

LEGISLATIVE ASSEMBLY DEBATES

WEDNESDAY, 28th MARCH, 1934

Vol. III—No. 13

OFFICIAL REPORT



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LEGISLATIVE ASSEMBLY.

Wednesday, 28th March, 1934.

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

QUESTIONS AND ANSWERS.

DISCHARGES IN THE BHURKUNDA COLLIERY.

564. ***Pandit Satyendra Nath Sen:** (a) Were there any case or cases of discharge in Bhurkunda Colliery in April and May, 1933? If so, how many, and what were the circumstances relating to each?

(b) Were the discharges made for the purpose of reduction? If so, were the prescribed rules for reduction strictly followed in those cases? If not, are Government prepared to set the matters right?

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

INCONVENIENCES TO LONG DISTANCE RAILWAY PASSENGERS.

565. ***Pandit Satyendra Nath Sen:** (a) Are Government aware that Railway journeys for long distance passengers generally become very inconvenient owing to the following among other facts:

- (i) rush of passengers,
- (ii) constant vexation owing to ingress and egress of passengers,
and
- (iii) greater possibility of the presence of cheats in the compartments?

(b) Have the Railway Board received any scheme from one Mr. H. C. Dev, regarding facilities for long distance passengers? If so, what are the suggestions contained in it?

(c) Are the Railway Board inclined to accept them? If not, why not?

Mr. P. R. Rau: (a) Government recognise that there are certain inconveniences which are inseparable from a long distance journey in any public conveyance.

(b) and (c). I understand a letter was received from Mr. Dev by the Railway Board in 1931. The main suggestion contained therein, so far as

I can gather from the papers in the Railway Board's office, which do not contain a copy of the letter in question, was the segregation of long distance passengers in separate compartments in through trains. This proposal was considered impracticable because it was liable to result in some carriages being overcrowded and other running practically empty and it was impossible to compel long distance passengers to travel in the particular compartments of the train reserved for them.

Pandit Satyendra Nath Sen: Is it not a fact that a special carriage for Dehra Dun is attached to some of the important trains that leave Howrah?

Mr. P. R. Rau: Yes, Sir. The Honourable Member is doubtless aware that railway administrations do whatever they can in this matter.

Dr. Ziauddin Ahmad: Sir, before I ask this question, I should like to know whether I would be constitutionally right in asking it. According to our rules, questions are to be asked in the first hour of the day's meeting, but this is really a continuation of the meeting held today which was adjourned to meet again 'today' at eleven. So this is not the first hour of today's meeting, and I do not think questions can be asked now.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can ask the question if he wants.

SENDING OF ADVANCE COPIES OF APPEALS TO THE RAILWAY BOARD.

566. ***Dr. Ziauddin Ahmad:** (a) Is it a fact that a circular letter has been issued, prohibiting the railway employees from sending an advance copy of their appeals to the Railway Board?

(b) If so, will Government be pleased to state the method by which they can find out whether the appeals tendered by the staff have or have not been withheld by the Agent or any subordinate officer?

(c) Do Government propose to take disciplinary action against officers who withhold such appeals without bringing them to the notice of the Railway Board? If so, what?

Mr. P. R. Rau: (a) The circular in question, a copy of which I lay on the table of the House, pointed out that as no action is taken on advance copies they serve no useful purpose and only occasion unnecessary clerical work. The Railway Board asked that instructions may be issued that the practice of sending advance copies of appeals should be discontinued.

(b) The rules provide that when an appeal is withheld the appellant should be informed of the fact with reasons for it and a quarterly statement of appeals so withheld, except for the reason that the appeal is to an authority to whom no appeal lies, shall be submitted to the authority to whom such appeals were addressed.

(c) If any breaches of these rules are brought to the notice of Government, they will be taken serious notice of.

No. 2035-E. G.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

Dated New Delhi, the 1st September, 1933.

