motor car allowance.	Average mileage p. m.
		Rs.	Rs.
1	Divisional Superintendent	50	300
2	Divisional Executive Engineer	50	300
3	Divisional Rolling Stock Officer	50	300
4	Divisional Commercial Officer	50	300
5	Divisional Transportation Officer	50	300
6	Sub-Divisional Officer	50	300
7	District Medical Officer	75	440

CERTIFICATES OF SICKNESS PRODUCED BY THE NORTH WESTERN RAILWAY EMPLOYEES.

783. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal):

(a) Is it a fact that certificates of sickness produced by North Western Railway employees from registered medical practitioners, or from civil hospitals, other than Railway Medical Officers, are not accepted by the Department as a correct proof of the employees' sickness, and their absence is not treated as leave on average pay, even if due? If so, why? Do Government propose to remove this restriction? If not, why not?

(b) Are Government aware that the Railway Medical Officers do not grant a medical certificate to employees who, though actually sick, do not take up the treatment of the Railway Medical Officers?

(c) If so, are Government aware that this procedure restricts the choice of sick employees for their treatment to the one railway doctor, stationed at the station?

(d) Do Government propose to allow the railway employees to take the treatment of any doctor, and to ask the railway doctors to certify the sickness, if necessary?

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

QUALIFYING EXAMINATION FOR PROMOTION TO THE ACCOUNTANTS' GRADE.

784. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal):

(a) Is it a fact that the Auditor General has laid down the following rule for those who pass the examination qualifying for promotion to the accountants' grade?

"Other qualifications being equal, candidates are ordinarily selected in the order of their passing the examination, but in order to allow for the length of service and experience every three complete years of the excess in length in service should be treated as compensating for one year's delay in passing the examination."

(b) Do Government propose to introduce a similar rule in the Accounts Department?

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

(b) Such a provision is considered unnecessary in the Accounts Department where the rule is that promotion shall at every stage be by selection according to merit, due regard being paid to seniority. The authority empowered to make a promotion is required, in doing so, to take into account the past experience and past records of those the character and length of whose service entitled them to consideration and to select the most suitable from among them.

DIFFERENTIAL TREATMENT IN THE MATTER OF GRANTING FACILITIES FOR RUNNING EUROPEAN AND INDIAN REFRESHMENT ROOMS ON THE EAST INDIAN RAILWAY.

785. ***Mr. K. P. Thampan** (on behalf of Mr. Gaya Prasad Singh):

(a) Is it a fact that the servants of Messrs. Kellner and Co. (or Messrs. Spencer and Co.) get free quarters for their residence, and free furnished quarters for their Managers at Railway stations on the East Indian Railway, but that the servants and Managers of the Indian Refreshment Rooms on the East Indian Railway get no such concessions? Why is this differentiation?

(b) Is it a fact that the staff of the Indian Refreshment Room on the Great Indian Peninsula Railway are provided with quarters for residence?

(c) Is it a fact that a store-room is given by the East Indian Railway to Messrs. Kellner and Co. for storing their provisions at stations where they have got Refreshment Rooms, but no such store-room is given to the Indian Refreshment Room? If so, why?

(d) Is it a fact that the *khansamas* of the Indian Refreshment Rooms are given very few passes on the East Indian Railway to travel in trains along with their customers, whereas any number of *khansamas* of the European Refreshment Rooms are allowed to travel if they have crockeries with them? If so, why similar concession is not allowed to the Indian Refreshment Room? Are Government aware that passengers who have to take food from the Indian Refreshment Rooms are put to considerable inconvenience and discomfort on this account?

(e) Is it a fact that wine and liquor are allowed to be used without any restriction in Kellner's (or Spencer's) Refreshment Room, whole night, without the usual restriction that no wine or liquor should be sold after 10 P.M.? Is similar concession given to the Indian Refreshment Rooms on the East Indian Railway?

(f) Will Government kindly lay on the table the rules or instructions issued by them or by the East Indian Railway authorities in connection with the points mentioned above, and do they propose to take steps to put the European and Indian Refreshment Rooms on equal footing? If not, why not?

Mr. P. R. Rau: (a) to (c). The answer is in the negative.

(d) Government are informed that passes are issued to all Refreshment Rooms on the same scale according to local requirements.

(e) The Agent reports that only *bona fide* travellers are served outside the meal hours and that the practice is governed by the Excise Regulations.

(f) There are no specific rules so far as I am aware regarding these matters. Government have no reason to believe that any differentiation is made between European and Indian Refreshment Rooms, but I am sending a copy of the question and answer to the Agent of the East Indian Railway for any action that may be considered necessary.

Mr. K. P. Thampan: May I know whether in the M. & S. M. Railway also Messrs. Spencer and Co., get such rooms free of rent?

Mr. P. B. Rau: That question, Sir, does not arise out of this, and, if my Honourable friend desires information on the point, I would ask him to put down a question on the paper.

**HUNGER-STRIKE OF STATE PRISONER MR. TRAILOKYA NATH CHAKRAVARTY
DETAINED IN THE CANNANORE CENTRAL JAIL.**

783. ***Mr. K. P. Thampan** (on behalf of Mr. Gaya Prasad Singh): Will Government kindly state:

- (a) whether Mr. Trailokya Nath Chakravarty, a Bengal State Prisoner, detained under Regulation III of 1818, now in the Cannanore Central Jail, has been on hunger-strike since February 15, 1933? If so, why;
- (b) what his present weight is, what his weight was on admission in the jail, and what his present condition of health is;
- (c) whether any recourse to forced feeding is being resorted to and medical aid administered;
- (d) whether any representation from the State Prisoner regarding his grievances has been received by Government;
- (e) whether he is the only State Prisoner in that jail;
- (f) why he is denied any association in that jail or why he is not sent to some other jail in the Presidency where there are other Bengal State Prisoners?

The Honourable Sir Harry Haig: (d) I would refer the Honourable Member to the reply given by me to Mr. S. C. Mitra's question No. 727, on the 13th instant.

(b) The weight on admission was lbs. 136 and it came down to about lbs. 120 during the Prisoner's hunger-strike. I understand that his general health after the hunger-strike is satisfactory.

(c) The State Prisoner was not fed forcibly. His condition during the hunger-strike was under the observation of the medical officer of the Jail.

(d) A representation was received; but Government considered that the State Prisoner had no legitimate grievance.

(e) No, except during certain temporary conditions.

(f) The Prisoner has been and will be afforded proper association.

**TENDERS FOR SALE OF INDIAN REFRESHMENTS ON THE HOWRAH DIVISION,
EAST INDIAN RAILWAY.**

787. ***Mr. K. P. Thampan** (on behalf of Mr. Gaya Prasad Singh): Has the attention of Government been drawn to an advertisement, dated the 20th May last, and published in the *Leader*, dated the 28th May, 1932,

inviting sealed tenders from "catering firms for the sale of Indian Refreshments" on certain sections of the Howrah Division (East Indian Railway), and stating that the successful tenderer will be required to deposit Rs. 5,000? Are similar tenders called for the sale of English Refreshments? If so, on what occasions such tenders have been called? If not, why is this differentiation? Is it a fact that the party which gives the lowest tender for the sale of Indian Refreshments is generally given the contract, and are Government aware that this results in the quality of the food supplied deteriorating?

Mr. P. R. Rau: Government are informed that the advertisement was with reference to the arrangements for the supply of Indian refreshments only on one Division of the East Indian Railway, and that this has been tried as an experiment with the object of obtaining uniformity, efficiency and better service for the public by putting the whole contract in the hands of one responsible firm instead of spreading it over various petty contractors. Catering in the European style is already in the hands of one firm with satisfactory results, and as no change was contemplated no call for tenders was considered necessary. In calling for tenders the right is invariably reserved of not accepting the lowest or highest or any tender and the administration will carefully consider the necessity of preventing any deterioration in the quality of food supplied before accepting any tender. I am drawing the Agent's attention to this question to impress on him the necessity of considering very carefully this aspect of the matter.

PASSPORT FOR MR. SAILENDRA NATH GHOSH, AN EXILE IN AMERICA.

788. ***Mr. Gaya Prasad Singh:** Is it a fact that Mr. Sailendra Nath Ghosh has been an exile in America since 1916, and that the Government of India are not agreeable to the grant of a passport for his return? If so, why?

The Honourable Sir Harry Haig: Mr. Sailendra Nath Ghose left India in 1916. The Government of India are not in favour of granting him passport facilities to return in view of his activities in India and abroad.

CLOSING TO THE PUBLIC OF THE VICTORIA PARK IN QUEEN'S GARDEN, DELHI,

789. ***Mr. Gaya Prasad Singh:** Is it a fact that the Victoria Park in the Queen's Garden, Delhi, has been closed to the public? If so, why?

Mr. G. S. Bajpai: I am waiting for certain information and will lay a reply on the table of the House in due course.

ARREST OF INDIANS IN GERMANY.

790. ***Mr. Gaya Prasad Singh:** Are Government aware that many foreigners, including some Indians, have been arrested in Germany recently? If so, have Government taken the trouble of finding out who these Indians are and for what offence they have been arrested? What steps have been taken in this connection?

Mr. H. A. F. Metcalfe: The Government of India have seen certain reports on the subject in the Press but have no official information. They are making enquiries from His Majesty's Government and the information thus obtained will be laid on the table in due course.

OAKGROVE SCHOOL MAINTAINED BY THE EAST INDIAN RAILWAY.

791. *Pandit Satyendra Nath Sen: (a) With reference to Mr. Rau's answer to starred question No. 293 of the 8th February, 1933, that it was intended to deal separately with the Oakgrove European School, because it was the joint concern of two different Railways, will Government be pleased to state:

(i) the amount contributed by the East Indian Railway, and North Western Railway, separately for the maintenance of the Oakgrove School during 1931-32; and

(ii) the number of children separately of (1) the East Indian Railway employes, (2) the North Western Railway employes, and (3) of non-railway parents in the school on the 31st March, 1932?

(b) Is it not a fact that the lands and buildings, plant and equipment of the Oakgrove School are the property of the East Indian Railway?

(c) Is it not a fact that the Oakgrove School is maintained by the East Indian Railway, the North Western Railway only making a small contribution to the East Indian Railway for the North Western Railway children reading therein?

(d) Is it not a fact that the administrative control over the school is vested in the East Indian Railway?

(e) Is it not a fact that the medical, electrical and other staff attached to the School are East Indian Railway employes?

(f) Is it not a fact that the teaching staff of the school are also treated as East Indian Railway employes, and not as joint employes of the two Railways, and that their names are borne on the East Indian Railway classified list of staff?

(g) Is it a fact that passes to the staff employed therein are issued by the East Indian Railway and not by the North Western Railway?

Mr. P. R. Rau: (a), (i) and (c). The East Indian Railway maintains the school and spent Rs. 1,62,847 on this in the year 1931-32. The North Western Railway does not directly contribute to the maintenance of the school, but makes certain payments to the East Indian Railway based on the number of children of North Western Railway employees attending the school. The full details of the arrangement are given on pages 3-4 of Mr. Smith's Report on Educational Facilities for the Children of Subordinates provided by the North Western, East Indian and Great Indian Peninsula Railways.

(ii) East Indian Railway 404, North Western Railway 47, Others 6.

(b), (d), (e), (f) and (g). Yes.

Pandit Satyendra Nath Sen: From the answer it appears that the Oakgrove School is much more intimately connected with the East Indian Railway than with the North Western Railway. Are we then to understand that the motive of the Railway authorities in dealing with it separately was simply to give it a differential treatment?

Mr. P. R. Rau: I am answering that question in my reply to the next question.

OAKGROVE SCHOOL MAINTAINED BY THE EAST INDIAN RAILWAY.

792. ***Pandit Satyendra Nath Sen:** (a) Are Government aware that on the 1st February, 1928, in reply to starred question No. 110 (d) of Pandit H. N. Kunzru, Mr. (now Sir) Alan Parsons, the then Financial Commissioner, said: "The Oakgrove School is under the East Indian Railway Administration"?

(b) Are Government aware that on the 8th February, 1933, in reply to a starred question of Mr. Maswood Ahmad, Mr. P. R. Rau said: "The East Indian Railway maintains the Oakgrove School"?

(c) Is it a fact that the Oakgrove School is maintained primarily by the East Indian Railway, with a small grant only from the North Western Railway and that the school is under the East Indian Railway administration and is the property of the said Railway? If so, why was it excluded from the scope of Mr. Smith's enquiry as a joint concern?

(d) Did not the published terms of reference to Mr. Smith, include all the State Railway Schools, without exception? If so, at what stage was the Oakgrove School excluded from the purview of Mr. Smith's enquiry? Will Government be pleased to lay on the table a copy of the instructions subsequently issued to Mr. Smith, excluding the Oakgrove School?

Mr. P. R. Rau: (a) and (b). The Honourable Member's quotations are correct.

(c) and (d). As I have already explained in reply to earlier questions on the subject, I do not know exactly the reason why Oakgrove school was excluded, as there is nothing on record. It was a mere guess on my part that the reason might have been that the North Western Railway was also interested in it.

Pandit Satyendra Nath Sen: Then who is the man who can give a direct answer on that point?

Mr. P. R. Rau: Nobody can, because there is nothing on record.

ISSUE OF PASSES TO THE TEACHING STAFF OF THE EAST INDIAN RAILWAY HIGH SCHOOLS.

793. ***Pandit Satyendra Nath Sen:** (a) With reference to Mr. Rau's answer to starred question No. 144 of Mr. Gaya Prasad Singh on the 3th February, 1933, will Government please state whether they are aware that any Provincial Government makes any distinction between the teachers of Government boarding schools and those of mixed day and boarding or purely day schools of the same educational standard as regards status? If so, which?

(b) Is it a fact that three of the Indian high schools maintained by the East Indian Railway have also boarding houses attached to them?

(c) Are Government aware that headmasters in all the Provincial Government high schools in the same scale of pay as the headmasters of the East Indian Railway high schools are treated as officers, not as subordinates? If so, why do the Government of India and the Railway Board treat Headmasters in the Railway High Schools as subordinates?

(d) With reference to Mr. Rau's assurance in reply to Mr. Maswood Ahmad's starred question No. 316(d) of the 16th September, 1932, have Government come to any decision as regards granting the status of honorary officers to the headmasters of the East Indian Railway Indian high schools along with the Principal and the Headmaster and the First Assistant Teacher of the Oakgrove School? If so, when are Government likely to come to a decision?

Mr. P. E. Rau: (a) Government regret they have no information on the subject.

(b) I am informed that there are hostels attached to these High Schools.

(c) and (d). It has been decided that the headmasters of the railway high schools will be treated as first class officers for purpose of travelling to the same extent and under the same conditions as headmasters of high schools under the Provincial Government concerned, with whose pay their pay has been assimilated.

ISSUE OF PASSES TO THE TEACHING STAFF OF THE EAST INDIAN RAILWAY HIGH SCHOOLS.

794. *Pandit Satyendra Nath Sen: (a) How long have the present Head Mistresses in the Girls' School, and the Junior School at Oakgrove been employed there?

(b) Is it a fact that one of these two Head Mistresses was recruited only last year or year before last?

(c) Is it not a fact that the Headmistress recruited recently is also given first class passes?

(d) If so, how do Government reconcile Mr. Rau's answer to Mr. Gaya Prasad Singh's starred question No. 144 of the 6th February, 1933, that first class passes are given only to those teachers at Oakgrove who have enjoyed them since their appointment in the days when the East Indian Railway was under Company management and these first class passes are, therefore, treated as personal to them and not necessarily admissible to their successors with the fact that first class passes are given to a teacher recruited only a year ago?

Mr. P. E. Rau: (a) Since 19th April, 1918, and 1st March, 1914, respectively.

(b) and (c). No, but in the absence of one of them on leave, an officiating appointment has been made, and Government are informed that the present officiating incumbent of the post has been allowed first class passes.

(d) The question whether this privilege should be withdrawn and she should be considered entitled to second class passes in future is under consideration.

DISTINCTION BETWEEN OAKGROVE SCHOOL AND OTHER SCHOOLS MAINTAINED BY THE EAST INDIAN RAILWAY.

795. *Pandit Satyendra Nath Sen: (a) With reference to the answers given to starred question No. 110(d) of Pandit H. N. Kunzru of the 1st February, 1928, question No. 144 of Mr. Gaya Prasad Singh of the 6th February, 1933, and question No. 292 of Mr. Maswood Ahmad of the 8th

February, 1933, that the Oakgrove School is also maintained by and is under the East Indian Railway like the Indian schools, will Government please state why the Oakgrove School is referred to as "Government Oakgrove European School" in Rule 3(7) of the East Indian Railway Provident Fund rules revised up to October, 1932, while the other schools maintained by the East Indian Railway are referred to as simply "Railway Schools"? Will Government be pleased to state the distinction between the two descriptions (now that the East Indian Railway is a State Railway) and also the grounds on which the distinction is based?

(b) Are not the Indian schools maintained by the East Indian Railway also Government schools in that sense? Is it not a fact that on the 12th September, 1929, in reply to starred question No. 445 of Pandit H. N. Kunzru, Sir George Rainy, the then Commerce Member, declared that they were also Government schools?

Mr. P. R. Rau: The passage quoted by the Honourable Member from the East Indian Railway Provident Fund Rules does not imply that it is intended to draw any distinction between Oakgrove School and the other East Indian Railway Schools. The latter are Government Schools to the same extent as the former.

RE-INSTATEMENT OF MR. H. N. SINHA, DISCHARGED HEAD MASTER, EAST INDIAN RAILWAY SCHOOL, DINAPUR.

796. ***Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if the teachers in the East Indian Railway schools have a right of appeal to the Railway Board and the Government of India against orders passed by the Railway Administration?

(b) Is it a fact that Mr. H. N. Sinha, discharged Head Master of Dinapur, East Indian Railway Indian School, appealed to the Government of India against the order of discharge and was ordered by the Government of India to be reinstated in the first vacancy available in a Head Master's or first assistant teacher's post in any East Indian Railway high school?

(c) Has he been reinstated? If not, why not?

Mr. P. R. Rau: (a) I would refer my Honourable friend to the reply I gave on the 8th February to a very similar question No. 297 put by Mr. M. Maswood Ahmad.

(b) and (c). Mr. Sinha's appeal was entertained by the Railway Board and orders were issued that he should be re-appointed in a next suitable vacancy. At the time his re-appointment was being considered, it was discovered that he was over-age and consequently he was not appointed.

Pandit Satyendra Nath Sen: May I know if the privilege of appealing to the Railway Board as well as to the Government of India will be continued if these schools are declared as non-Government schools?