To

The Agents,
North Western, East Indian, Eastern Bengal, Great Indian Peninsula and
Burma Railways.

Dear Sir,

The Railway Board have noticed that when appeals are submitted for their consideration, it is becoming the general practice for appellants to transmit advance copies direct to the Railway Board, bearing the endorsement that the original is being submitted through the proper channels. I am to point out that, as no action is taken on such advance copies, they serve no useful purpose, and only occasion unnecessary clerical work. The Railway Board therefore consider that the practice of submitting advance copies of appeals should be discontinued, and I am to ask that instructions may be issued accordingly.

Yours faithfully,

(Sd.) L. H. KIRKNESS,

Secretary, Railway Board.

D. A.—NW.

No. 2035-E. G., dated the 1st September, 1933.

Copy forwarded for information and guidance to the—

- (1) Central Publicity Officer, Indian State Railways,
- (2) Chief Mining Engineer, Railway Board.
- (3) Senior Government Inspectors of Railways, Circles Nos. 1, 4, 5, and 7.
- (4) Government Inspectors of Railways, Circles Nos. 2 and 2-A.
- (5) Chief Controller of Standardisation.

(Sd.) L. H. KIRKNESS,

Secretary, Railway Board.

No. 2035-E. G., dated the 1st September, 1933.

Copy forwarded to the Controller of Railway Accounts, Chief Accounts Officers, N. W., E. B., E. I., G. I, P, and Burma Railways and Director Railway Clearing Accounts Office, for information and guidance.

(Sd.) BARKAT ALI,

for Financial Commissioner, Railways.

APPEALS SENT TO HIS EXCELLENCY THE VICEROY BY RAILWAY EMPLOYEES.

567. *Dr. Ziauddin Ahmad: (a) Is it a fact that the appeals sent to His Excellency the Viceroy by railway employees are sent by the Private Secretary to His Excellency the Viceroy to the Railway Board?

(b) Is it not a fact that such appeals, with a printed memorandum signed by a subordinate clerk, are sent back to the Agents for disposal? Can Government give any instance during the last four years in which the

Agent sent back these appeals to the Railway Board with any remark of his own? If so, will Government please lay on the table a statement giving reference to such cases?

Mr. P. B. Rau: (a) The procedure in the Railway Department is the same as in other departments of the Government of India. Appeals or memorials sent directly to His Excellency the Viceroy are forwarded by the Private Secretary to the Department concerned for disposal or remarks.

(b) When such an appeal or memorial is forwarded to the Railway Board for disposal and when an appeal lies to the Railway Board, it is carefully considered by the Board before final orders are issued. When under the rules no appeal lies beyond the Agent, it is ordinarily forwarded to the Agent for disposal. Such letters are signed by a gazetted Superintendent on behalf of and under the instructions of the Secretary. When such appeals are sent by the Railway Board to an Agent for disposal there is no occasion for the Agent to send them back to the Board with his remarks.

Mr. M. Maswood Ahmad: Do I understand the Honourable Member to mean that the Railway Board only consider those cases in which an appeal lies to the Railway Board and that if an appeal does not lie to the Railway Board, they do not consider it?

Mr. P. B. Rau: That is the ordinary practice.

Mr. M. Maswood Ahmad: Then is it not useless to send an appeal to the Viceroy, because it is not considered by the Railway Board if an appeal does not lie to them?

Mr. P. B. Rau: I am afraid my Honourable friend has got rather mixed up between the question of appeals and memorials.

Dr. Ziauddin Ahmad: As the intention of an appeal is that some authority higher than the authority which decided the question should have a kind of review, if these applications are not read by the Railway Board, but sent back to the Agent from whose order the appeal is filed, is not my Honourable friend, Mr. Maswood Ahmad, right in saying that it is useless to send any kind of memorial to His Excellency?

Mr. P. B. Rau: I stated quite plainly that appeals and memorials sent to His Excellency the Viceroy are forwarded to the Department either for disposal or remarks.