Mr. P. R. Rau: That is a hypothetical question.

UNFAIR MEANS USED BY CANDIDATES FOR THE SUBORDINATE ACCOUNTS SERVICE EXAMINATION IN THE PESHAWAR CENTRE.

797. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): (a) Will Government kindly state all the circumstances under which candidates for the Subordinate Accounts Service examination in the Peshawar centre held in 1932, were able to avail themselves of unfair means?

(b) Is it correct that 12 clerks and a Comptroller of the North-West Frontier Province have been suspended for the same?

(c) Is it a fact that an elaborate scheme had been devised for giving unfair help to candidates sitting in the examination hall and that elaborate arrangement had been made for the purpose?

(d) Are Government in a position to state whether everyone concerned with this unfortunate incident has been punished?

(e) Will Government place all the necessary papers in connection with the enquiry held by the Auditor General on the table of the House?

The Honourable Sir George Schuster: With your permission, Sir, I shall answer all the parts of the question together.

It is the case that serious irregularities are proved to have taken place in connection with the Subordinate Accounts Service Examination held in the office of the Comptroller, North-West Frontier Province. Following a preliminary enquiry held by the Auditor General, the Comptroller himself and 11 clerks were suspended and a formal inquiry was held under the orders of the Auditor General, which has only just been concluded. On the findings of this inquiry five clerks have been dismissed, one clerk has been debarred from appearing in the Subordinate Accounts Service Examination for five years and three clerks have been similarly debarred for two years. Two clerks were honourably acquitted. The remaining issues in the case have not yet been decided and Government are not at liberty to furnish further information at this stage.

RENT CHARGED FROM THE POSTAL AND RAILWAY MAIL SERVICE UNION AT CALCUT FOR ACCOMMODATION PROVIDED IN THE POST OFFICE BUILDING.

798. *Mr. Goswami M. R. Puri: (a) Is it a fact that rent is being charged from the Postal and Railway Mail Service Union at Calicut for the accommodation provided in the Post Office building for holding the office of the Union?

(b) Is it a fact that the office of the Postal Officers' Association, India, is located at 1, Council House Street, as the address, printed in the "*Monthly Notes*" the official organ of the Association, indicates?

(c) Is the building at 1, Council House Street, a Government one?

(d) If so, will Government please state if rent is being recovered from the Postal Officers' Association for the accommodation provided? If so, what is the amount of monthly rent?

(e) If the reply to the above be in the negative, will Government please state why no rent is charged?

Sir Thomas Ryan: (a) Yes.

(b) to (e). No. No. 1, Council House Street, Calcutta, where the office of the Postmaster-General, Bengal and Assam Circle, is located is simply the address of one of the Assistant Postmasters-General attached to that office, who happens to be the Honorary Secretary of the Association. The Association however does not occupy any space in the office building, and no rent is therefore charged.

**PRINCIPLE FOLLOWED IN THE ALLOTMENT OF CLERKS' QUARTERS IN
NEW DELHI.**

799. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that married clerks' quarters in New Delhi have been divided into certain classes on the basis of emoluments drawn by these clerks?

(b) Is it a fact that these quarters have been grouped into two areas—migratory and non-migratory?

(c) Is it a fact that in the case of the non-migratory quarters preference is given to those clerks who on the last date for application for quarters are *ineligible for the residence by reason of an increase in their emoluments*, and that no such preference is given in the case of the migratory staff? If so, will Government please state the principle determining this distinction?

(d) If the answer to the first part of part (c) above be in the affirmative, are Government prepared to consider the suitability of following one and the same principle in the allotment of quarters in both the areas mentioned in part (b) above and of giving effect to it while making allotment of quarters for the next winter season?

The Honourable Sir Frank Noyce: (a) and (b). Yes.

(c) In the case of the non-migratory staff, a clerk who by an increase in pay becomes entitled to a higher class of houses is nevertheless permitted to retain his lien of a house in his old class until he is able to obtain a house in his new class. There is no corresponding rule in the case of the migratory staff. The rule was introduced in 1930 as a representation was made on behalf of the non-migratory staff that in the absence of such a rule great hardship was being caused to them.

(d) Government do not see any necessity for having identical rules for the migratory and the non-migratory staff in the matter of allotment of quarters.

**CASE OF ONE MR. BHAGWANANI, CLERK, KANDIARO POST OFFICE IN THE SIND
AND BALUCHISTAN CIRCLE.**

800. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that one Mr. Bhagwanani, clerk, Kandiara P. O. in Sind and Baluchistan Circle, stole and secreted two registered letters in January, 1932, and that the case was reported to the Police?

(b) Is it a fact that the Inspector, Post Offices, Padidan, asked the Police not to challan the case in the law court, and is it a fact that the Police protested against this?

(c) Is it a fact that the Director of Posts and Telegraphs, Sind and Baluchistan Circle, Karachi, withdrew the case in spite of the protest of the Police?

(d) Is it a fact that the same Mr. Bhagwanani was accused of having misappropriated Government money from the amount of V. P. articles during the same month of January, 1932?

(e) Is it a fact that thorough enquiries were made by the Inspector of Post Offices, Padidan and the Investigating Inspector (both Hindus) and the charge was proved against Mr. Bhagwanani?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to deal with questions Nos. 800 to 805 together. These questions all relate to details of administration in the Sind and Baluchistan Postal Circle.

Government have no information as to the cases referred to by the Honourable Member nor do they consider it necessary to make any enquiries. But they are glad of this opportunity of stating that they have complete confidence in the impartiality of the Director against whom most of these questions have been directed.

CASE OF ONE MR. NANAKCHAND, A BRANCH POSTMASTER, IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

†801. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that one Mr. Nanakchand, Branch Postmaster, in Sind and Baluchistan Circle, misappropriated Government money for years together in the shape of unpaid postage?

(b) Is it a fact that exhaustive enquiries were made in the matter and that the charge was proved against Mr. Nanakchand?

(c) Is it a fact that instead of handing over the case to the Police as required by rules the case was dealt with departmentally and that Mr. Nanakchand was dismissed from service?

(d) Is it a fact that after his dismissal he was reinstated by Mr. Mitra, the present Director of Posts and Telegraphs, Karachi, and that he was made to retire on pension?

(e) Is it a fact that as the grant of pension was irregular, the Nagpur Audit office raised an objection to this?

(f) Is it a fact that in order to remove that objection, a temporary post of Branch Postmaster was created by Mr. Mitra, the Director, who passed orders to revert the present Branch Postmaster and to show Mr. Nanakchand as on leave preparatory to retirement?

CASE OF ONE MR. RAMCHAND, SUB-POSTMASTER, GWADUR.

†802. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that one Ramchand, Sub-Postmaster, Gwadur, misappropriated Government money in the shape of *punkha* puller's pay?

(b) Is it a fact that an elaborate enquiry was instituted against the said official and that the Investigating Inspector of the Director's office was specially deputed for this purpose?

(c) Is it a fact that this Mr. Ramchand was subsequently charge-sheeted in the matter and that all charges mentioned therein were proved against him?

(d) Is it a fact that the matter was hushed up instead of being reported to the Police?

(e) Is it a fact that the Director of Posts and Telegraphs, Karachi, while punishing this Mr. Ramchand, only ordered the amount, fraudulently misappropriated by him, to be recovered from him and credited to Government and that the request of Mr. Ramchand for voluntary retirement was accepted?

† For answer to this question, see answer to question No. 800.

(f) Is it a fact that he was given all the concessions under the retrenchment scheme?

(g) If the answers to the above questions are in the affirmative, are Government prepared to institute an independent enquiry against Mr. Mitra, the Hindu Director?

AMOUNT LOST IN TRANSIT BETWEEN QUETTA HEAD POST OFFICE AND KILLA ABDULLA POST OFFICE.

+803. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that a sum of Rs. 1,500 was mysteriously lost in transit between the Quetta Head Post Office and Killa Abdulla Post Office?

(b) Is it a fact that the Postmaster, Killa Abdulla, at once wired to the Postmaster, Quetta, and to the Superintendent, Post Offices, Quetta, regarding the non-receipt of the said amount?

(c) Is it a fact that the Postmaster, Quetta, and the Head Clerk to the Superintendent of Post Offices, Quetta (the Superintendent being on tour) took no action on the telegram received from the Postmaster, Killa Abdulla, on the day of receipt of the telegram and even on the next day till the daily account of Killa Abdulla was received in the Quetta H. O. and that even then no report was made to the Police?

(d) Is it a fact that, according to the Post Office rules, the Postmaster, Quetta, was personally responsible for taking action on the telegram received by him from Killa Abdulla and for reporting the matter at once to the Police?

(e) Is the Postmaster, Quetta, the same officer who, for certain neglect, committed by him in the Punjab was required to make good a loss sustained by Government? If so, will Government please state whether they propose to take any action against him and whether his retention in his present officiating capacity in the gazetted rank is likely to be prolonged?

LOSS OF A REGISTERED LETTER CONTAINING CURRENCY NOTES IN THE QUETTA HEAD POST OFFICE.

+804. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that Loralaï registered letter No. 46 containing currency notes was mysteriously lost in the Quetta H. O.?

(b) Is it a fact that the matter was not reported to the Police for two or three days?

(c) Is it a fact that in addition to the authorised clerks of the registration department several unauthorised persons also handled the articles?

(d) Is it a fact that the Hindu registration clerks concerned and responsible for the loss went to the addressee of the registered letter in question and after assuring her that the letter contained no money and was not even sealed asked her to grant a receipt for the undelivered article which she refused?

† For answer to this question, see answer to question No. 800.

(e) Is it a fact that the sender of the article in question complained against the above behaviour of these clerks to the Postmaster, Quetta, and that the Hindu officer kept back that important letter from the Inspector, Post Offices, who was making enquiries in the matter and did not make it over to the Police even, as that was likely to give assistance in the investigation?

AMOUNT LOST IN TRANSIT BETWEEN QUETTA HEAD POST OFFICE AND STAFF COLLEGE POST OFFICE IN THE SHAPE OF UNPAID POSTAGE.

†805. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that a certain amount was lost in transit between Quetta H. O. and Staff College Post Office in the shape of unpaid postage?

(b) Is it a fact that in such cases according to Post Office rules a report is to be made to the Head of the Circle? If so, was any report submitted by the Postmaster, Quetta, to the Director of Posts and Telegraphs, Karachi? If not, why not?

(c) Is it a fact that in cases of loss a report is to be made to the Police? Was a report made to the Police in the case in question? If not, why not?

Is it a fact that no departmental enquiry was made in the matter, nor was the case made over to the Inspector of Post Offices, Quetta, for enquiry?

(d) Is it a fact that the Sub-Account clerk, Mr. Durgadas, asked the Sub-Postmaster, Staff College, to acknowledge irregularly the receipt of the said amount and then show it as returned to the Head office?

(e) Is it a fact that the Sub-Postmaster, Staff College, refused to adopt this irregular procedure and reported the matter to the Postmaster, Quetta?

(f) Is it a fact that no action was taken by the Postmaster, Quetta, on this report of the Sub-Postmaster, Staff College?

(g) Is it a fact that Mr. Durgadas was suspected once before of having abstracted a golden ring from a foreign packet and remained under Police arrest?

(h) Is it a fact that in the loss case mentioned above in part (a) of the question, no enquiry was made and that the amount was continuously shown as in transit between Staff College and Quetta H. O. and was subsequently adjusted somehow without enquiry?

(i) Did the Director of Posts and Telegraphs, Karachi, take any action in the matter when it was brought to his notice? If so, what action was taken? If not, why not?

ALLEGED AGITATION AGAINST ONE MR. GYANDEV AURORA, A SUPERINTENDENT OF POST OFFICES.

806. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Are Government aware that there was a great deal of agitation in Sindhi newspapers against Mr. Gyandev Aurora started by Sindhi Hindus, when he was Superintendent of Post Offices, Karachi?

† For answer to this question, see answer to question No. 800.

(b) Is it a fact that there was great agitation against him among the Muslims, when he was Superintendent of Post Offices, Baluchistan Division?

(c) If these facts are correct, do Government propose to find out and remedy the causes of this agitation?

The Honourable Sir Frank Noyce: (a) No.

(b) The fact is substantially as stated by the Honourable Member.

(c) The Honourable Member's attention is invited to the reply given to parts (b) and (c) of Mr. Maswood Ahmad's starred question No. 492 on the 20th September, 1932.

RECRUITMENT OF GARHWALI HINDUS IN THE QUETTA HEAD POST OFFICE AS PACKERS AND POSTMEN.

807. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Director-General, Posts and Telegraphs, has restricted recruitment to the Revenue Division?

(b) Is it a fact that in the Quetta H. O. Garhwali Hindus have been imported and appointed as packers and postmen in spite of such clear orders?

(c) Is it a fact that knowledge of local vernacular is a necessary qualification for the appointment of postmen and packers in the Post Office?

(d) Is it a fact that these Garhwali postmen and packers do not know the local vernacular and that some of them, namely, Surjupershad and others, are totally illiterate? If so, do Government propose to take action against the officials responsible for the recruitment of these postmen and packers?

Sir Thomas Ryan: (a) The Director General's instructions are to the effect that as a general principle candidates for recruitment for the subordinate services in all branches of the Posts and Telegraphs Department must belong to the revenue division in which they enlist, but Heads of Circles are authorised to depart from these instructions at their discretion should local conditions make this necessary.

(b) and (d). Information has been called for and a reply will be laid on the table in due course.

(c) Yes.

LETTERS FOUND UNCLEARED FROM THE LETTER BOX OF THE PISHIN POST OFFICE.

808. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that a good many letters remained uncleared from the letter box of Pishin Post Office? If so, who was held responsible for this serious neglect and what action was taken against him, and how were the letters disposed of?

(b) Will Government be pleased to mention the period to which these letters pertained?

(c) Is it the duty of the Inspecting Officer to see while inspecting that there are no crevices in the letter box and no letters remain stuck in the letter box?

(d) If so, who inspected the Pishin office before the letters in question were found and what action was taken against him?

Sir Thomas Ryan: The information is being obtained and a reply will be laid on the table of the House in due course.

SHORT NOTICE QUESTION AND ANSWER.

DELAY IN THE DESPATCH FROM KARACHI OF THE AIR MAIL.

Mr. F. E. James: Will Government be pleased to explain the circumstances which led to the delay in the despatch from Karachi of the Air Mail which was due to leave on Wednesday, the 8th March, 1933.

The Honourable Sir Frank Noyce: The prime cause of the misconnection of the mails from Delhi on the 8th March was that the airmail aeroplane of the Delhi-Karachi service experienced minor engine trouble between Delhi and Jodhpur, which involved a delay for the rectification of the trouble at Jodhpur. The air mail machine left Jodhpur 1½ hours late at 3-35 P.M. In normal conditions it would have been possible for the air mail to reach Hyderabad on the night of the 7th, but the weather conditions were adverse. Dust storms and strong headwinds had been forecasted and were actually experienced, with the result that the pilot could not proceed with safety beyond Godhra Road where he spent the night. Leaving at day break the next morning, he was unable to reach Karachi before 9-08 on the 8th.

Imperial Airways' schedule time of departure is 08-30. The Imperial Airways pilot waited until 09-15, but, in view of the distance to Sharjah and the unfavourable nature of the last 150 miles of the route, over sea and mountains, it was impossible for him to risk a further delay to permit of the Delhi mails being sorted and placed on the machine. Arrangements have since been made for the mails from Delhi for London to be placed in a separate bag or bags and weighed, so that they can be transferred to the Imperial Airways machine without delay, should there be a recurrence of delay which still allows a short time for the transference of the mails. This will permit of the bulk of the mails carried on the Delhi-Karachi service being forwarded in such circumstances. Arrangements have also been made to provide night landing facilities at Hyderabad, which will enable a certain amount of lost time to be recovered by night flying.

Mr. F. E. James: I understand that the French Air Union made a very generous and courteous offer to carry the mails left behind free as far as Paris. Would the Honourable Member be pleased to explain why it was not possible to take advantage of that offer?

The Honourable Sir Frank Noyce: The reason was that, in order to do so, instructions had to be obtained from Delhi and it unfortunately proved impossible to obtain them in the short time available.

Mr. E. S. Millar: Would the Honourable Member consider giving instructions or authority to the Postmaster in Karachi to use his discretion in such matters?

The Honourable Sir Frank Noyce: That is under consideration.

Mr. E. S. Millar: I notice from the Honourable Member's reply that the mails for London would be enclosed in special bags. What about mails to South Africa to which no reference was made and which has got to connect with the service from Galilee to Cairo, and if the mails are not all sorted here, then the South African mail would lose a week.

The Honourable Sir Frank Noyce: I do not think it is possible to provide for all eventualities. I imagine that by far the greater part of the Air Mail which leaves Karachi is for London. We can provide for that, but I am afraid it would be difficult to provide for all the intermediate stages.

ELECTION OF THE DEPUTY PRESIDENT.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): I have to announce in accordance with Standing Order 5 (8) of the Legislative Assembly Standing Orders that I have received by 12 Noon on Saturday, 20 notices in all nominating the following seven candidates for election to the office of the Deputy President, namely:

1. Mr. N. R. Gunjal,
2. Mr. Abdul Matin Chaudhury,
3. Rao Bahadur M. C. Rajah,
4. Sardar Sant Singh,
5. Mr. Muhammad Yamin Khan,
6. Mr. S. G. Jog, and
7. Sir Abdulla-al-Mámün Suhrawardy.

The names of the proposers and seconders are as follows:

For Mr. N. R. Gunjal:

Proposer:

Rai Bahadur Sukhraj Roy.

Secunder:

Bhaji Parma Nand.

For Mr. Abdul Matin Chaudhury:

Proposers:

1. Mr. M. Maswood Ahmad,
2. Mr. T. R. Phookun,
3. Mr. D. K. Lahiri Chaudhury, and
4. Mr. B. Das.

Seconders :

1. Mr. Uppi Saheb Bahadur,
2. Mr. H. P. Mody,
3. Mr. N. M. Dumasia, and
4. Bhaj Parma Nand.

For Rao Bahadur M. C. Rajah :

Proposers :

1. Mr. C. C. Biswas,
2. Mr. Badri Lal Rastogi,
3. Rao Bahadur S. R. Pandit,
4. Raja Bahadur G. Krishnamachamar,
5. Sirdar Harbans Singh Brar,
6. Mr. B. Rajaram Pandian, and
7. Mr. B. V. Jadhav.

Seconders :

1. Lala Hari Raj Swarup,
2. Mr. Amar Nath Dutt,
3. Mr. Nabakumar Sing Dudhoria,
4. Mr. R. S. Sarma,
5. Mr. B. N. Misra,
6. Mr. K. P. Thampan, and
7. Lala Rameshwar Prasad Bagla

For Sardar Sant Singh :

Proposers :

1. Mr. Gaya Prasad Singh, and
2. Mr. S. G. Jog.

Seconders :

1. Diwan Bahadur Harbilas Sarda, and
2. Mr. S. C. Sen.

For Mr. Muhammad Yamin Khan :

Proposers :

1. Kunwar Hajee Ismail Ali Khan,
2. Sardar Bahadur Sardar Jawahar Singh, and
3. Mr. J. Ramsay Scott.

Seconders:

1. Kunwar Raghubir Singh,
2. Captain Sher Muhammad Khan Gakhat, and
3. Sir Muhammad Yakub.

For Mr. S. G. Jog:

Proposer:

Pandit Ramkrishna Jha.

Seconders:

Pandit Satyendra Nath Sen.

For Sir Abdulla-al-Māmūn Suhrawardy:

Proposers:

1. Mr. A. H. Ghuznavi, and
2. Khan Bahadur H. M. Wilayatullah.

Seconders:

1. Mr. Muhammad Anwar-ul-Azim, and
2. Mr. B. V. Jadhav.

As there are more candidates than one, the ballot for this election will, as announced by me to the House last Tuesday, be held tomorrow.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadian Urban): On a point of order. When only one Member can be elected, is it permissible for a candidate to propose or second some other candidate, and is it permissible for one Honourable Member to propose or second more than one candidate?

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): Do I understand the Honourable Member to ask whether such a nomination paper is valid? There is nothing in the rules with regard to this particular point, but if some Honourable Member wishes to nominate two Honourable Members with a view to giving each of them a sporting chance, the Chair would not have any objection. (Laughter.)

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Harry Haig (Home Member): Sir, I lay on the table the information promised in reply to starred question No. 329 asked by Mr. S. C. Mitra on the 20th February, 1933.

CASUALTIES IN EACH PROVINCE INCURRED BY THE MILITARY.

*329.

Statement showing the number of casualties among the military as a result of civil disturbances during the years 1931 and 1932.

Province.	Among the military.	
	Killed.	Wounded.
	1931.	
Bombay	7
Punjab	1	6
North-West Frontier Province	5	25
Burma	3 including 2 who died of wounds.	16
	1932.	
Bengal	1	..
North-West Frontier Province	3	9

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to starred question No. 366, asked by Seth Haji Abdoola Haroon on the 20th February, 1933.

INADEQUATE REPRESENTATION OF MUSLIMS IN THE POSTAL DEPARTMENT, BENARES CITY.

* 366. The reply to the first part of the question is in the affirmative and to the second in the negative.

Sir Thomas Ryan (Director General of Posts and Telegraphs): Sir, I lay on the table the information promised in reply to unstarred question No. 57 asked by Mr. M. Maswood Ahmad on the 2nd March, 1933.

NON-CLEARANCE OF A LETTER BOX AT JULLUNDUR.

57.

- (a) No.
- (b) No.
- (c) Yes.
- (d) }
- (e) } Do not arise in view of what is stated in reply to part (a) of the question.
- (f) }

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): I move:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, 11 Members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of Railway Finance."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I do not want to initiate a debate on this question, but I should like to make one observation. We had some discussion on the Standing Finance Committee and whatever was said on that occasion may be supposed to be repeated on this occasion. I like to mention only one additional thing. This Standing Committee was created under the Convention of 1924 and this Committee is expected to scrutinise all the details of the expenditure at a greater length than the Assembly could possibly do. We expect that all the items in the Budget including the items provided in the pink book ought to be scrutinised and that opportunity ought to be provided by the Government to the members of this committee to scrutinise these things. Those of us who are not members of the Railway Finance Committee expect that in the proceedings of that Committee the Government could give greater details which could not possibly be given in the list of demands presented to us on the occasion of the Budget, but unfortunately the proceedings come to us in a much more scrappy form than the list of demands and, therefore, I want to impress the necessity that greater details may be given in future which we cannot get by reading the speeches of the Financial Commissioner or the Member for Railways. This is all I have to say.

The Honourable Sir Joseph Bhore: Sir, I have no doubt that the Standing Finance Committee which will be elected by this House will read, mark, learn and inwardly digest the remarks contained in the speech made by my Honourable friend, Dr. Ziauddin Ahmad. So far as his suggestions go in regard to the detail in which proceedings are to be reported, I have already on another occasion given him the assurance that the suggestions made by this House will be most carefully considered and complied with as far as possible.

The motion was adopted.

ELECTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move:

"That this Assembly do proceed to elect in such manner as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

The motion was adopted.

ELECTION OF THE STANDING COMMITTEE ON ROADS.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

"That this Assembly do proceed to the election for the financial year 1933-34, in such method as may be approved by the Honourable the President, of six Members to serve on a Standing Committee for Roads which will be appointed by the Governor General in Council and the constitution and functions of which shall be as defined in the Resolution on Road Development as adopted by the Assembly on the 4th February, 1930."

The motion was adopted.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): I may inform Honourable Members that nominations for the purpose of election of Members to the Standing Finance Committee for Railways, the Central Advisory Council for Railways and the Standing Committee on Roads will be received in the Assembly Office upto 12 Noon on Wednesday, the 22nd March, 1933. The elections, if necessary, for the Standing Finance Committee for Railways and the Standing Committee on Roads will take place in this Chamber on Monday, the 27th March, while the election for the Central Advisory Council for Railways will be held on Wednesday, the 29th March, 1933. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

ELECTION OF THE STANDING FINANCE COMMITTEE AND THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): Members will now proceed to elect members not exceeding fourteen in number to the Standing Finance Committee and four Members to the Committee on Public Accounts. There are 21 candidates for the former Committee and nine for the latter. Ballot papers for both the Committees will now be distributed to Honourable Members in the order in which the Secretary will call them.

Honourable Members will observe from the List of Business that only Non-Official Members can take part in the election for the Committee on Public Accounts.

(The Ballot was then taken.)

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move for leave to introduce a Bill further to extend the operation of the Salt (Additional Import duty) Act, 1931.

[Sir George Schuster.]

In laying proposals before the House in their present form, Government are merely seeking to give effect to the views of the Committee appointed by this Assembly to deal with this matter. The justification for the present proposals is fully explained in the third report of the Salt Industry Committee of the Legislative Assembly which is in the hands of all Honourable Members. I do not, therefore, propose to give any further explanations or arguments at the present stage.

Sir, I move:

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

“That leave be granted to introduce a Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931.”

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) BILL.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move:

“That the Bill to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration.”

The House will remember that the protection granted to the Indian cotton textile industry will expire at the end of the current month unless it is further extended. In this Bill Government are asking this House to sanction the extension of the protection afforded by that measure until the 31st October, 1938, in circumstances which I will endeavour to explain. Government had hoped that it would have been possible for them to complete their study of the Tariff Board's report, to come to considered conclusions and to place these before the House during the current Session. Unfortunately, Sir, those hopes have not been realised. We have literally found it impossible in the limited time at our disposal and in view of the many urgent and insistent demands upon that time to complete our examination of a report which deals with many problems, some of them of an exceedingly complex nature, and raises issues which are of the greatest importance to the industry and to the public generally. In those circumstances, Sir, I have no option but to come to the House and to ask for an extension of the protection afforded by the existing Act until it is possible for a final decision to be taken by this House. I am, therefore, asking that the protection should be extended until the end of October, when it is hoped the House will be in a position to record a final decision on the future of the cotton textile protective duties. Sir, I am avoiding all reference to any question of principle or policy at this stage. I venture to submit that the question of policy or principle does not arise now. It will arise when the whole question of the future protection to this industry is placed before this House. I hope during the next Simla Session. At the

moment, Sir, all we are concerned with is the maintenance of the *status quo* in respect of the principle of granting protection to the industry until such time as this House is in a position to record a considered and final verdict. That, Sir, is the strictly limited scope of the measure which I am now placing before this House.

Sir, I move.

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

"That the Bill to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration."

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, if Honourable Members find me today in strange company and also find me in a somewhat strange bed with Mr. Mody, they will appreciate the situation, because India is facing today a national calamity from Japan. I was expecting to hear from my Honourable friend, Sir Joseph Bhore, a little detail and a little more minute examination of the serious charges that my Honourable friend, Sir Frank Noyce, laid against the Bombay millowners and whose compassionate recommendations for the Bombay millowners secured them protection in 1930. I do not ask my friend, Sir Joseph Bhore, to discuss principles or policies or the complicated nature of the recommendations that he has received from the Tariff Board. Yet I would have expected him to tell us how, since my Honourable friend, Sir Frank Noyce, made those grave accusations of mismanagement against the Bombay millowners, the Bombay people have improved their management to get better efficiency into their concerns.

There were three important points that my Honourable friend, Sir Frank Noyce, made. One was the charge of inefficiency; the other was the greed of the managing agents. Their greed manifested itself in taking, buying and selling commission without charging managing agency commission on the profits as is common in all joint stock companies. (Interruption.) I will elucidate the point a little further. When any managing agents promote a company, for instance, the Tata Steel Corporation, they charge ten per cent. of the net profit for their work for that concern. But not, so with these Bombay millowners. I will make it clear that I have nothing to say about the management of my Honourable friend, Sir Cowasji Jehangir's mills and I know that my friend is a model millowner whose workers are satisfied with him. But I am talking of the average millowners, and the charges against them are of common knowledge and were admirably pointed out by my Honourable friend, Sir Frank Noyce in the report of the Tariff Board. The Bombay managing agent buys cotton and charges a certain percentage of commission, sells cloth and charges a certain percentage of commission without caring as to whether the shareholders will get any profit at all. And that is the main reason why the Bombay mills were running at a loss while the Ahmedabad mills, the Delhi mills and the Calcutta mills were running at a profit. Even today I know the Delhi mills and the Cawnpore mills are running at a profit and the woes of Bombay will be revealed to us in June or July next when the report will be published. But today, as I said, I am lying in the same strange bed with Mr. Mody, because of Japan.

Sir, when in 1932, the Tariff Board submitted their report, they did not review that aspect of the question. At that time we were feeling, why Japan, having a legitimate market in India, should be shut out altogether.

[Mr. B. Das.]

But today Japan, by her greed and, chiefly, by her imperialistic policy, has become a menace to China. The Japanese want to encroach upon our industrial policy, they want to spoil the Indian market, and Japan has already purchased cotton mills in Bombay. It is quite possible that she may capture the Indian industries, and who can say that she will not hereafter get all the mills into her hands and start working them. I do not know whether the new Constitution will give us some power. If we get some sort of freedom, there will be, let me hope, no fear of any menace from Japan. So I support this temporary relief to the Indian industry in anticipation that Government will take every step to put high tariff on all Japanese goods, not only for the preservation of the Indian industry and Indian commerce, but also for the preservation of Indian civilization, of Indian culture and Indian entity, so that we may not have an imperialistic menace from Japan. But, Sir, when my Honourable friend replies to the debate, I hope he will tell us, as his predecessor, Sir George Rainy, took this House into confidence, when we asked him to take us,—whether the Tata Iron and Steel Company were taking steps to reduce their overhead cost of administration and whether they were also Indianising the Tata Steel Company,—and my Honourable friend, Sir Joseph Bhore, should take that precedent from his predecessor, Sir George Rainy, and tell us—whether the Commerce Department exercised certain pressure on the Bombay mill agents and whether they got from them annual returns year by year as to the steps they do take in order to avoid those grave charges that were laid against them and whether they have rationalised their management. With these few remarks, Sir, I support the Bill.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, this Bill provides to continue for a further period the protection given to the Indian textile industry under the Bill of 1930. From the Statement of Objects and Reasons of the Bill of 1930, it is clear that the protection afforded to the textile industry was given under conditions other than those under which the Government subsequently gave protection of another 30 per cent. by executive action last year in addition to the protection of 20 per cent. under the Act of 1930. Sir, by the 1930 Bill, protection was given to the Indian textile industry on the ground that—in the words of Sir George Rainy:

“ Though the industry is one of the oldest organized industries in India, since the War its internal organization has not been re-adjusted to an extent sufficient to enable it to meet severe competition from other countries where reorganization has already taken place. The condition of the industry is in fact very much the same as that contemplated by the Fiscal Commission at page 100 of their Report.”

Therefore, Sir, when the 1930 Bill was brought into this House, the condition of the Bombay and other mill industry was very much the same as it was when the Indian Fiscal Commission had reported. While other countries had re-organized themselves, we found that the cotton textile industry in this country did not re-organize itself to meet the foreign competition. Thus, in the words of Sir George Rainy:

“ External competition ‘ was ’ most severe in the class of plain grey goods which form a high proportion of the output of the Indian mills and particularly of those situated in Bombay Island. In these circumstances emergency measures are called for in order to give the industry temporary shelter and time to reorganize itself.”

That was the main object of the 1930 Bill. Further, it is proposed, it was stated in the Statement of Objects and Reasons, that the protection "should remain in force only for a period reasonably sufficient to enable the industry to re-organize itself. For this reason the Bill fixes 31st March, 1933, as the limit of the period within which the duties will operate".

Now, Sir, this present Bill is to extend that period further up to the 31st October, 1933. We are, therefore, entitled to ask what was done with regard to the reorganization of the industry contemplated under the 1930 Bill? If it was completed, no protection is necessary on that ground; and if it was not, why it was not. Further, I would like to discuss this question from two aspects. Firstly, is the percentage of protection which was given in the 1930 Bill for the purpose of enabling the textile industry to reorganize itself to meet foreign competition and, secondly, the percentage given by executive action subsequently to meet the deplorable condition in which the Indian industry was placed, on account of the depreciation of the yen. I wish to treat these as two separate aspects.

Now, with regard to the first, *i.e.*, how far the industry, during the period allotted to it for reorganizing itself, has reorganized itself? We are entitled to ask that information from the Government. Honourable Members may be aware of the reply given by the Honourable Sir Joseph Bhore to a supplementary question put by me the other day. On that occasion the Honourable the Commerce Member said that he could not be drawn in to disclose the second report which was written by the Tariff Board on this subject. Sir, the Tariff Board has gone into the question and has submitted its report as regards the internal organisation of the industry and that report is actually in the hands of the Government, but we are not taken into confidence and acquainted with the result of the enquiry on this point. We do not know exactly what that report says; we do not know whether there is any justification from the point of view whether the reorganization of the industry has or has not been effected and that protection is or is not necessary on that account. I do not for a moment want to confuse that question with the depreciation of exchange, which I shall deal with a little later. With regard to the first, we are entitled to ask that question, since on the need for reorganisation the temporary shelter of 20 per cent. protection is given. Even though the Report is in the hands of the Government, as the Government have not given us that Report and told us why that protection, which was afforded to this industry just to meet foreign competition with other countries who have organized themselves, is still found necessary to give them, we are entitled to draw an adverse conclusion against them.

Before I refer to the second aspect regarding protection given to meet depreciated exchange, I would like to offer a remark about the labour condition to which reference was made in connection with the protection given under the 1930 Bill. If Honourable Members are pleased to look at the Statement of Objects and Reasons of the Bill of 1930, in regard to the reference to the conditions of labour in China, they will find it is stated as follows :

"Until January of this year, Chinese law placed no limit on the hours of work either of men or women, and no restriction on the employment of children. Information has very recently been received that on the 16th January, 1930, a law was promulgated in China which prohibits child labour and the night work of women, and limits the hours of work generally, but no evidence is forthcoming to show that any steps have been taken to make this law effective."

[Mr. B. Sitaramaraju.]

When Sir George Rainy presented this Bill in 1930 and referred to the conditions of labour in China, he did not say that the Chinese Government had not satisfied the labour conditions required: but said that, at the time he presented the Bill, information whether the law to regulate labour had been given effect to or not was not forthcoming to him. Now, the same thing is repeated more or less in the present Bill. Since 1930, three years have elapsed and we are entitled to ask whether the conditions of labour which were said to have been rectified by the Chinese Government have really been rectified and, whether, after these three years, the Government of India have placed themselves in a position to know whether such a thing has been given effect to or not. A mere repetition of the statement under these circumstances without stating that the information which they received was wrong and that the Chinese Government have persisted in keeping their labour in a condition which required some measure of protection on our part, I am entitled to draw the inference that the Government of India have not obtained that information or that the complaint is not real. That is one aspect of the question.

The other question is the one relating to the depreciation of the yen. Honourable Members are again aware that when the yen was depreciating, the matter was referred by the Government of India to the Tariff Board and after that by executive action gave protection to the cotton mill industry to the extent of 30 per cent. over the 20 per cent. already enjoyed by the industry. We have the Report of the Tariff Board on the point of depreciated yen. But we never had an opportunity of discussing this Report, because as I have already stated, whatever action was taken by the Government of India was taken by executive order although the Assembly was sitting in Simla. This the report says: Firstly the Tariff Board complained that the scope of inquiry which the Tariff Board was asked to make was very much limited in character: they were merely asked to take up the question of how the industry was affected by the depreciation of the currency alone. They state:

"But there are several other causes besides those relating to exchange movements which, since the Cotton Textile Industry (Protection) Act was passed in 1930, have helped to depress the prices of imported cotton piece-goods. One of the most important is the world wide economic depression which commenced in the latter part of 1929 and has had the effect of curtailing to a large extent the purchasing power of the average consumer. The effect of a fall in prices which occurs in consequence of a general decline in the demand for commodities is not merely difficult to assess, but requires other remedies than additional duties. Another cause which has apparently contributed to the fall in prices is improvement in methods of manufacture which has taken place, especially in Japan, and the consequent reduction in costs. This again is a question which cannot be dealt with except in a fuller and more detailed inquiry. Moreover it involves the consideration that a fall in the prices of imported goods due to reduction in costs must in a tariff inquiry be necessarily set off against similar economies which have been effected or may be regarded as reasonably possible in the costs of the Indian industry. The reduction in the costs of manufacture of the Indian industry is one of the subjects which is being examined in the regular inquiry now in progress and our conclusions must, therefore, await the results of that investigation. Severe competition between rival exporting countries in a period of acute trade depression and the consequent tendency in many cases to reduce prices to an uneconomic level have naturally contributed to the fall in prices. For these reasons we propose to consider in this inquiry mainly that part of the fall in the prices of imported piece-goods which may be shown to have resulted from exchange depreciation".

They state further on in page 7:

"The benefit of a low exchange is essentially of a temporary character and is confined to a period of depreciating rather than depreciated exchange. In other words, it is the lag between the fall in the external value of the currency and its internal value which constitutes the advantage of a low exchange to an exporting country."