Dr. Ziauddin Ahmad: May I ask whether these appeals are read by any Member or Officer of the Railway Board?

Mr. P. B. Rau: Certainly. My Honourable friend put that question to Mr. Colvin during the Budget debates and got a categorical answer.

Mr. M. Maswood Ahmad: After remarks are made on these appeals, are they returned to the Private Secretary to the Viceroy?

Mr. P. B. Rau: If remarks are called for, certainly they would be returned.

TIME LIMIT FOR FORWARDING APPEALS OF RAILWAY EMPLOYEES.

568. •Dr. Ziauddin Ahmad: Is there any time limit prescribed within which the Agent of a Railway or other subordinate officers, must necessarily forward the appeal of railway employees to the next higher authorities?

Mr. P. R. Rau: No time limit has been prescribed as to the forwarding of appeals regarding an order against which a right of appeal lies.

Dr. Ziauddin Ahmad: Will it be correct to say that the Agent may withhold an appeal during the whole tenure of his office?

Mr. P. R. Rau: No, Sir. The rules provide that when an appeal is withheld, the fact must be communicated to the person appealing, and when an appeal is decided by the Agent himself, the decision should be communicated to the person concerned.

Dr. Ziauddin Ahmad: In view of the fact that we have stopped a person from sending an appeal direct to the Railway Board, what is the method left to the Railway Board to determine whether a certain appeal has been forwarded or withheld? Do the Railway Board demand any kind of statement showing the number of appeals which are lying there?

Mr. P. R. Rau: I replied to this question a few minutes ago. There is a quarterly statement prescribed which shows all the appeals withheld.

Mr. M. Maswood Ahmad: Are Government aware that there is great discontent among the employees about these appeal rules, and do Government propose to reconsider them?

Mr. P. R. Rau: I quite agree with the Honourable Member, and the Railway Board are quite convinced that it is essential that in any case if an appeal lies to the Railway Board, the right of appeal should be a reality, and that all appeals should be carefully considered by the Board. We quite recognise that and our procedure does in practice give effect to it.

Mr. M. Maswood Ahmad: Do Government propose to consider this question of appeal rules either in the Local Advisory Committees or in the Central Advisory Committee, because there is great discontent among the employees about the present appeal rules?

Mr. P. R. Rau: My Honourable friend has not stated specifically what are the particular rules which he considers are sources of this discontent.

Mr. M. Maswood Ahmad: I think I will not be right in stating those facts, because I am entitled to ask questions here only, and so my question is that, in view of so many questions about these appeal rules, is it not better to consider the question in the Central Advisory Committee as to how far the rules require any change and how far Government are ready to amend the rules?

The Honourable Sir Joseph Bhoré: If my Honourable friend makes that suggestion and puts it up for consideration at the next meeting of the Central Advisory Committee, I shall consider whether it should be included in the agenda or not.

Dr. Ziauddin Ahmad: Is it not a fact that a deputation of officers of the East Indian Railway met the Railway Board and mentioned their grievances about similar practices?

Mr. P. B. Rau: I have no personal information about it. If my Honourable friend wants the information, I shall have to ask for notice of the question.

EXAMINATION IN GURMUKHI HELD BY THE POSTMASTER GENERAL, LAHORE.

569. *Sardar Sant Singh: (a) Is it a fact that the Postmaster General, Post Office, Lahore, held an examination in Gurmukhi on the 22nd October, 1933? If so, is it a fact that 75 per cent marks were required for passing the examination? If so, how many candidates appeared and how many were declared successful?

(b) What purpose does this qualification serve in the Post Office?

(c) Were the examinees required to transliterate the Gurmukhi characters into Roman characters? If so, with what object?

The Honourable Sir Frank Noyce: (a) to (c). Enquiry is being made and a reply will be laid on the table in due course.