Now, may I ask, is the yen still depreciating or has depreciated and come to a certain level? If it is a question of depreciating exchange, there is no doubt that protection is necessary, but if it is a case of a depreciated yen, prices would have adjusted themselves to those conditions and, therefore, the question of protection could not arise in that manner. We are entitled to ask, is the yen still depreciating or has it stopped? I find that the present condition of the exchange is not so bad as it was last year and that prices have adjusted themselves. However that may be, I am coming to one recommendation of the Tariff Board which will be found at page 14 of the Tariff Board Report. Here assume for the moment that it is not a case of depreciated exchange, but a depreciating exchange. The Tariff Board suggest a remedy, which is very much like the one suggested the other day by Dr. Ziauddin Ahmad. In paragraph 16, they state as follows:

"We would suggest, therefore, that Government should immediately examine the possibility of using their powers under section 3 (2) of the Tariff Act in the case of piece-goods imported from a country with a depreciated exchange, to raise the value of the goods for Customs purposes in such proportion as to secure the continuance of the protection intended for the Indian industry. We believe that as a means of meeting the present emergency such a method will be found to be more adaptable and less liable to cause general dislocation. It will also help to safeguard the interest of the consumers."

Sir, that was the recommendation of the Tariff Board in the interest of consumers. Then they stated further that if this recommendation was not accepted, the other alternative was that you should increase the duty to 50 per cent. The Government of India have given effect to this later recommendation by executive action. Honourable Members will bear in mind that the suggestion contained in paragraph 16 was primarily in the interests of the consumers and in the interests of the trade itself, because, as they stated, that alternative would save the country from general dislocation. They then go on to say how it should be calculated and they give a formula for that purpose also. When the Government of India did not accept this recommendation but took the other alternative, we are entitled to ask why they did that and not take the action which is said to be beneficial to consumers? It is an irresponsible suggestion from me, but it is a recommendation made by the Tariff Board itself. That, at any rate, to our lay minds appears to be one calculated to promote and serve the interests of the consumers and the trade better. Why has it not been done? There is again the other question, the question of action against Japan. We know, the principal offenders in our present difficulties in the cotton textile industry are the Japanese. But there is the Anglo-Japanese Convention. That Convention would not permit any discrimination against Japan alone. Therefore, we have got two alternatives, either we should repudiate that Convention or we should declare an economic war against the whole lot of foreign countries. That is one of two things we have to do. In case we denounce the Convention, we must necessarily give them 12 months' notice. In a matter of this kind, which calls for urgent action, it is not possible, if yen is still depreciating, nor do I think it reasonable to

[Mr. B. Sitaramaraju.]

suggest that we should give 12 months' notice now and wait and see what will be the effect. If the depreciating exchange is working very hard on the industry, then we cannot afford to wait for 12 months. As regards the other alternative, and that is to impose duties upon all countries, one would consider that a somewhat serious matter indeed. I say serious, because, by our policy of pursuing an economic war, we have not been hitting one country. but we have been hitting several other countries, we have hit Japan, we have hit Germany, we have hit Belgium, and we have hit America. All this we have done merely to protect a few industrialists. I would ask the Government one question, and it is this. Do they consider that this economic warfare by which they propose to levy duties against the whole world is conducive to the restoration of goodwill which is expected to be followed by improvement of the trade? The other day the Honourable Sir George Schuster justified the gold export and said that our country was helping other countries to regain their purchasing power and thus helping the economic restoration of the world. Does he or the Commerce Member believe that the high tariff walls which they have been imposing in pursuance of their policy of economic war which they have declared at the dictation of a few war lords of Bombay and other places, will be conducive to the interests of this country and help, as has been fondly hoped by Sir George Schuster, to the restoration of the purchasing power of the people and the economic re-construction of the world? There is one thing which I am bound to take notice of, and that is a matter relating to the raw producers in this country. I know the Commerce Member at the very outset said that in a matter like this it was not necessary for us or it was not open to us to go into the question of policy or principles, but I cannot agree. There is one question that I am very much tempted to ask at this stage, and that is, why is it that the Government always are so solicitous to take into consideration the conditions of producers of manufactured goods in this country and bestow very little attention to the condition of the producers of raw products . . .

The Honourable Sir Joseph Bhore: Has my friend read the Wheat Import Duty Act?

Mr. B. Sitaramaraju: Yes, Sir, I have read it, and I shall deal with it, but if that is all that the Government are going to do for the raw producers, I am afraid I must still say that Government have not paid sufficient attention to the interests of the raw producers. The producers of raw materials in this country are far more important than . . .

An Honourable Member: Less influential.

Mr. B. Sitaramaraju: I understand my friend's point; they are less influential in Government circles, that is the trouble; but they are the most important people in the country, for this reason. We are an agricultural country, and the raw producers are by far the most important as they form the bulk of the nation. The wealth of the nation can be secured either by an industrial process in mills or by the production of raw materials. In a country which is predominantly agricultural, the production of raw material should be considered to be the primary industry

of the country. I would like to ask what have the Government done to better the lot of raw producers of this country? I do not like to go into the whole range of raw producers, but I will confine myself to the question of raw producers of cotton alone, for the purpose of this debate. From the figures I gathered it would appear that during the three years 1929-30 to 1931-32 the condition of export and import trade of raw cotton would show that, so far as imports are concerned, we are importing much more than we used to do, and we are exporting much less than we used to do. Imports in 1929-30 are 34 lakhs and odd and for 1930-31 63 lakhs and odd, and for 1931-32 70 lakhs and odd.

Then, with regard to exports, there were 65 crores, 46 crores and 23 crores, respectively. That is so far as their value is concerned. But now it may be said that it is not right to take into consideration the values in these days of depression. I have also got figures about the quantities, and they are as follows:

Exports.	1929-30.	1930-31.	1931-32.
	(In tons.)		
Total for foreign countries	677,000	640,000	392,000
Total for British Empire	49,000	51,000	30,786
Imports	4,002	32,374	44,370
Total for British Empire	19,978	26,000	34,944

Thus, if you take into consideration not only the values, but also the weights, you will find that we have been importing more of raw cotton into the country and exporting less of it to foreign countries. In this connection I would like to draw your attention to the fact that we have the Empire Marketing Board. I would like to ask, since it is the duty of the Empire Marketing Board to find marketing facilities for our raw produce and other things, whether the Government have moved in the matter. I remember that my Honourable friend, Sir George Schuster, two years ago referred to Sir Arthur Salter's report in his Budget Speech. What action has been taken on that?

Mr. B. Das: Why not abolish all the Trade Commissioners and the High Commissioner?

Mr. B. Sitaramaraju: Then, again, if you take the figures of exports to Japan, it would appear that she has been retaliating against us to some extent. The Indian exports to Japan for the two years I have referred to fell from 322 millions to 237 millions, and it has now fallen to 139 millions. That shows that we are alienating these countries, which are undoubtedly retaliating and the raw producer of the country is hurt thereby. And Japan, as my Honourable friend, Sir Cowasji Jehangir, points out, and I have referred to it some time back, has adopted retaliatory methods against us in the matter of iron exports also which are manufactured

[Mr. B. Sitaramaraju.]

articles. All this would show that the other countries are retaliating against us. If there is no retaliation, then why does not Japan take as much goods as she used to do before?

Then, one question I want to ask is this. Why are the industries of our own country not utilising the raw produce of the country, and why are they taking foreign cotton so much? To them evidently, we should be patriotic enough to see that every possible protection is accorded to them, but as for themselves patriotism is only an appeal to the pocket. These industries have been taking foreign materials purely because it was cheap. But an argument is brought forward that the indigenous material is not of a quality which is useful for the purpose. But an examination of the variety of cotton that is available in this country and also of the various grades of cotton that are imported into this country from the United States of America would show that there are several grades of imported American cotton which are of a kind available in this country. If the millowners of this country ask us, the consumers, the raw producers of the country, to be patriotic, may I not appeal to the very patriotism of these gentlemen and say, consume a little more of our cotton?

I would now like to conclude with only one remark. This protection which is now to be given to the mill industry should be put in two categories as I have said. One is the protection necessary in order to give the temporary protection for conditions contemplated in the Bill of 1930, and the other is the protection necessary to meet the depreciating currency, because, if it is a depreciated currency, as I have already said, the question does not arise, but if it is a depreciating currency, the question does arise. I want to know why the Government have not taken us into their confidence with regard to the report as regards the internal organisation of the industry, whether the currency is depreciating or it has depreciated and come to a level now, and whether the prices have adjusted themselves. I should like to have an answer on all these points before I can finally say whether I can accept this recommendation at all. With these few remarks, I resume my seat.

Mr. Muhammad Muazzam Sahib Bahadur (North Mardas: Muhammadan): Sir, in the course of the speech which my Honourable friend, Mr. Raju has made, it appeared to me that he was travelling far beyond the scope of the measure which is placed before us. (*An Honourable Member*: "Hear, hear.") Protection to any indigenous industry is always temporary. Nobody can controvert that fact. The question whether the cotton textile industry has organised itself during the period of three years granted to it by the Cotton Textile Industry (Protection) Act of 1930—whether it has achieved it to any appreciable extent is a matter which has been remitted to the Tariff Board and the latter have submitted their report to the Government. As a matter of fact, the whole question is under examination, and what we are called upon now to vote for or against is only an extension of the provisions of that Act to a further period of seven months. That being so, I do not think that considerations of the kind referred to by my Honourable friend would be in point unless the Tariff Board themselves were altogether against the continuance of the duty, which I submit they are not.

My Honourable friend was dealing at very great length with the distinction between a depreciated exchange and a depreciating exchange. Speaking of present day conditions, I think that the currency of Japan has been depreciating and it cannot be said that the limit of depreciation has been reached. It may be that it still further depreciates, or it may appreciate, but taking the conditions as they are, and taking account of the fact that there is a world wide economic depression which still persists and the mills of Japan have adopted improved methods by which they can produce their goods at far lower prices than we can possibly do in this country, it seems to me that any consideration of the issues raised by the Tariff Board in their enquiry is absolutely foreign to our debate at this stage. All these things can come in when the Government of India introduce their Bill at the Simla Session when we shall have every opportunity of discussing these things paragraph by paragraph of the Indian Tariff Board report. One thing I should like to say with regard to the suggestion made by the Tariff Board at paragraph 16. My Honourable friend said when the Tariff Board have suggested two ways in the matter of giving protection to the indigenous mill industry, why do you resort to the worse of the two, and why don't you choose the better one. And that better one is dealt with in paragraph 16 of the Tariff Board's report. I need not have gone into all these points but for the fact that my friend tried to make a point of it. What is suggested in plain words there is, that, instead of altering the tariff rate from time to time, the proper course will be to estimate the value of the imported goods at a variable figure, namely, at the landed cost multiplied by a certain figure suggested by the Tariff Board in proportion to the currency of Japan or of any other country and it is suggested in the report of the Tariff Board that this will safeguard the interests of the consumers. With regard to that statement, I think it will have absolutely no effect on the consumers. It may be that trade is to some extent dislocated by an alteration of the tariff rate, but the dislocation will be absolutely negligible. Instead of paying Rs. 100 on certain goods imported into this country from Japan, under higher tariff rates, we are called upon to pay more when we take delivery of the goods from the customs offices, but if the value of the goods, for the purposes of duty is raised, then what happens is that we have to pay very much the same amount, although by an altogether different method of calculation. It seems to me that instead of saying that 3 multiplied by 4 makes 12, you say 4 multiplied by 3 makes 12, which comes to the very same thing, and I cannot see for myself how we can thereby benefit the consumer. I support the motion of my Honourable friend, Sir Joseph Bhore.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): Mr. President, I feel it my duty to raise a voice of protest on behalf of the consumers of Bengal even for an extension of seven months of a protective duty without giving any reasons whatsoever why it should be continued. My main complaint will be against Government. They cannot say that they had no notice that this Act will expire on the 31st March, 1933. When they knew that full well, why did they not start the Tariff Board inquiry in time? There are complex questions involved in this issue and why did they not come before this House with proper explanations? In spite of this, I expected that the Honourable the Commerce Member will give us some review of the state of affairs that have happened with regard to these mills during the last three years and the position that they now occupy so far as protection is concerned.

[Mr. S. C. Mitra.]

I must say at the very outset that I am a believer in free trade, though I fully accept the weight of argument in favour of nascent industries and also the case of discriminating protection as it obtains in this country, at present. I think we must be told how long these textile industries are now getting the benefit of protection. We should also further like to know what is the percentage of dividends declared in Bombay, Ahmedabad or in the mills of Northern India. Are they all in the same plight? Have they accepted the recommendations of the Tariff Committee that advised that, without proper reorganisation and orientation of these industries, there is no chance for them to live long in face of acute competition of the future. We must further know whether these industries can tell us when they will require protection no more.

If the Government think that a period of seven months is nothing to them, they must also remember that these are the hardest months for the poor agriculturists, that the purchasing power of the people has gone very low. The cotton textile industry produces one of the necessities of life. After food, clothing is the most essential necessity for man. It is a recognised principle that Government should take no steps that will increase the cost of production to the poor of their necessities of life. Before Government ask this House for any extension of this protective duty, they must convince the House that there is a good case for it. Coming from Bengal, I particularly feel that on every question it is from Bombay or from Northern India, that the cost of necessities are being increased from day to day, while the price of jute, grain and such other articles are going down, by not 50 or 60 per cent., but by 100 and 200 per cent. In this view, I think this matter should not be lightly taken up, and before the House puts its seal on this proposal, it must demand from the Government or from the industries an explanation as to how long they will tax the consumers in this way. It is usual to have the report of the Tariff Board. We do not know anything about the Tariff Board's report, but my friend, Mr. Muazzam Sahib, anticipates that the report will be in favour of protection. I cannot anticipate what may be in the report, but I hear that already there is some appreciation of the shares of the textile mills in Bombay. Perhaps they have also anticipated its report. We in this House accept the Tariff Board's report on facts and conclusions and not on the ground that it is composed of experts.

Mr. B. Das: Lay experts.

Mr. S. C. Mitra: My friend says "lay experts". I have my own doubts as to the qualifications of these experts to sit in judgment on the details of any industry that may be referred to them. I should have understood it, if for every new industry they chose a different set of people, but here we find the same body of men making recommendations about hundred different subjects. What I feel is that when a report is produced, Government seem as if they are bound to accept most of its conclusions. The other day I raised my voice in this House on behalf of the consumers. We also claim that our side of the question must be discussed and appreciated by Government before they come to any decisions which are unalterable as the result of any suggestions in this House.

Now, the protection has now been enjoyed by the Bombay industry,

I P. M. I think, at the same rate which has been occasionally increased

for more than six years at least, and if Government have not been able to come to any conclusions, then let there be no duty for the time being and let the consumer get things at the cheapest rates, at least for some time. If, thereafter, there is great pressure, then let the Government come up at an earlier date with their recommendations. Sir, I am not very much afraid—like my friend, Mr. B. Das—of the bogey of Japanese dumping. My friend, Mr. Raju, has dealt with that point and shown that even in the last Tariff Board that matter was taken into consideration, and, if it is necessary, let them deal with the question of dumping if that is completely established. But I do not see any ground why, before the Government have consulted this House or before they themselves have come to any conclusions, we should be asked point blank to extend the same rate of protection for another seven months, on the mere ground that it existed for six years before. On these grounds, Sir, I oppose the motion for consideration, unless either the Government or the Bombay millowners can make a better case and can show better grounds for their claim that we should support such a motion.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I fear I cannot claim to have made a study of this question with the same thoroughness as some of my friends appear to have done. All the same, Sir, there are certain general considerations to which one cannot shut one's eyes. As more than one speaker have already pointed out, Bombay seems to be the special favourite of the Government. Probably the Punjab comes next in order; and it is rather curious that this affection for Bombay which was hitherto confined to my Honourable friends sitting on the Treasury Benches is spreading also to some of my friends on this side.

My friend, Mr. B. Das, just announced that he was anxious to make Mr. Mody his bed-fellow for the next six or seven months. (Laughter.) Sir, what the upshot of that will be I do not pretend to anticipate. Sir, Mr. B. Das seems to have been swept off his feet more by his antipathy for Japan than by a regard for what the true national interests of India demand. I am sure, he will admit that if it were not for this bogey of Japanese dumping, he could not have lent his support to this Bill.

Mr. B. Das: I might not have. (Laughter.)

Mr. C. C. Biswas: I am glad to hear my friend saying, "I might not". In fact, then, he would be really going back upon his own principles.

Mr. B. Das: The Japanese industry is a great menace to this country.

Mr. C. C. Biswas: Sir, what I fail to discover is this. No doubt the Bombay mill industry is in a very bad way just at the present moment. It has been like that for some months past. But the question is, what has brought that about? To what extent is the industry itself responsible for the condition to which it finds itself reduced today? Sir, protection is no doubt a fascinating thing. You are always very pleased to have protection extended to you, when it does not hit you, and, on the other hand, it puts some money into your pocket. At the same time, I fancy, those who ask for and get protection owe a special responsibility to the country.

[Mr. C. C. Biswas.]

The textile industry of Bombay has been a long-established one, but even now it is not in a position to stand upon its own legs. Are we expected to agree that this spoon-feeding must go on indefinitely? Sir, I believe it is one of the fundamental axioms of economics that the justification for granting protection lies in this, that the industry to which the protection is afforded must so rationalize itself that within a measurable distance of time it should be able to stand on its own legs without any artificial stimulus or prop. It seems, however, Sir, that so far as the Bombay textile industry is concerned, it has been asking, like *Oliver Twist*, for more and more in the way of protection. I think the time has come when the whole position should be overhauled and re-examined and an attempt should be made to find out why it is that the Bombay mills cannot make any profits, while mills in other parts of the country, not more favourably situated, are able to do so. Sir, I would like to know from my friend, Mr. Mody, to what extent the Bombay mill-industry has taken action on the recommendations made by the Tariff Board in their report of 1930,—in what directions the industry has reorganized itself, in what directions the industry has tried to expand itself in the foreign markets in order to minimise its losses and in order to support itself without artificial stimulus all along. Sir, these are plain questions which require plain answers. On the other hand, if the industry is run on extravagant lines, if you go on charging commission upon profits and not upon production and sales, Sir, that can only tend in the direction in which it has actually led. Sir, I submit, therefore, that the industry in Bombay has got a great deal to explain to the country before it can claim the continued benefits of protection. (Hear, hear.) So far as the present Bill is concerned, as the Honourable the Commerce Member has said, the Government have not been able in the midst of their other preoccupations to find time for an examination of the proposals which the Tariff Board have recently made. Sir, I sympathize with my friends on the Treasury Benches; but, surely, while their time was fully occupied with many important matters, at the same time when the interests of the consumer are at stake one should have expected that the Government, however little time they may have had, would have arrived at some decision on this question, so that we might have had the advantage of knowing finally how they have made up their minds and be thus enabled to make up our own minds. On these grounds, Sir, I oppose the Bill.

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

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

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I shall obey your summons, but I should have greatly preferred being able to intervene at a later stage in the debate in order to be able to answer all the inquiries and doubts of my Honourable friends. That privilege, I am afraid, will be denied to me and I am not very sure what advantage will be taken of that position.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member must give a chance to others to reply to him.

Mr. H. P. Moody: With great respect, I submit, Sir, that it is I who have to answer my friends. I was hoping that it would not be necessary for me to strike any controversial note and that I could content myself with just a few general observations which would be relevant strictly to the purpose of the Bill before the House. Unfortunately, however, the temptation of utilising this debate for a little fling at the interests which I represent has been too great for some of my Honourable friends, and, therefore, it will be necessary for me to deal at a little length with some of the points which have been raised and which I should not have thought it would have been necessary for me to elaborate.

Sir, I must, in the first instance, start off with a short statement of the position of the industry in various centres. Somehow or other it has always been assumed as long, at any rate, as the time I have been connected with the industry, which is about 12 or 13 years, that when we talk of the textile industry we talk only of the Bombay mill industry, and that whenever the grievances, woes or difficulties of the industry are in question, they are generally the woes, the grievances and the difficulties of the Bombay mill industry. (*An Honourable Member*: "That is so.") That is not so. What I was going to say was that it is perfectly true that owing to a variety of causes, which it is needless for me to enter into on this occasion, the industry in Bombay finds itself in a more difficult position than the industry in other parts of India. To that extent, the identification of Bombay with the mill industry of the country is perfectly correct. But, Sir, I will ask my Honourable friends to believe that today there is not a centre which is not suffering from the wave of depression which has overtaken the industry, and that even in Ahmedabad, where large profits are supposed to be made, enormous stocks have accumulated, and the millowners there, according to a report in the papers, are thinking of short time, and a possible reduction in wages. My Association, in the course of a very elaborate examination which was made by the Tariff Board some few months ago, have placed sufficient facts and figures before the Board to establish the contention that the industry today is suffering in every centre. Large stocks, as I said, have accumulated, and they have aggravated very considerably the difficulties of the situation. In Bombay, particularly, machinery has been stopped to a very considerable extent. Something like 25 per cent. of the productive capacity of the Bombay mill industry has been curtailed. In Ahmedabad, the night working which was in full swing a few months ago has been stopped, and it was only yesterday that a very prominent millowner in the north of India said that if the present conditions continued for even a few weeks more, he would be obliged to throw out of employment as many as 8,000 working people. My Honourable friend, the Commerce Member, will be able to verify that for himself. Over and above these things, I would like my Honourable friends to understand, particularly when they talk of the want of re-organisation of the industry, that in the last few years capital worth crores of rupees has been written off: several mills have been reconstructed and several more have gone into liquidation, and in one way or another the financial reconstruction of the mill industry has been proceeding apace.

Mr. B. Das: I am glad to know that.

Mr. H. P. Mody: My Honourable friend is obviously not a shareholder. He says he is glad to know that, but thousands of poor shareholders have felt differently. What I was trying to convey was that enormous losses are being incurred both by the Bombay mills and by other centres of industry. And here I shall answer the inquiry made by my Honourable friend, Mr. Mitra, this morning as to the dividends paid by the mill industry, and say that, taking an average of the last seven years, less than one per cent. has been paid to shareholders in the shape of dividends. If you take into calculation the enormous capital sunk in the industry, you will realise the plight of thousands, perhaps hundreds of thousands, of shareholders who depend for their livelihood upon their investments in this the premier industry of the country. That is briefly the position, and no Member can seriously challenge it because, while one may indulge in pet theories or obsessions of one's own, one cannot challenge facts. If any Honourable Member wishes to satisfy himself further, I am prepared to put before him any amount of facts and figures to establish my contention that the industry today is in a very serious position. It may be asked, why then does the industry turn out the quantity of cloth which it does? My Honourable friends must remember that where there is a large concern which incurs enormous overhead charges, it is only in extreme cases when the mills are no longer able to carry on that they shut down. Till such a stage has been reached, the mills carry on in the hope of better times, and this is one explanation of the activity which has been going on in the industry. This activity has, during the last few months, been very greatly curtailed.

These being the facts, the only question that arises is: Are the mill-owners in any way responsible for these conditions? Now, Sir, it is a matter of great regret to me that some of my Honourable friends should indulge in statements which they are not in a position to substantiate. They have flung about charges of inefficiency, mismanagement and lack of foresight, without having made, I venture to submit with great respect to them, the least attempt to justify them.

Mr. B. Das: You are quoting the Noyce report.

Mr. H. P. Mody: My Honourable friend says that I am quoting from the Noyce report. He must have read the report upside down. The Noyce report, if it is properly read, is not an indictment of the millowners; it is a helpful report. As has been admitted by my Honourable friend, Mr. Das, himself, it is a report which has indicated the lines of advance, the lines of improvement, upon which the mill industry ought to proceed so that it could rescue itself from the position in which it finds itself. And, Sir, it is a document, which, if it is carefully perused, is a certificate to the way in which the millowners are conducting the industry. While we are on this subject, let me say that a great many of the recommendations of this report have since been carried out, and, therefore, whatever may have been the case in 1927, the mill industry, in respect of those lines of improvement which the Noyce Committee suggested, is in a different position today.

Now, Sir, when my Honourable friends talk of the want of organisation of the mill industry, may I remind them that many Commissions and Committees, official and non-official, have visited this country in the last few years, and have gone carefully into the conditions of the industry and have expressed an opinion which is entitled to at least as much weight

as that of the Honourable Members of this House who probably have dived into the subject, but very superficially. One of the most well-informed and influential delegations, that ever came out to this country, was the delegation headed by one of the most prominent men in the Labour Party, a man whom, I feel sure, my Honourable friend, Mr. Joshi, must know personally, the Right Honourable Tom Shaw who subsequently became Secretary of State for War in the Labour Cabinet. In that delegation, there were some German and some British labour men, men who had spent their whole lifetime in the industry; and, what is the verdict of that delegation? I would ask my Honourable friends, if there is a copy in the Library of this House, to study that report and they will find a most handsome tribute paid to the enterprise and efficiency of the millowners of this country. In one paragraph, if I remember aright, this delegation stated that in the matter of equipment, in the matter of keeping pace with all the improvements which were in progress throughout the world, some of the mills in India compared very favourably with the best mills in Lancashire. There was also a report made by a Committee presided over by a High Court Judge and known as the Fawcett Committee report. Even if you disregard the testimony, the united verdict of all these bodies of men, I venture to submit, you have not to wait very long before you will have the report of a body which has always received the utmost attention and respect in this House, namely, the Tariff Board. I do not know, Sir, what the Tariff Board have stated, but we have placed the whole case before them, and when the report is published, we shall be in a position to judge whether apart from a few isolated instances of lack of good management or efficiency, the industry as a whole is not conducting itself in a way in which the premier industry of this country should conduct itself, and in a way which would entitle it to receive the sympathy and support of this Honourable House, and of all outside this House who have an interest in the fortunes of a national industry. And I say, Sir, it was from that point of view that I did not intend to speak very much and I was hoping that the suggestion made by my Honourable friend, the Commerce Member, this morning that this was no occasion for criticising policies or programmes would make it unnecessary for any one to criticise the management of the industry. After all, if anybody has a grievance against the Government, who is it that has the grievance? Not my Honourable friend, Mr. Raju, not any of the other Honourable Members who spoke after him. It is the people who are interested in the industry who have a grievance against the Government; for if it had been possible to consider the report,—and the report has been lying with Government for a few months,—we would probably have had a more rational, a more far-reaching measure of protection to consider. We have, as things are, merely a continuation of the duties which have proved so hopelessly ineffective. Sir, I do not wish to criticise my Honourable friend, the Commerce Member, I do not wish to criticise Government at all. Their many preoccupations are quite well known to this House, and it is useless to say that they should have taken the report into consideration earlier. I think we must accept the plea that pressure of work prevented their applying their minds to the problems of the industry. But my point is,—and I appeal to my friends to pay some regard to it,—that whatever their opinion of the industry may be, they should wait for a few months and see what a responsible board of inquiry like the Tariff Board has got to say generally about the position of the industry.

[Mr. H. P. Mody.]

I hope I have said enough to show that the present position is desperate and it is not desperate because of any want of foresight or something worse so far as the millowners are concerned, I should like to go on to explain why it is that this present position has been reached. Briefly, Sir, the position is that Japanese inundation of our market has reduced our industry more or less to a stand-still, just as it threatens to cripple today a great many other industries which are not before the public gaze as often as the textile industry. In this connection, Sir, it is relevant,—and that is really the most important argument of the whole lot,—to consider whether on account of protection the consumer is suffering in any way. While I totally differ from my Honourable friend, Mr. Mitra, in a great many of his views, I think he is perfectly right in putting always before this House the point of view of those whom he represents, namely, the consumers, and if it were established that, on account of the various protective measures—I think my Honourable friend, Mr. Biswas, called them spoon-feeding,—if it were established that the consumer in India was suffering, then it might be a case for inquiry as to whether the interests of the consumer were more predominant than those of the manufacturer, and whether a proper balance could not be struck between the two. But, Sir, I should like to tell my Honourable friend, Mr. Mitra,—and I hope he will give me an opportunity of placing it much more fully before him later on than I can do in the course of a speech,—that, so far as present conditions go, the interests of the consumer have not suffered in the slightest degree. I have before me a large number of tables and statistics, enough to satisfy the appetite of even my Honourable friend, Dr. Ziauddin Ahmad, whom I am sorry not to see here today, and I find, taking the pre-war years, that the average price per yard of Indian mill-made cloth in those years was in the neighbourhood of 2.80,—I am taking the years 1912-13, 1913-14; and the price in the last two years, namely, 1931-32 and for nine months of 1932-33 was 2.87 and 2.73. In other words, Sir, the consumer in India pays today exactly the same price that he paid in the pre-war years in spite of the fact that, so far as the manufacturer is concerned, he pays as much as 130 per cent. more in the shape of wages, three times as much in the way of taxation as before and pays probably twice as much for his stores and supplies as he did in the pre-war years.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh : Muhammadan Rural) : That is because commodity prices have gone down.

Mr. H. P. Mody : My Honourable friend is talking through his hat. (An Honourable Member : "He has no hat.") Well, if he had a hat, he would have a longer range to talk through. My Honourable friend need not think he is worrying me by these interruptions, because he will get more than he has bargained for. Let me take the case of both cotton and cloth for the years 1926—1930, and a part of 1933. In 1926, long-cloth was selling at 16½ annas per pound. It came down in 1930 to 12½ annas, that is to say, a drop of as much as four annas per pound. In the same period cotton dropped only by three annas per pound. In 1930, as I said, the price of long-cloth was 12½ annas per pound. Last week two of the largest concerns in Bombay sold fairly big quantities of cloth at 9½ annas per pound, that is to say, from 1930 to today, there has been a drop of three annas per pound, while cotton has not dropped by more than one anna per pound. I hope, my Honourable friend, Mr. Ghuznavi, is talking of cotton and not of linseed or wheat or gram or something which is less edible than that, viz.,

coal in which he is so keenly interested. If it is true to say that the shoe-maker should confine himself to his last, I would advise my Honourable friend in advance to confine himself to coal. If the House were not tired of a recital of these things, I would be prepared to place before them tons of more figures to show how the price, in spite of the increases in the duty, has not only not gone up, but has actually come down. Take grey shirting. When the duty was 15 per cent., grey shirting was selling at 3.2 annas; with the duty at 50 per cent., it is selling at 2.50 annas. It establishes the fact that all these increases in the duty have for one reason or another not meant any loss or injury to the consumer. Therefore, we have got to find out why it is that cloth is selling today cheaper than it did when the duty was 11 per cent. or even lower. The answer is Japanese competition. My Honourable friend, Mr. B. Das, has now come to realise that if there is any country which at present threatens the prosperity of the industries and trade of this country it is Japan.

Let me for a moment deal with the case of artificial silk cloth. Four years ago, imports of artificial silk cloth from Japan amounted to something like 16 million yards. Today they are 107 million yards. They have gone up six times in the course of four years. The price four years ago was in the neighbourhood of eight annas. Today it is in the neighbourhood of less than three annas. Whom does it hit the hardest? For the last couple of years, mills in India have stopped manufacturing cloth containing artificial silk yarn, but a great deal of artificial silk yarn is being consumed by the hand-loom industry, and, if the hand-loom industry is suffering today from any one factor, it is from this factor of Japanese competition in artificial silk piece-goods which makes it impossible to the hand-loom weaver even to meet his bare cost of manufacture, however low that may be on account of personal labour and other circumstances. And, therefore, when my Honourable friends talk of Japanese competition as being something which only affects a limited class of people, I would ask them whether they have considered the case of the hand-loom industry and how far it is being affected by Japanese competition. The Japanese competition does not merely affect us, it affects the hand-loom industry, it affects everybody, and it is on that account that the consumer today is in the fortunate position of being able to buy his cloth at a rate cheaper than he could obtain it, for when the duty had been less than 15 per cent., I have already shown in the course of the debate on the anti-dumping legislation that the purchaser is only entitled to insist on a fair price, and that he really cannot go on expecting to get what he buys at less than the fair price, because such a thing can never last for any length of time.

Sir, I have tried to point out, I hope, to the satisfaction of my Honourable friends, that the consumer's interests have not suffered. I would like to go on to another aspect of the question, namely, the larger aspect of the country's interests. Sir, it is unnecessary for me to tell my Honourable friends what really the textile industry stands for in this country. I should have thought that it would be a matter of pride and gratification to every one interested in the advancement of the country, to every one who believes in the efficiency, enterprise and capacity of Indians to conduct large scale industries, to look upon the textile industry and reflect upon the bright position which it has achieved for itself in the economic life of this country.

Mr. S. C. Mitra: I agree.

Mr. H. P. Mody: I am very glad that my Honourable friend, Mr. S. C. Mitra, says that he agrees. I think that all Honourable Members must agree that, when they are criticising this great national industry—and I am not suggesting for one moment that we should be immune from criticism or that if criticism is justified that we should be spared that criticism—that this industry has provided a practical demonstration of what Indians can achieve in the matter of industrial advancement. I claim it to be in every sense of the word as the greatest national industry of this country.

Apart from all these considerations, there is the consideration of what the industry means to the economic life of India. The industry employs something like 300,000,—perhaps 400,000 operatives throughout India. If you take into consideration the number of people who are dependent upon them it amounts to a very large figure. At any rate, the industry employs a very goodly proportion of the total number of skilled operatives in the organised industries of this country; and if an industry finds employment for such a large number of people, I think that industry is entitled to some consideration at the hands of this House and of people outside the House. If the position of this industry is depressed, how does it react on the position of the labouring classes in this country? As I told you, a few minutes ago, as much as 25 per cent. of the spindles and looms have been stopped in Bombay: on a rough reckoning I should say that about 25,000 to 30,000 people have been thrown out of their jobs. Translated into wages, this means that in a year the labouring population of Bombay is losing something between three-quarters of a crore and a crore of rupees. If that is the position in Bombay, what is the position in other centres of the industry? I think I am not exaggerating when I say that, translated into terms of wages, the labouring classes stand to lose, on account of the present depression, something which is probably in the neighbourhood of a crore and a half of rupees per year.

An argument has been advanced—and there is a familiar ring about it—about the cotton growers. May I ask, with whose interests are the interests of the cotton grower closely identified if not with those of the textile industry? A great deal of comment has been made on various occasions during the last two years about the way in which the Indian industrialist is sending for his cotton from abroad. I do not wish to go into a lengthy argument with regard to that. I have already pointed out on other occasions that a great deal of this cotton is cotton which you cannot possibly have in this country. My Honourable friend, Mr. Das, has drawn attention repeatedly to the Noyce Report. One of the main recommendations of the Noyce Report was that the industry can find its salvation to a certain extent by switching over to finer counts. That has been done with great success both in Bombay and in centres outside Bombay, and I think I am right in saying that in the last three or four years the quantity of yarn of finer counts has, both in Bombay and outside, more than doubled itself; I am not sure if it has not trebled itself. Where is the cotton for this to come from if not from those countries which are supplying that cotton today? There is no Indian supply of an equivalent description. I admit—I want to be absolutely fair and I do not want to hide anything or to exaggerate anything—I admit that a certain amount of the cotton which we have obtained in the last few years may be cotton of a type comparable with Indian cotton; but where this has not been the result of the fact

that there has been a shortage of Indian cotton, it must be put down to the price parity of American and Indian cotton. But in the main the position is that we are importing foreign cotton, because we cannot do without it, and I am afraid until such time as India produces that type of cotton we shall have to continue to import a certain quantity of foreign cotton. But I would like you to remember this at the same time, that the consumption of Indian cotton has also kept high, and that while, to a certain extent, to the extent of say a 100,000 bales, Indian cotton may have been displaced by American, it is nevertheless true that, so far as the cotton-growers are concerned, their real interests lie in the advancement of the Indian industry. I do not know whether it is being realised that more and more as time goes on the agriculturist will have to depend upon the indigenous industry in this country for the consumption of his cotton. I foresee a time when the purchases of Japan will diminish, not as a measure of retaliation as was said by one of my Honourable friends here, but because of economic causes; and then, where is the cotton grower to turn except to the Indian manufacturer? Take it from another aspect. Supposing you can prevent, say, 500 million yards of cloth coming into this country, what would it mean, translated into terms of cotton? It would mean an off-take which might amount to several crores of rupees. So, from the point of view also of Indian cotton growers, I say that their best interests are identified with our interests. That is a point which has been brought out by a Committee which is entirely independent and outside of us, and which has done enormous good to the cotton grower in India, I mean the Indian Central Cotton Committee. They have recently pointed out in a representation to the Tariff Board how a prosperous mill industry has a very considerable influence on the prosperity of the agriculturist who grows cotton. I do not know what other points I can answer: I do not know what points I can anticipate. I have merely placed a few considerations which I feel require to be emphatically brought out before my Honourable friends.