PERSONS ARRESTED WRONGLY BY THE DELHI POLICE FOR CERTAIN ALLEGED OFFENCES.

570. *Mr. S. G. Jog: (a) Will Government please state the number of persons the Delhi Police arrested wrongly for certain alleged offences since the 1st March, 1933?

(b) How many of them were let off without being challaned before a court because the police subsequently found out that they were not the wanted persons?

The Honourable Sir Harry Haig: With your permission, I will answer questions Nos. 570 and 571 together. I have made enquiries of the Chief Commissioner, Delhi, and will lay the result on the table in due course.

ARREST OF ONE CAPTAIN G. M. SEKHRI BY THE DELHI POLICE.

571. *Mr. S. G. Jog: (a) Do the Delhi Police arrest respectable persons after making due enquiries as to their identity, etc.? If not, why not?

(b) Are Government aware that one Captain G. M. Sekhri, A.I.R.O., B.Sc., M.B.B.S., and a Municipal Commissioner, was arrested by the Delhi Police on the 25th January, 1934?

(c) Are Government aware that he was let off by the police after a few days as it was found out that he was not the wanted man?

(d) What is the provision in such cases as to the arrest of a person? Do the police tally before arrest the identity of the supposed culprit with the identification details given by the complainant? If not, why not?

(e) Do Government propose to provide for preliminary identification by police before arresting a person? If not, why not?

(f) Is there any provision for compensating such persons who are wrongly arrested, detained and unnecessarily harassed?

† For answer to this question, see answer to question No. 570.

WHEAT EATERS AND RICE EATERS IN THE FINANCE DEPARTMENT AND IN THE DEFENCE FORCES AND POLICE.

572. ***Dr. Ziauddin Ahmad:** (a) Will Government be pleased to state the number of wheat eaters and rice eaters (i) in the Finance Department of the Government of India, and (ii) in the defence forces and police?

The Honourable Sir Harry Haig: I regret to find that the Government records are silent on the point. If the Honourable Member wishes to start research into the subject, I would suggest that he should conduct a census of the Members of this House.

Mr. K. C. Neogy: Do I understand the implication of this question to be that wheat is good for building up brawn, but not brains?

The Honourable Sir Harry Haig: I would suggest that the Honourable Member addresses his question to the questioner.

Mr. B. Das: If such a census is made, will the statistician also collect statistics as to how many are herbivorous and how many are carnivorous?

RACE-HORSES IMPORTED INTO INDIA.

573. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state (i) the number, and (ii) the value, of the race-horses imported into India, from the 1st April, 1931, to the 28th February, 1934?

(b) Were any or all these horses insured? If so, what was the total amount of such insurance?

(c) Was any import duty realised on these race-horses? If so, how much and at what rate?

The Honourable Sir Joseph Bhore: (a) The information asked for is not available, as race-horses are not separately recorded in the annual or monthly Sea-borne Trade Accounts of British India.

(b) Government have no information.

(c) No. Import duty is not levied on race-horses, all animals being admitted free.

Mr. M. Maswood Ahmad: Are Government aware that lakhs of rupees and even more have been laid on race-horses here, and that this great luxury is troubling many people in this country, and do they propose to impose any import duty on these race-horses?

The Honourable Sir Joseph Bhore: Does my Honourable friend suggest that this import duty should be levied as a measure of protection for horses bred in this country?

Mr. M. Maswood Ahmad: I do not suggest it as a protective measure: I want to know from my Honourable friend, Sir George Schuster, because this is his department—the imposition of duty—whether Government propose to impose an import duty on race-horses which are of large value to save the poor tax-payer from the burden of heavy taxes?

The Honourable Sir George Schuster: I shall have great pleasure in considering my Honourable friend's suggestion when we go through the whole of our import duties.

Dr. Ziauddin Ahmad: May I ask whether Government will not consider it as a temporary measure to give temporary shelter to this particular industry in India and even to raise the price level to 1931 conditions?