One more point. My Honourable friend, Mr. Biswas, said that Bombay was a special favourite of the Government of India. I do not know whether he intended it as a joke, or whether people are so devoid of humour in Bengal that they really believe this sort of stuff. Speaking for myself and for other interests in Bombay, I say that Bombay is most emphatically not a favourite of the Government of India. It has been our wail that we are the most neglected province in the whole of India. In 1927, I led an all-India Deputation before Lord Irwin and I said in the course of the discussion at that time that the conviction had been driven into us through long and bitter experience that, so far as the Government of India were concerned, Bombay existed merely for the purpose of paying income and super-tax and subscribing to Government Loans. When, therefore, I find my Honourable friend saying that Bombay is a favourite of the Government of India, I do not know whether he is trying to pull my leg or whether he really believes it. I prefer to think that it was meant merely as a sly hint to the Government of India that they must increasingly turn their attention to Bengal. From that point of view, the move is perfectly legitimate and I have not the least quarrel with Mr. Biswas. Let the Government of India look after every province; so far as Bombay is concerned, what we want is not favouritism, but bare justice; and it is that justice that I am standing in my place to demand.

[Mr. H. P. Mody.]

I do not think it is really necessary for me on an occasion like this, when all that is sought to be done is the mere continuation of the protection which exists at the moment, to deal with any other points. I appeal to my Honourable friends to take stock of the situation, and if they are satisfied that a case exists for the protection of the textile industry, not merely to give their blessings to this Bill, but also at the proper time to support an adequate measure of protection to the textile industry, so that it can stand on its own legs and cannot be crippled by the inroads of foreign manufacturers. We are talking of wealth being kept in this country. Where is the wealth being kept in this country if you are to send out enormous sums to foreign countries for purchases of cloth which the industry in India is able to supply today to every woman and child? I do not mean, of course, the very finest types of cloth; but, barring these, the whole requirements of the country can be met if the textile industry was well established and protected against ruinous foreign competition. I ask my Honourable friends to give their blessings to this Bill and to convey to the Government of India the strong expression of opinion of this House that, so far as the textile industry is concerned, they have nothing but the utmost sympathy with its difficulties. (Cheers.)

Mr. A. H. Ghuznavi: Sir, when I listened to the debate, it reminded me of what the late Mr. Gokhale said in the old Imperial Legislative Council 26 years ago. In 1905, addressing Lord Curzon, Mr. Gokhale said: "My Lord, pacify Bengal, and the rest of India will be pacified". He started by saying "My Lord, what Bengal thinks to day, the rest of India will think tomorrow; pacify Bengal and the rest of India will be pacified". Sir, things have changed. Pacify Bombay, pacify Punjab, and the rest of India will be pacified. That is the position today. Our friends from Bombay have been coming to us repeatedly with a beggar's bowl to give them support, at the cost of the consumers of Bengal, and their idea is "bleed Bengal white and give us money", for what,—for the most inefficient manner in which they are managing their textile industry.

Sir, that the Bombay mill industry is not being managed very efficiently has been stated not by me, but by Sir Frank Noyce himself in his Report of the Indian Tariff Board. I will take, with your permission, a few minutes, to tell this House once more how Bombay bled Bengal in 1905. Sir, with the Partition of Bengal, which was accomplished by Lord Curzon by a mere stroke of the pen, Bengal started to boycott British goods, and what was the result? I wonder whether Mr. Mody was the Chairman of the Millowners' Association then.

An Honourable Member: He was at school.

Mr. A. H. Ghuznavi: The result was that they took advantage of our patriotism. They not only increased their prices by 200 and 400 per cent., but they went further. They imported all the Japanese and Lancashire goods tore off one yard from every piece on which the foreign manufacturer's name was printed, and sold that cloth to us at four and five times the price

Mr. H. P. Mody: Rubbish.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Exploiting our patriotism.

Mr. H. P. Mody: He is exploiting your credulity.

Mr. A. H. Ghuznavi: My friend, Mr. Mody, says it is rubbish. It is not rubbish; it is a fact well established, and, if Honourable Members want to hear more about it, I can read out extracts from reports which are in the Library to prove that they did so in 1905 and they continued to do so for a long time at the cost of the poor consumers of Bengal. I made this statement in 1927 on the floor of the House. Where was Mr. Mody, where was Sir Cowasji Jehangir then? They never contradicted me then. What happened then was, they were piling up money at our cost, they never cared to put by any money in their reserve fund, they never thought for a moment that there was a day which was known as a rainy day when troubles would come. With luxurious motor cars some of them spent nine months in Paris enjoying there to their heart's content, with a hereditary managing agency, smoking away most expensive cigars available in the world, and ruining the trade at the expense of the poor consumers of Bengal

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): May I point out to my Honourable friend that if millowners did enjoy themselves in Paris, they did it with their own money, and not with the money of anybody else.

Mr. A. H. Ghuznavi: They did it at the cost of the mills, they did it at the cost of the shareholders. What happened was this. The most profitable contracts were used to be entered in the books in the name of, and on behalf of, the managing agency, and the most non-profitable contracts were used to be entered in the name of the cotton mills in the books, and if my friend, Mr. Mody, wants to say "rubbish", I will quote from the report of Sir Frank Noyce where they have remarked that the audit reports were not at all satisfactory

Sir Cowasji Jehangir: That is a very different thing.

Mr. A. H. Ghuznavi: After that, they raised their prices and made tons of money; they did not lay by anything for rainy days which they are now experiencing, but now they want Bengal, which consumes about 90 per cent. of their production, according to the Tariff Board's Report, to be bled white and give them the money they now want. What is the case they have made out? With your permission, Sir, I will just read a few extracts from the speech of Diwan Chaman Lal on the floor of the House on the 17th March, 1930. Before coming to that, I should like to say that in 1927 when the Yarn Protection Bill was introduced in the Assembly, Sir George Rainy gave the House to understand that this protection would be only for three years, and, after the end of three years, they would examine the position again and decide whether they should withdraw it or amend it. Three years passed in 1930; then our friends said that they wanted this protection for another three years and said that they would not again come up to Government without properly examining the position. They have enjoyed this protection for all these six years, and in the seventh year, they want an extension for another eight

[Mr. A. H. Gluznaya.]

months. Goodness knows what the Tariff Board have reported, their report is not before us,—they want to bleed Bengal at any rate for another eight months till we know what to do at the next autumn Session. In 1930, this is what Diwan Chaman Lal said :

"On the last occasion when I was discussing the provisions of this Bill, the main proposition that I placed before this House was this. Firstly, is protection necessary? Secondly, is protection desirable? Thirdly, is the scheme of British Preference contained in the Bill a scheme which we ought to assent to? Now, Sir, I detailed at some length certain arguments I advanced in contradiction of the statements made by my friend, Mr. Mody. I take this opportunity, once again, of saying, that Mr. Mody has done his level best. He has, in a brilliant and eloquent manner, placed his case before this House. To be brilliant and eloquent does not necessarily mean that one is convincing. As far as I am concerned, I stand absolutely unconvinced by the arguments that he has placed before this House. I want to refer Honourable Members briefly to the statement made by the Honourable Sir George Schuster in his Budget Speech."

Mark these words, Sir :

"The charge, you will remember, I was making, was this that we are subsidising the inefficiency of the millowners in this country, and that charge I take from the mouth of Sir George Schuster himself."

In his Budget Speech he said :

"We are subsidising the inefficiency of the Bombay millowners"

and that charge he takes from the mouth of Sir George Schuster himself :

"In his Budget Speech he (*Sir George Schuster*) said also :

"We recognise that the ultimate failure or success of the mill industry in Bombay must depend entirely upon the extent to which the millowners utilise the present opportunity in order to improve their efficiency and labour conditions, and, if full use is not made of this opportunity, the position of the industry may be no better in the succeeding period of three years than it is today."

With your permission, Sir, I will quote one more paragraph from Diwan Chaman Lal's speech, and then I will go on with my comments :

"While there has been a drop in the Lancashire business there has been an increase as far as Indian production is concerned from 285 million yards in 1914 to 661 million yards or an increase of 331 million yards. Does that show that the cotton industry in Bombay is in a moribund condition? Does it show that it is receding instead of advancing? It has gone on capturing business. Even according to the statement of the Honourable Sir George Rains which is to be found on page 2 of the document he has circulated, he says that during the last twenty years the Indian mill industry has made extraordinary progress, and its expansion has taken place almost entirely at the expense of British industry."

Sir, they want us to give them protection. They come to us almost from year's end to year's end with a beggar's bowl in their hands—they say, give us money, give us money. We have given them money at the cost of the Bengal consumer. What have they done for us, I ask? What have they done? Bengal possesses coal. Are they using Bengal coal? (Hear, hear.) They use oil fuel, they are using Tata electric power. If they want to come before us with a beggar's bowl and ask for assistance, they must say: "We are going to buy your coal". (Hear, hear.) (*An Honourable Member*: "The cat is out of the bag.") Sir, they say that they are in a very bad condition. It is only Bombay, but the millowners in the rest of India have not asked for it. It is only Bombay and not even Ahmedabad. It is only Bombay, Bombay and Bombay, and no other part of the country that is asking for this protection. I do not

know what is the charm. The moment Bombay comes before Delhi and Simla, the Commerce Member immediately extends all his patronage, and says this will be done and that will be done. What has the Honourable the Commerce Member done for us in Bengal? Has he given us any protection? Has he asked us to suggest anything? Whenever we suggested anything, he has said, he could not do it; but he dare not do that with Bombay. (*An Honourable Member*: "Because he comes from Bombay.") He does not come from Bombay. (*An Honourable Member*: "He does.") So far as we are concerned, we know we shall be defeated, but we shall cast our vote against this Bill.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): If I intervene in this debate, it is not to oppose the Bill, but it is rather to sound a note of warning with reference to certain tendencies that I see developing and certain dangers that I look ahead. I shall not waste the time of the House nor waste my own time in any diatribes against the millowners of Bombay or other places, nor shall I describe them as people who are inefficient, who do not know how to use their money, or mis-spend their money elsewhere. I do not think it is fair to any body of persons of whose position we know so very little, of whose private life we know much less, that we should voice forth sentiments of that character without that responsibility which should attach to statements of every Member of the Legislative Assembly.

Sir, I look at this question from a very different point of view. My friends throughout these debates on tariffs have been looking at the question either from the industrialists' point of view or from the consumers' point of view. There is, I venture to think, Mr. President, a third point of view which is at least as important as either of these, and that is the point of view to which expression has been given this morning by my Honourable friend, Mr. Raju—the point of view of the producers of raw materials in this country. My Honourable friend, Mr. Mody, will easily realise that the position of the producers of raw materials is a most important consideration even from the point of view of the industrialist or the millowner himself. You talk of production of manufactured goods, of textiles and various other industrial products, but there must be a market for these things, and the market is to be found, the consumer is to be found in the producer of raw materials in this country. There is an economic truth that the velocity of production must follow the velocity of consumption. The ultimate consumer, therefore, determines how much you should produce, what sort you should produce, and to what extent protection must be given to your productions. If the producer of raw material, who is the mainstay of all consumption in this country, is not looked after, if his position is worsened day after day, I venture to think that my Honourable friends, whatever protection they may get from this Assembly, will not have the happy time which they foresee ahead. What do I mean by that? Our wealth depends upon the production of raw materials, and what becomes of the raw materials of this country? Time after time if we put these tariffs, what will be reaction on the production of raw materials and on the sale of these raw materials? Let me take raw cotton itself which is allied to the subject that we are now discussing. What is the position of raw cotton? My Honourable friend, Mr. Mody, made light of the fact that during the past few years they were importing a certain amount of raw cotton for the manufacture of their cloths. I

[Diwan Bahadur A. Ramaswami Mudaliar.]

understand the argument to be that as stated by the Noyce Committee report the quality of the cloth must improve, finer counts must be used in the production of cloth, and, as India does not produce that long staple cotton which is required for this purpose, the millowners are justified in going into other markets and getting either Egyptian or Kenyan or American cotton. It may be so; but when you are suggesting that your industries are national industries, and that they require protection and when, on an examination of this, we find that your machinery is brought from outside, your cotton is brought from outside and what you merely do is to employ a few industrial labour hands to turn out cloths, well, the claim of that industry to be called national becomes less and less justified. I do not suggest that any large quantity of raw cotton is being used at the present moment. As I have said, my purpose this evening is to sound a note of warning with reference to tendencies developing, to point out the danger lying ahead which millowners must not neglect if they want to continue to have the sympathy either of this House or of the wider public. Let me take the import of raw cotton into this country. In 1929, we imported a quantity of 3 crores and 90 lakhs. In 1930, it was 3 crores and 42 lakhs.

Sir Leslie Hudson (Bombay: European): Is that value or weight?

Diwan Bahadur A. Ramaswami Mudaliar: I am talking of value. I will come to weight later. In 1931, it went up to 638 lakhs. In 1932, it went up to 738 lakhs, and, for the eleven months of 1933, it went up to 635 lakhs—imported raw cotton. From the United States of America alone, in 1929, you imported 137 lakhs, in 1930, 19 lakhs, in 1931, you imported 72 lakhs, in 1932, 198 lakhs and, in the 11 months of 1932-33, you imported 3.41 crores worth of cotton. I ask myself whether all that cotton is really of the long staple variety, whether much of it is not of the ordinary variety which you have imported merely because the price of the United States cotton is much less than the cotton produced in this country. I do not blame the millowners for that purpose. I turn to my friend, the Honourable the Commerce Member, and I ask him, is it fair that because deputations do not wait and bring home these questions before you of the position of the raw products of this country, therefore their position should be neglected altogether? There is, I know, an import duty of six pies per pound of raw cotton. I am not asking that that import duty should be immediately raised, but I say that Tariff Boards are looking only at one aspect of the question and they are completely neglecting the other aspect of the question. Has any question relating to raw products been referred to the Tariff Board during the last eight or nine years that it has been in existence? My Honourable friend will refer to wheat. I shall have my observations to make when that Bill comes up for consideration before this House and I shall try to show that the import duty laid on that has been of little significance to the producer of wheat.

There is another point I should like to explain. A great deal has been said about depreciated and depreciating currency. I do not wish to make any distinction for the purpose of the present argument. It is perfectly true that Japanese currency has depreciated and perhaps it is still depreciating. Their goods are dumped into this country but when

you realise that your raw cotton is being sold to Japan, what is the position of the producer of raw cotton? Have you considered the effect on the producer of a depreciated and depreciating currency? Are you thinking of a bounty being given to the grower of cotton, because the quantity that he exports to Japan produces much less price owing to the depreciated currency than otherwise he would get? The Statement of Objects and Reasons says that owing to the unfair competition arising from the prevalence of unfair labour conditions in China, this Bill has been necessitated.

I take the producer of another raw material, Rice. I find that rice has to be exported to China in very large quantities and I find that during the 11 months of this year, one crore and 68 lakhs worth of rice has been exported. We know that internal prices can never adjust themselves and the price level can never be reached unless we are in a position to export our surplus raw produce to other countries. Now, the value of goods that come from China is about 71 lakhs in the same period, so that we have really a favourable balance, because we are able to sell rice and other things to China. What will become of our sale if we are going to put embargo after embargo on the import into this country of products from China or from Japan or from various other countries?

Now, Sir, the Finance Member speaks of a proper balance of trade. A proper balance of trade can be arrived at in two ways, by restricting the imports into the country and also by encouraging exports from this country. It is perfectly true that a Tariff Bill like this will put a restriction on imports, but what is the reaction on exports and that is what I should like the Honourable the Commerce Member to address himself to. How will it affect the exports of this country if this prohibition is to be applied? My friend, Sir Leslie Hudson, the other day talked of depreciating currency and wanted some sort of restriction by way of tariffs evidently to protect India from the dumping due to depreciated currency. What will be the effect on exports from this country of jute, raw cotton, rice, hides and skins, tea and coffee and various other things? We are not exporting all these things to the United Kingdom or the British Empire alone. If we examine the trade returns, we find that at least half of our exports go to foreign countries,—slightly more than half of our exports. With reference to many of these countries, our trade balance is almost exact. We import from those countries almost as much as we export to them. In fact with reference to several countries our export balance is on the right side.

Mr. H. P. Mody: As my friend is developing this argument, might I point out to him that irrespective of any curtailment of Japanese imports of cotton goods or any other kind of goods into this country, Japan imposed a few months ago by one stroke as much as 250 per cent. more duty on pig iron than before and that Japan's action is irrespective of any action taken in this country, in other words Japan does exactly what suits her interest.

Shri Bahadur A. Ramaswami Mudaliar: I am only suggesting that my country should do exactly what suits her interests. But I am not confining that interest to any particular industry or any particular phase of industrial life in this country. I want the Honourable the Commerce Member to examine both sides of the question. I started by saying that this is one of the aspects of the question which has not been presented either by petitions or on the floor of this House in the way I should like

[Diwan Bahadur A. Ramaswami Mudaliar.]

it to be done. I want him to realise that there is a difficulty with reference to the export of our products. India is an agricultural country and for as long as we can look ahead it will continue to be an agricultural country and our price level of agricultural products is mainly dependant on the export from this country. Therefore, my suggestion is that before you put these tariffs and before you revise these tariffs either on the ground that there is a depreciated currency or owing to other reasons, you have to consider how it will react on the export of raw materials to the various countries. Now, up to the end of March, 1931-32, our exports to various countries were greater than our imports. We exported to Germany in the last official year 10·27 crores, whereas we imported from Germany 10·18 crores. To Netherlands we exported 5·9 crores as against imports of 2·4 crores; to Belgium we exported 4·45 crores as against an import of 3·1; to France we exported 7·63 crores as against an import of 2·17; to Italy we exported 5·41 crores as against an import of 3·58; to China we exported 7·79 crores as against 2·78 crores. Even to Japan we exported 13·94 crores as against an import of 13·32 crores, a favourable balance again with respect to that country. To the United States of America, we exported 13·86 crores as against an import of 12·83 crores. Therefore, it seems to me that we must realise the danger that lies ahead when we raise these tariffs in such a way as to prohibit imports from particular countries without having properly taken care of the fact that our exports may similarly be penalised. I shall not deal with the question of the depreciated currency. My Honourable friend, Mr. Raju, has already dwelt on that point.

It is obvious that you cannot have discrimination against Japan alone. Knowing the conditions that prevail in Japan, knowing the prices at which Japanese goods are sold in this country, I would be the first to agree to any such discriminating tariff against Japan. When Japan buys our raw cotton, takes it away in her steamships, manufactures it into goods there, brings it back in the same steamship and sells it below the price of the raw cotton itself, then I think there is something very much wrong in the state of industry in Japan and it is time that we protected ourselves against it. I have no quarrel at all with anybody if you can confine your discriminating policy against a country which, by some mysterious processes which no industrialist has so far been able to explain, is able to sell manufactured goods below the cost of the raw produce itself. But I sound a note of warning when that policy will involve other countries with which we need not be in an economic war, countries with which we have no grievance and countries which we must bring in because by some trade convention we are in the meshes of a difficult net out of which we cannot escape. Sir, my friend referred to the Anglo-Japanese Convention made in 1911-12 (*Mr. H. P. Mody*: "In 1905 I think")—I think it was renewed in 1911—whereby Great Britain made a treaty with Japan and included India in it. It did not include its colonies, at any rate that is my recollection. That treaty continues to be in existence and it can only be denounced by 12 months' notice being given to the Japanese nation. If it could be done and if 12 months' notice could be immediately given, so that we can get out of this Japanese thralldom, I would be very happy and we should then only have the straightforward task of penalizing Japanese dumping into our country. But because we want to penalize Japanese dumping, if we are going to involve Belgium, the Netherlands, the United

States, Africa and Italy in the scope of a comprehensive Bill, it would not be proper and I must sound a note of warning, on behalf of the producers of raw cotton in this country, and on behalf of those who produce goods which are of value only because they are sold outside.

Take one very common agricultural product, groundnuts. The trade returns show that groundnuts are sold mainly, almost entirely, in the continental countries of Europe. If you are going to bring in all these countries into the scope of this anti-dumping Bill, what will be the future of the groundnut trade? Already we hear whispers of Germany trying to think of some synthetic processes by which groundnuts may be displaced for the purpose of the extraction of oils. What will become of the agriculturist, of the condition of whom you, Mr. President, are better aware than most of us here—those millions of people in the Madras Presidency who for their very existence depend upon the groundnut trade? They have abandoned rice cultivation, because that is not paying now and they have taken to groundnut cultivation in those areas which used to produce the paddy before. What will become of them if the groundnut markets are lost; and I want the Honourable the Commerce Member—and I am sure he is already thinking of this question—to bestow a little more attention on this aspect of the case so that the producer of raw materials may have an opportunity of presenting his case and of having his case considered, and whether by a tariff policy, which may be necessary in some cases, or whether by the removal of excise duties, which may be necessary in other cases, or by the arrangement of marketing facilities abroad, we might be able to secure his proper and just share in the economic polity of this country. That is all I plead for. Sir, I shall satisfy myself by playing the part of the Laputan flapper who said to his royal master: "It is time that your attention is drawn to this subject also". Sir, the Treasury Benches are so far away from us, and are so majestic in outlook, that I will content myself like the Laputan flapper with sounding a note of warning in all humility on behalf of our raw producers to take their case into consideration and to have some consideration shown to them; and, Sir, if I succeed, I shall have done my duty. (Loud Applause.)

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, I assure my Honourable friends in this House that although I come from Bombay, I have absolutely no responsibility for the management of the Bombay textile industry. (Laughter.) Sir, that the condition of the textile industry in our country is bad at present is undoubted. It is also an undoubted fact that on account of dumping which Japan has been practising, the industry in our country requires protection. Mr. President, I am not one of those people who think that in the interests of the consumers we should refrain from protecting our industries in this country. (Hear, hear.) If the whole world had been following the principle of free trade, I would certainly have recommended free trade for our country also, but so long as the world is not following free trade, it is wrong to expect one country to follow that policy. Moreover, in the interests of the whole country, it is absolutely necessary that there should be a proper balance between agriculture and the other industries in our country. We cannot be content with being a country mainly producing raw materials. Along with the raw produce, we must also take every possible step to develop our manufactures. Looking at the question from that point of view, I believe it is necessary, in the present state of industrial development in our

[Mr. N. M. Joshi.]

country, that we should do everything in our power to develop our manufactures. But, Mr. President, I am one of those people who think that by merely increasing our import duties we shall not succeed in developing our industries. Let us look at the history of the protective measures in our country. Whenever a protective measure has been introduced, every time it was assumed that that measure was only intended for a very short time. Have we ever heard of any measure of protection having been withdrawn? Not only in our country has this never been done, but it has never been done in any other country in the world. If you once start protecting an industry by the imposition of import duties, that industry will require protection for ever and ever. I, therefore, feel, Mr. President, that if we depend upon mere import duties for protecting an industry, that protection will be required to be given for all the time to come. I think, therefore, that the Government of India should not remain content by merely increasing the import duties: the Government of India must seriously tackle the whole problem of industrial development. The Government of India must try to control not only one industry, but all industries. My Honourable friend, Mr. Ramaswami Mudaliar, has pointed out that if you try to protect one industry, other industries will be hit. That is quite possible. Therefore, there must be a co-ordinated policy for the protection of industries of the country. Not only, therefore, should we make efforts on behalf of the protection of one industry in the country, but we must also try to remember that when we try to develop one industry, such as the textile industry, the other industries should also be helped to develop *pari passu*.

My Honourable friend, Mr. Mody, stated that the millowners of Bombay have done everything possible in their power to encourage the growth of finer cotton. He did not perhaps quite say that, but he stated that they have done nothing to discourage the growth of finer cotton in this country. But it is not enough that they have done nothing to discourage the growth of finer cotton. Our industries, with the help of the Government, must do everything possible to develop the subsidiary industries including the production of raw materials. Leaving aside cotton, may I ask, what we have done to develop the industries required for the mill stores? We have been purchasing crores and crores worth of mill stores for more than 50 years, and have we done anything to develop those industries and produce our own mill stores? We have done nothing. The question of making the machinery required for the textile industry is also not tackled. If we do not take steps to develop these subsidiary industries, the country, as a whole, will not gain much by raising the import duties in order that one industry should be protected. I, therefore, appeal to this House to consider, whenever a protective measure is introduced, whether it is not possible for us to adopt a much broader, a much bolder and a much better co-ordinated policy for protecting our industries instead of trying to protect an industry by merely increasing the import duties on certain articles.

Then, Mr. President, my Honourable friend, Mr. Mody, also stated that the millowners of Bombay have done everything possible for the re-organisation of the industry. I do not know what the mill industry has done for its re-organisation, but I know one thing, namely, that some millowners in Bombay had interested themselves in making a scheme for the re-organisation of that industry. I would like to know from my friend, Mr. Mody, whether the millowners in Bombay adopted that scheme. I

am not suggesting that that scheme was a perfect scheme, but even that scheme, defective as it might have been, was not adopted by the millowners of Bombay. Here, Mr. President, I feel that it is the duty of the Government of India, when they try to increase the duties on certain articles by way of protection, to see that the industry takes every step possible for its reorganisation, if that reorganisation is necessary for the efficient condition of that industry. I think nothing has been done so far in that direction. I would also like to urge upon this House another consideration. When we try to protect an industry, we certainly do not mean to protect the interests of shareholders alone. We mean that all those who are engaged in that industry will be protected. From that point of view I would like to ask the Government of India what they propose to do to protect the workers engaged in the textile industry in our country. We are increasing the import duties in order that the shareholders' interests should be protected. May I ask, Mr. President, whether we are going to take any steps for protecting the interests of the working classes? Only a few days ago, I put a question to the Honourable Member-in-charge of the Department of Industries and Labour, when he proposed to introduce a Bill for reducing the hours of work in Indian Factories. I did not get a satisfactory reply from the Honourable Member. I ask him again now, when do the Government propose to introduce a measure for reducing the hours of work in the textile industry and in the factories in our country? This is the time when the Government of India can put pressure upon the factory owners and the employers in our country. When they are thinking of increasing the import duties and giving protection to an industry, it is then that the Government of India can certainly ask the industry whether they are willing to reduce the hours of work or not. If the Government of India will not bargain at such a time, when will they bargain with the employers in this country? Mr. President, my Honourable friend, Mr. Mody, said that the wages in Bombay were higher although the prices had gone down. I do not wish to go into the details of this question. But I can say this that the condition of the workers in the industry in Bombay is worse than the conditions obtained anywhere else in the world. You take any civilized and advanced country

Diwan Bahadur A. Ramaswami Mudalliar: Including Japan.

Mr. N. M. Joshi: I am coming to Japan. You take any advanced and civilized country in the world and you will find that conditions in India are much worse, many times worse than the conditions in those countries. What is necessary in India is to improve the conditions and not to allow these conditions to be worsened. I would, therefore, suggest to the Government of India that when they bring forward proposals for protecting an industry, they should take steps to see that not only the conditions in that industry will not be worsened, but steps will be taken by the employers in that industry to improve the conditions from day to day. Take the question of unemployment. It is true that the condition of the industry is bad; conditions are bad; there is depression all over the world. But in the civilized countries of the world they have taken steps to see that people will not suffer very much on account of unemployment. The question which I would like to ask of this House is: What have we done to relieve the distress of unemployment in our country? The millowners in Bombay are threatening to shut down their mills. What are the poor workers to do under those conditions? The millowners some times issue

[Mr. N. M. Joshi.]

notices for shutting down their mills, not as a measure of economic necessity, but in order to reduce the wages of the workers. Under these circumstances, the workers in the industry require protection from Government and from this Legislature. I would like to know what this House proposes to do in that direction and what the millowners propose to do for the relief of the unemployed. Only recently I read in papers and my friend, Mr. Mody, endorsed the fact that the millowners in Ahmedabad have already issued notices for the reduction of wages

Mr. H. P. Mody: When did I say that?

Mr. N. M. Joshi: You yourself stated that the wages are being reduced in Ahmedabad.

Mr. H. P. Mody: I said nothing of the sort. I was merely referring to a newspaper report in which it was stated that in Ahmedabad some people were thinking of going on short time and also of reducing wages to a certain extent. I was referring merely to a newspaper report.

Mr. N. M. Joshi: My Honourable friend, Mr. Mody, says that he was only referring to a newspaper report, but I know that not only in Ahmedabad, but almost in every textile centre, attempts are being made for the reduction of wages. Take Bombay itself. It is true that the millowners in an organised effort have not yet attempted to reduce the wages. But unfortunately for the millowners of Bombay, although they have a Millowners Association, I am quite sure, even my friend, Mr. Mody, will not contradict me when I say that they are not a very much organised body. Moreover, it pays them sometimes to reduce the wages not by an organised effort, but by individual efforts. That is what is happening in Bombay. Every mill is trying to reduce the wages individually. They take advantage of the fact that there is unemployment in the city and try to reduce the wages. Wages in Bombay are being reduced from month to month. All this must be put a stop to if all the interests, which are involved in an industry, are to be protected by means of protective measures.

Mr. President, reference has been made several times in this House that, on account of bad working conditions in Japan and in China, we are unable to improve conditions in our country. The Statement of Objects and Reasons of this Bill states that on account of bad working conditions in China, protection is necessary for the Indian industry. Now, what I would like this House to consider is whether we have really got sufficient material to state that conditions in China are worse than conditions in India? Have we really got good material to state that conditions in Japan are worse than conditions in India? I am not myself prepared to make any statement to the effect that conditions in Japan and China are worse than conditions in India. As a matter of fact my own information is that the hours of work generally in Japan are today shorter than the hours of work in India. My own information is that the wages in Japan today are higher than the wages in India. (*Some Honourable Members:* "No.") There are

4 P. M. *Members who say, no.* I would like them to place before this House authoritative facts. And, therefore, my point is this, that if there is a feeling in our country that conditions in Japan and in

China are worse than the conditions in India, the first thing to do is that we should get correct information from those countries about those conditions.

Mr. F. E. James (Madras: European): Sir, may I suggest to my Honourable friend that he will find all the information he wants in two recent reports in the office of the International Labour Organisation?

Mr. N. M. Joshi: Sir, I have certainly seen the reports which the International Labour Office publishes. But in spite of those reports can any one here state that we shall agree as to the facts of this question? I have read several books; I generally make it a point to read books about conditions in Japan and China. And still a doubt is always left in our minds that, after all, the conditions in Japan may not be worse than the conditions in India. I, therefore, suggest to the Government of India that they should try to send the Tariff Board or any other delegation to Japan to inquire into the conditions prevailing there. Then, Sir, I shall not be satisfied even with that. After all, what is the use of collecting information from different countries unless we make an effort to come to an understanding with those countries? If we merely increase our tariffs, because the conditions in China and Japan are worse, we shall have to go on doing that till eternity and there will be no improvement in our own conditions. What is absolutely necessary is that there should be a co-ordinated and concerted international effort in this direction and for that purpose. Sir, you will remember that the workers' delegates at the International Labour Conference have been making a great effort that there should be a Labour Conference in Asia. We have tried our very best to get an international labour organisation to call a Conference; and who is standing in the way of that Conference? One of the Governments that stands in the way of such a Conference is the Government of India. If we really want that there should be common standards of working conditions in Japan, China and India, the best course is not that we should abuse each other, but we should make a common effort to improve the conditions, to level up the conditions in these different countries. And I shall suggest to the Government of India that they should give up their policy of standing in the way of a Conference between the countries in Asia for discussing labour conditions and seeing how those conditions should be improved. An effort in this direction is necessary in order that there should be an improvement throughout the countries and one country should not drag down other countries standing in the way of progress.

Sir, I have no more to say on this Bill, but there is one more point. It has been stated that the wages in our country are higher than the prices and we make statements about wages and prices and we are never able to find out what the truth is. Now, some years ago, the Government of Bombay introduced a Bill for the collection of statistics from different industries. If we are able to collect statistics by means of a statute, we shall be in a much better condition to judge what the real facts are. But, Sir, do you know why the Bill was dropped by the Government of Bombay? It was dropped on account of the opposition of the representatives of the Millowners' Association. I do not know, Sir, why the mill-owners of Bombay should be afraid of the collection of statistics if the conditions in Bombay are really very good.

Mr. H. P. Mody: If you knew your business, you would be afraid, not we.

Mr. N. M. Joshi: Whether I know my business or not, I am not against truth being found and discovered. It is the representatives of the millowners of Bombay and the Indian Chambers of Commerce in Bombay who opposed the Bill for the collection of statistics in Bombay. Sir, I, therefore, suggest to the Government of India that they should, without any delay, bring forward a measure for the collection of industrial statistics, so that whenever we discuss measures of this kind, we shall be better able to discuss these questions and we shall have better facts upon which we can debate.

Mr. Amar Nath Dutt: Sir, I was listening to the lengthy debates in this House for nearly four hours or more. During this time I was surprised to find that before the representatives of the people the skeleton in the feast was not present, save and except before two Honourable Members from Madras and one from Bengal. Neither the Government nor the so-called representatives of the people ever attempted to remedy the wrongs and to alleviate the miseries of the poor agriculturists of this country who need more aid at the present moment, not only from the Government, but from their countrymen like Sir Cowasji Jehangir and Mr. Mody also. But, Sir, the vision of a starving Mody and Jehangir only was before the House and the discussion was how to relieve the distress of the millowners of the Bombay Presidency. I am not one of those who would charge the Honourable the Commerce Member as my friend over there did when he said that he had no sympathy for Bengal industries. On the other hand, I know that he has been trying to revive the small industries of my province. But, Sir, the one thing that pains me more than anything else is that much of our activities and much of our attempts are spent in trying to give more to those who have more and to take away as much as possible from those who have less. Sir, 90 per cent of the people of this country are agriculturists and the income of many of us, landholders as well as (A Voice: "Lawyers") yes,—lawyers also depends upon the agriculturists. These landholders and lawyers who come here have a sacred duty to protect the poor agriculturists. But they have not up till now been able to attract the sympathy of the Honourable the Commerce Member or of the Honourable Member for Agriculture, who is not here now. At the same time, I hope these words may reach him. Even when we ask for an inquiry into the condition of these agriculturists, that is denied to us by the Government of which he forms a part. But when the millowners of Bombay come before Government, at once the Honourable Members of Government frame a Bill which is introduced and taken into consideration and an attempt is made to pass it on the very same day. Sir, I wish at least some portion of this enthusiasm had been shown for the relief of the agriculturists whom my friend over there also represents, I mean my Honourable friend, Captain Lal Chand.

Now, as regards the present Bill that we are considering, it is nothing but an attempt to extend the provisions of a Bill which was first introduced for three years and extended for another three years. I was surprised—I do not find my Honourable friend from Orissa in the House, who has achieved a great feat in having his agriculturist province separated from Bihar, he is not here—but I was surprised when I found him, as he admitted, in the same bed with Mr. Mody. They are strange bed fellows.

indeed. If I know him right, his sympathies are more for agriculturists than for millowners, for I remember what he said only three years ago when the protection was being extended for another three years in this very House. Sir, then he opposed this extension. I beg to submit before this House that, in attempting to extend this Bill for another seven months,—and the reason given here is that an enquiry has already been held, but the Government have not been able to come to a decision with regard to the necessary steps to meet the situation which will arise when the Cotton Textile Industry (Protection) Act, 1930, expires,—is not this coming to a decision, *i.e.*, at least to extend for some time the provisions of the Bill which was passed in the face of opposition from the representatives of the people? I submit that it appears to us that when a wrong has been perpetrated over a weaker section of the community, it is impossible for them to have that wrong redressed. In this way the Government are, it appears to me, perpetrating the wrong for three years and they see how it works for three years, then again another three years, and after all a case has been made out or attempted to have been made out that the Bombay millowners are not getting their dividends and that the mill industry in Bombay is suffering, but what is the reason, I ask, before we give any further extension to this protective Bill? I think we ought to try to know what is at the root of the difficulties of these Bombay millowners. Sir, I was reading a book named “Investors Indian Year Book for 1931-32”, and, in a review at page 137, I find the following words:

“It is rather remarkable that the only cotton weaving mills in India which do not seem to compete successfully with Japan are certain of those situated in Bombay”.

The Bombay Presidency, of course, has its own picture. Labour is expensive and troublesome there. For that they must thank my friend, Mr. Joshi, who comes from Bombay. But, Sir, I draw your special attention to this, so that these people may understand and one cannot but feel that there is something radically wrong somewhere—perhaps either with their management or method—when year after year their trading results are so poor. I will not charge the Honourable Members with having spent nine months in Paris or having spent money over gold tipped cigarettes and other luxuries, but, at the same time, I must protest against inefficient management of industries and then attempting to tax the poor people. My Honourable friend, Mr. Ghuznavi, has already given you a picture of what our Bombay millowners and our Bombay philanthropists did at the time of the Swadeshi agitation in Bengal in the year 1905. Taking advantage of the extremely sentimental and patriotic nature of the Bengalees, our Bombay friends made a profit or rather got dividend to the extent of 300 per cent. or 400 per cent at the expense of the patriotism of ill-advised Bengalees. Sir, we shall not forget those days.