The Honourable Sir Joseph Bore: I did not know that my Honourable friend was so interested in horse-racing. Now that I find where his predilections lie, I shall certainly consider his suggestion.

RECRUITMENT OF CLERKS AND COPYHOLDERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

574. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** (a) Will Government be pleased to state the method of recruitment of clerks and copyholders in the Government of India Press, New Delhi?

(b) Is it a fact that only those candidates, who have recommendations, are called by the Manager for interviews and the same candidates are selected after interview?

(c) Is it a fact that the Manager has already decided to take an undergraduate in preference to local graduates because he is the son-in-law of the Secretary of the Works Committee?

(d) Are Government aware that there is great discontent among the workers of the Government of India Press, New Delhi, owing to the policy of pleasing the members of the committee by taking their relatives in Government employ?

(e) Is it or is it not a fact that some relations of the Works Committee have been taken in service of the Press recently?

The Honourable Sir Frank Noyce: (a) The recruitment of clerks is made with the approval of the Controller of Printing in accordance with a set of rules which may be seen in his office.

The recruitment of copyholders is made by the Manager of the Press who, I understand, tests candidates in reading and generally satisfies himself that they are suitably qualified.

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

(e) No persons known to be relatives of members of the Works Committee have been employed recently.

EXEMPTION OF POSTAL EMPLOYEES IN BIHAR FROM THE EMERGENCY CUT IN PAY.

575. ***Mr. S. C. Mitra:** (a) Have Government received any representation from the Postal Unions for exempting the postal officials who have suffered in the Bihar earthquake from the five per cent. emergency cut in pay?

(b) Do Government propose to consider the cases of the earthquake sufferers in the Postal Department sympathetically as regards their cut in pay?

(c) Is it not a fact that Government have in some other Departments, particularly in the Army Department, exempted from the operation of percentage cut in pay several persons on special considerations?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The matter is receiving the attention of the Director-General.

(c) Yes.

SHORT NOTICE QUESTION AND ANSWER.

IMPORT OF FOREIGN RICE INTO INDIA.

Diwan Bahadur A. Ramaswami Mudaliar: With regard to the statement made by Mr. Bajpai in the course of the debate on the Wheat Import Duty (Extending) Bill on the 26th February that Government were considering what action, if any, was necessary to prevent the disturbing influence of imports of foreign rice on local rice prices, are Government in a position to state now what action they have taken?

Mr. G. S. Bajpai: At the request of the Government of India, His Majesty's Government have instructed His Majesty's Ambassadors in Paris and Bangkok to make representations urgently to the Governments concerned that they should take remedial action.

Mr. B. Sitaramaraju: Has the attention of the Government been drawn to the following news that the Japanese steamer "Toho Maru" steamed into the Madras Harbour on the 21st March, with 4,500 tons of rice, 400 tons to be landed in Madras and the rest to be distributed in other parts of the coast, and it is further stated that 38,000 tons of Siamese rice have been landed in Madras within the last three months—a quantity twice that of the whole annual importation of foreign rice into this country? If that is a fact, will Government be pleased not to delay further in the matter but expedite these proceedings as far as possible lest they may be locking the stable after the horse is stolen?

Mr. G. S. Bajpai: Having a somewhat religious reverence for truth I avoid newspapers in the morning; but I do happen to have information in my possession which shows that imports in March are considerably lower than what they were in January.

Mr. B. Sitaramaraju: Has the attention of Government been drawn to the whole of the imports of foreign rice for the last three months and whether the quantities now imported into Madras are far in excess of the total amount imported into this country in a whole year—I gave the figures for three months—and whether the imports of foreign rice in that period do not amount to twice the amount ordinarily imported within a year into this country?

Mr. G. S. Bajpai: That is a fact: I myself drew attention to the excessive imports of rice during the last three months from countries such as French Indo-China and Siam into this country.