My Honourable friend, Mr. Joshi, representative of labour in India has taken up the cause of only industrial labour, but I have never found him speaking about the poor agriculturists and agricultural labour, who form the bulk of the labour population in India. Labour propagandists try to influence the capitalists with the object of raising the wages of the labourers. I am not one of those who try to come down upon the capitalists and to raise the price of labour, say from Rs. 20 or Rs. 25 a month to Rs. 100 or Rs. 150, and see that the graduates only get Rs. 20 or Rs. 30 a month. I remember during the enquiry of the Retrenchment Committee the family budget of a postal peon was shown to be nearly a hundred rupees and the price of a ~~part~~ of the wife of a postal peon was

[Mr. Amar Nath Dutt.]

shown as Rs. 5, and a member of the Committee at once said that his wife never wears a sari as costly as that. That is the idea with which my friend, with his Geneva ideals, wishes to improve the condition of the labour. If, Sir, Europe does give us literature and history, it has brought certain other evils along with it and this labour propaganda is one of them, and I am not one of those who will stand with him in this matter, but at the same time I would ask him to be more patriotic, to go to the villages and fight the cause of the agriculturists. I should not be misunderstood to be supporting the attempt by this Bill to inflict further loss upon the consumers, the agriculturists who have to buy cloth. Sir, the price of cloth has been given by my friend, Mr. Mody, and that it is at the present moment less than what it was in pre-war days. But would he care to remember what is the price of the agricultural produce at the present moment? So far as Bengal is concerned, I may tell you that it is one-third of what it was in the pre-war days. Rice is selling at twelve annas a maund while it was more than Rs. 8 in the pre-war days. That being so, Sir, two maunds of paddy will bring a cloth for the agriculturist at the present moment, but if further embargo is put upon import of clothes from Japan, I think they will raise the price of cotton textile and the poor consumers will have to pay the price, and, as for the loss, I am one of those who are willing to give protection to the extent which will not injuriously affect the poor agriculturist and also save our industries. I am not against it, but, at the same time, certain figures have been handed over to me from which it is apparent—and I challenge my friend, Mr. Mody, to contradict that these figures are incorrect—that the mills in Delhi and Ahmedabad had been paying dividends of 12 per cent, 18 per cent and 31½ per cent and some even of 37½ per cent. Only one has paid 8 per cent and another has paid 7½ per cent: but there are cases of mills paying 40 per cent and 50 per cent: the Raipur Mill paid 50 per cent in the year 1931: (Interruption) I can give the whole list if my friend wants it:

Ahmedabad Cotton 20 per cent in six months.

Ahmedabad Industrial 11 per cent in six months,

Ahmedabad Jubilee 12½ per cent.

Ahmedabad Jupiter 9 per cent and 8½ per cent for ordinary and preference shares.

Ahmedabad Manufacturing and Calico 16·8 per cent.

Ahmedabad New Cotton 37½ per cent.

Ahmedabad Sarang 35 per cent.

Arodia 35 per cent.

Aruna 8 per cent.

Commercial 20 per cent.

Jehangir 18 per cent.

Raipur 50 per cent.

Sarangpur 40 per cent.

Vikram 7½ per cent.

Then, some mills in Delhi, with a capital of 20 lakhs, made a net profit in 1930 of Rs. 7,20,000, in 1931 of Rs. 11,22,000 and in 1932 of

Rs. 10,30,676—or more than fifty per cent. If mills in Delhi and Ahmedabad, without any additional protection which my friends from Bombay claim, can get dividends like this, are we not justified in thinking that there must be something rotten in their administration, something rotten in their management which is at the root of their ills, if it is really so? So, before that is fully scrutinised and before they can impress the people that it is necessary in the interests of the consumers that Japan should not be allowed to import cotton goods, but that we should give protection to them, so that Japan might be kept away, I beg to submit that unless they can convince us in the matter that these Bombay mills must be kept up, and unless they show us the necessity of doing so, I submit, we are not in a position to allow this Bill to be passed. With these few words, I oppose the consideration of the Bill.

Sir Cowasji Jehangir: Mr. President, at this very late hour, especially as the Honourable the Commerce Member will give a very full reply to the debate, I do not desire to take your time unnecessarily. Let me first candidly admit that I am personally interested in the mill industry. As far as my friend, Mr. Ghuznavi, is concerned—I see him fast asleep—now he has got up—his facts and figures have got about the same value and accuracy as those which he gave the Honourable House in connection with his attacks on the purchase of coal and colliery administration by the Railway Board and, when he began to make these exaggerated statements, my eyes went over the visitors' gallery to see if there were any Japanese present; there being none, I was convinced that his speech would be of very short duration, and I was quite correct. My Honourable friend sat down within five or six minutes. I do not desire to make any further remarks upon his speech, but I would like to point out that some of the statements made by my other Honourable friends were also rather exaggerated. It is true that many years ago the agents calculated their remuneration on outturn; but at the present time, in the City of Bombay, I really do not know of a single mill—there may be one or two of which I am not aware—which continue that system. It is now a question of getting a certain percentage of the profits.

Mr. N. M. Joshi: What about Ahmedabad?

Sir Cowasji Jehangir: I do not think there can be very many mills in that place either which charge commission on outturn. But when you get the Tariff Board's report, I am certain, you will be able to get facts and figures as to how many mills there are that charge according to this old system. As to whether the mill industry is making a profit or not or has been making undue profits or not, Government have merely to consult the Income-tax Department and they will have full facts and figures as to what income-tax they have been able to get from the mills in Bombay during the last few years. This is authentic information at the disposal of Government and it will take them a very short time to verify the facts of exaggerated profits made by some of my Honourable friends here. It is well known that the very best mills in Bombay today are making a loss: it is also well known that the Ahmedabad mills have got large stocks.

Now, having practically got the admission that the mill industry is in a bad way, I do not think any further arguments are required to prove this very sad state of affairs. But we were brought face to face with

[Sir Cowasji Jehangir.]

old arguments, arguments that have been raised on several occasions and legitimately raised now—the argument of what about the consumer? May I ask, what would have been the condition and the position of the consumer in India if there was not this textile industry in India today? If we were left to our fate, as some of our friends here desire we should be, and that there should be no protection, do you think, Mr. President, that Japan today would be selling its cloth at rock-bottom prices as it is doing? Do you think that if there was no protection given to the mill industry, the Japanese would be sending cloth to this country at the cost of cotton? It is because there are mills in India to compete, which continue to work today due to protection, that the consumer is getting the advantage of cloth at prices which are below cost. It is true that the consumer is less able to buy today than he was three or four years ago; but cloth, as Mr. Mitra pointed out, is a necessity of life and, therefore, whatever may be the reduction in their own incomes, they have got to buy a certain minimum quantity of cloth. It may be that they have to incur debt, but they have to buy it; and, if it was not for this protection, I venture to suggest that the Japanese within the last two or three years would have so ruined the Indian industry that today they would have been in a position to import cloth at two or three annas higher than they are doing. It is on account of this protection, I contend, that the prices of cloth have been kept at this very low level, at a level, I repeat, lower than cost. Sir, that is my answer to the argument that has been raised today with regard to the position of the consumer and to the advantages or disadvantages he derives from the protection that is sought to be extended only for the next seven months.

Then, Sir, my friend, Diwan Bahadur Ramaswami Mudaliar, raised a most important and interesting debate, but I would respectfully point out that to a certain extent it was irrelevant. We all readily admit that our interests, that is the interests of the textile industry, are identical with the interests of the producers of the raw commodity. It is in their prosperity that our prosperity lies. If the raw material obtains higher prices, the producers of raw material will be able to pay us a price for textiles which will leave us a little profit. If you ruin them, you will certainly ruin the textile industry of India, and, therefore, so far as that proposition goes, there is nobody in this House who will ever contest it; but if my friend, Diwan Bahadur Ramaswami Mudaliar, desired to argue that, on account of continuing this tariff, less cotton was being exported from the country or that this tariff affected the values of the raw commodities in India, I must respectfully point out that I do not see the connection. I can understand my friend complaining that the Indian mills have consumed less Indian cotton. He has shown that larger quantities of cotton have been imported into this country. May I explain why that was so? It was firstly due to the fact that a large number of mills began to produce cloth which had never been produced in India before. They have begun to produce a finer quality of cloth, for which cotton is not grown in this country, and, therefore, they had to buy the imported cotton. Nobody can contend that the millowners have not taken a real and genuine interest in the improvement of the staple of cotton. I do not think that my friends on the Treasury Benches will for one moment believe that millowners have impeded improvement in the quality of cotton. They have done their best to improve the staple

of cotton; it is in their interest to see that the quality of cotton is improved in this country. But, if, at the present moment, you cannot get cotton in order to spin the higher counts, is it an illegitimate thing for mill-owners to have used a certain amount of imported cotton? I will go a step further. Why was it, Mr. President, that figures for imported cotton jumped up within the last few months? It was on account of Japanese dumping, and I will show to the Honourable Members why it was so. On account of the Japanese dumping, the millowners, in order to compete, had to look round and produce other qualities. They could not compete with the Japanese stuff sent into this country, made most probably out of Indian cotton, and many mills, to my knowledge, went in for higher counts in order to find fresh fields for their productions and in order to compete against this dumping, within the last six or eight months or a year, many mills, who would never have dreamt of going to finer counts, were forced to do so. But suppose they had not done so, would they have continued to consume the Indian cotton? I venture to suggest that those looms would have been closed down on account of Japanese competition, and, instead of working on finer counts from imported cotton, they would have closed down the looms, they would have dispensed with the services of a larger number of their labourers than they have done today, and India would not have benefited at all; that cotton would have been surplus as it is today. That is the explanation, Mr. President, for the larger import of foreign cotton. No Indian millowner desires to produce goods, I am quite certain, for which he has not already a market amongst the millions of the people. As soon as you go on to fine counts, you run risks which you do not do for the coarser stuff. You do it when you are compelled to do it. If there are stocks of finer stuff, then a hundred per cent more money is locked up. If you fail to sell those stocks, then the losses are enormous. You can afford to keep stocks of coarse stuffs, because it costs less. You can afford to take risks with regard to depreciation in so far as coarse stuff is concerned, but you cannot afford to take those risks with regard to finer stuff and, therefore, the mill industry as a whole will not go in for finer stuff if it can get a ready market for coarse stuff. But if Japan is allowed to come into this country and knock out the market that the Indian mills have built up for themselves within the last 80 years, then it is not for Honourable Members to complain that we come here and ask for protection. These are some of the circumstances which have come into existence due to no fault of the textile trade. And, after all, what the Honourable Member has asked us is an extension of the protection for seven months until he is in a position to investigate the matter further, and, when he does investigate the matter further, and if he will only rely upon facts and not upon sentiment such as we have heard today, I venture to suggest he will come to the conclusion that not only is an extension of this protection well deserved, but that, if this country is to be saved, if the consumer is to be saved in the near future, a greater protection will have to be given. I do again emphasise the point that a great deal of our trouble is due to the low prices of the raw commodity, because it is millions who produce it; it is they who buy the goods that the textile industry turns out in India. And if those millions are badly off, if they are on the verge of starvation, if they are not able to buy their usual quantity of cloth, I for one feel some satisfaction that the industry is making a loss at a time when the people of this country can least afford to pay higher prices for cloth; if

[Sir Cowasji Jehangir.]

is at a time when the agriculturist is on the verge of starvation; and we, I mean those who are interested in the textile industry, will have to put up, for a short time, with a loss. If this loss had occurred at a time when agriculture was thriving, our complaint would have been much stronger, but I wish to look forward for just a few months hence when agriculture will recover, and if this question of competition is not dealt with now, the Japanese will get all the advantage of improved conditions in India, and the mill industry will be in the same rotten position in which it finds itself today. Surely, my friends here do not desire that if the condition of the agriculturist improves, as we all hope, hope and pray it will, that the advantage should go to Japan. Surely, if they are able to buy cloth, let it be Indian cloth. I am looking forward to that day, and I trust that my Honourable friends opposite will see to it that when agriculture improves, they will buy Indian cloth and no other cloth. I will be with them to see that as long as agriculture does not improve and the millions are on the verge of starvation, the mill industry shall charge its bare cost. I am prepared for that. But I do look for better times and if I do not look for better times and if this Honourable House does not look for better times, then they must be prepared to see the textile industry in this country wiped out.

Mr. President, a good many remarks have been made in this Honourable House which I have no desire to reply to. It is a late hour. We are anxious to hear my Honourable friend, the Commerce Member. Therefore, let us not be accused as we were by Mr. Ghuznavi today that because we are not able to reply to all the false accusations that are made, therefore, we admit them. My Honourable friend, Mr. Ghuznavi, said that we were in the House when he made startling accusations against the mill industry two or three years ago and that they were not contradicted and, therefore, he takes them for facts which are correct. I do desire to protect myself against such an accusation in the future, simply because I do not wish to waste the time of this House in answering accusations which are on the face of them false and incorrect.

The Honourable Sir Joseph Bhoré: The trend of the debate today seems to show that the House or a certain section of it is torn or is beginning to be torn between two loyalties, loyalty to the idea of protection and loyalty to the consumer's interest. I confess that I am unable to follow clearly the resultant of these two contending emotions. But I am quite sure that all Honourable Members themselves have not made up their minds as to the exact extent to which they would go either in the interests of the consumer or in the interests of the producer. I venture to think that the safest guide is still that which the Government of India have always steadily pursued, namely, a policy of discriminating protection, —a policy that has been endorsed by this House and a policy to which we are committed until this House deliberately modifies or sets it aside in favour of some other policy. (Hear, hear.)

Now, Sir, I would like to repeat what I have already said, that this, to my mind, is not the occasion for a discussion of the merits of the case for protection of the Indian cotton textile industry. I could not possibly deal here and now with questions of principle or policy without referring either directly or indirectly to the report of the recommendations of the Tariff Board, and the House will, I am sure, realise that I am precluded from doing that. I am sure they will, therefore, not expect me to go

into the merits of the case. I would, however, like to refer quite briefly, to an aspect which may be causing some uneasiness to certain minds, uneasiness indeed which has been reflected in more than one speech that has been made today. This matter that I am going to refer to has already been touched upon by my Honourable friend, Mr. Mody, but perhaps the House would like to have information from a less interested source. (Laughter.) I think, Sir, a very natural question which arises in the mind of the ordinary person in the street is this. Have these continuous increases in import duties not really put up prices to the consumer? That I think is a perfectly legitimate apprehension, and I confess that it was an apprehension that exercised me and made me ask for certain figures. Now, Sir, I do not wish to go at great length into statistics, but I will only take the case of grey unbleached goods which are speaking generally the cheapest classes of goods, and I will give the House the quotations of Bombay mill-made goods in respect of these over some period of time. Take the case of shirtings. In January, 1930, the quotations for grey shirtings unbleached were 0-13-9 pies per lb. In March, 1932, the quotations had fallen to 0-11-3 pies, and in January, 1933, they had still further fallen to ten annas. Take drills. In January, 1930, the price was 0-12-3 pies per lb., in March it had fallen to 0-9-3 pies; and in January, 1933, to 0-8-6 pies per lb. Take the articles known as "domestics". In January, 1930, this was 0-14-3 pies per lb., in March, 1932, it had fallen to 12 annas, and in January, 1933, to 10 annas. Now, Sir, I quite admit that we must take the fullest account of the general fall in prices, but the figures that I have given are, I think, of some significance. I shall no doubt have to refer to this subject in greater detail when we take up the question of the protection for the industry itself, but I thought, Sir, that a passing reference at this stage might help to allay unnecessary apprehension.

My Honourable friend, Mr. Ramaswami Mudaliar, sounded a well-timed note of warning in regard to the condition of the producers of raw material in this country. I can only say that it is a full appreciation of the complicated issues involved that has so far kept us again and again from taking hasty action. I would point out to him, however, that when we were considering the Ottawa Agreement, it was brought out very forcibly that the interests of the primary producer were being placed in the forefront, and I hope that through the efforts of the Imperial Council of Agricultural Research, acting in conjunction with the provincial Departments of Agriculture, the fullest advantage will be taken of the new openings for our primary products which have been made for the agriculturists by the Ottawa Agreement.

My Honourable friend, Mr. Ghuznavi, complained that he and the people of Bengal had been bled white by the exactions which have been imposed upon this country by the Bombay millowners. Well, Sir, I confess that I can see no signs of anæmia (Laughter), either pernicious or benign, either in his own person or in those of the representatives of Bengal in this House (Laughter), judging by the vigour of the speeches which they are on all occasions ready to make. I would, however, try to remove a misapprehension to which my Honourable friend gave currency. He said that we were always listening to the millowners of Bombay. Allow me to tell him that the telegrams that I have been receiving and which incidentally have been swelling the receipts of my Honourable colleague who sits to my right, have come from every part of India, from Bengal not least of all. My Honourable friend, Mr. Joshi,

[Sir Joseph Bhore.]

complained that we had done nothing when giving protection in the past, for the interests of textile labour. He asked what we are going to do and what we propose to do. My reply to him is this: *Si monumentum desiras circumspice*. He has only to see the legislation that has been introduced in this House. My Honourable friend also drew attention to the Objects and Reasons in which he said that I had referred to conditions of labour and to wages in China and Japan. Where he got that from, I have not the very faintest idea. I have scrutinised the Statement of Objects and Reasons and I find no reference whatsoever, either direct or indirect, either remote or near, to China or Japan. Sir, it grieves me very much to see signs of internecine warfare between members of the *quasi* joint family that sits before me

Mr. N. M. Joshi: May I interrupt the Honourable Member and read to him this sentence:

"By the same Act, the operation of the duty imposed by the Indian Tariff Act, 1927, was extended for a further period of three years on account of the unfair competition arising from the prevalence of inferior labour conditions in China".

This is not drawn from my imagination.

The Honourable Sir Joseph Bhore: Those were the Statement of Objects and Reasons in the previous Act. As I said, it has grieved me to see this difference of opinion in the ranks of the party opposite, but I do hope that Honourable Members will not oppose the passage of what in the circumstances of the case they must realise as an almost inevitable measure, but I do think that the speeches that have been made indicate one thing and that is a desire on the part of this House that when the case for the Indian cotton textile industry is placed before it, there shall be a convincing case put up in favour of any recommendations that may be put forward and also that a fair deal will be given not merely to the producer, but also to the consumer. In regard to that the House can set its mind at rest, for, I can assure you, Sir, that it is from that point of view that the Government will consider the report and frame their considered conclusions and place them before this House.

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

"That the Bill to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration".

The motion was adopted.

Clauses 2 and 1 were added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Joseph Bhore: Sir, I move that the Bill be passed.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 21st March, 1933.