Mr. B. Sitaramaraju: In view of what I stated yesterday, as the Government are now considering the action which they have to take in regard to imports of foreign rice, what do the Government propose to do with

regard to the inter-provincial distribution—particularly with regard to the importation of rice from Burma and with regard also to the question of an export duty?

Mr. President (The Honourable Sir Shanmukham Chetty): That question does not arise.

Mr. B. Sitaramaraju: I have given short notice of the question and so

Mr. President (The Honourable Sir Shanmukham Chetty): Any further question now must arise out of the present question.

Mr. B. Sitaramaraju: I am asking whether Government, in view of the fact that as they are only taking action upon the question of foreign imports, are also going to take further action in regard to inter-provincial distribution: I submit it is arising out of the question.

Mr. President (The Honourable Sir Shanmukham Chetty): That question does not arise on this.

Mr. Vidya Sagar Pandya: Will Government kindly lay on the table any representations made by the Government of Madras in this matter?

Mr. G. S. Bajpai: The matter is still under correspondence with the Government of Madras, and I do not think I would be justified in laying copies of the papers on the table yet.

Mr. F. E. James: Will the Government of India take advantage of the presence of representatives from the Government of Madras and also from Burma and other affected Provinces next week at the Provincial Conference to discuss this matter with them?

Mr. G. S. Bajpai: That is a suggestion which will certainly be considered.

Mr. M. Maswood Ahmad: Will Government please state what is the amount of rice imported into India in the last three months and in the financial year 1933-34 for 11 months?

Mr. G. S. Bajpai: I gave the figures of imports for the months of December and January in the course of the statement which I made when the Wheat Import Duty Bill was under discussion. I can now give the figures for February and March. For the month of February, 15,643 tons and for the month of March up to 15th, it is 12,805 tons.

Mr. M. Maswood Ahmad: Up to November 1933?

Mr. G. S. Bajpai: It was 19,000 tons or 3,000 tons less than for the corresponding period of 1932.

Mr. K. P. Thampan: The Honourable Member referred to certain representations made by the Government of Madras. Were those representations sent after the deputation of some of the Members of the Madras Legislative Council and other leading men of Madras who waited on the Governor in this matter, or before that?

Mr. G. S. Bajpai: I think that the first representation of the Government of Madras was certainly received before that deputation.

Mr. K. P. Thampan: Have Government received any fresh representation after that?

Mr. G. S. Bajpai: There has recently been a representation, but I could not very well say the date of that representation.

Raja Bahadur G. Krishnamachariar: Can the Government inform us the probable date when a final decision will be arrived at in this matter?

Mr. G. S. Bajpai: My Honourable friend is asking me really to assume the role of a prophet, but he will recognise that when we are conducting negotiations with foreign powers, it is difficult to fix the precise date for the termination of those negotiations. But I can assure the Honourable Member and the House that we realise the necessity of a speedy conclusion of these negotiations.

Mr. K. P. Thampan: May I ask whether the question of import of rice from foreign countries will be given due consideration at the economic conference that meets in early April?

Mr. G. S. Bajpai: My Honourable friend, Mr. James, made that suggestion a little while ago and I said that we would consider that suggestion.

Mr. Sitakanta Mahapatra: Will any steps be taken for a complete stoppage of imports of rice?

Mr. G. S. Bajpai: I am afraid that that is a hypothetical question at this stage, and I cannot give an answer.

UNSTARRED QUESTIONS AND ANSWERS.

PROMOTION OF CERTAIN RESERVE CLERKS IN THE ROHILKHAND POSTAL DIVISION.

245. **Mr. M. Maswood Ahmad:** (a) Will Government please state the number of the reserve clerks in the Rohilkhand Postal Division who were appointed as clerks, permanently or officiating, during the period from April, 1933, to July, 1933?

(b) Is it a fact that according to the present orders no official is to be permanently promoted due to retrenchment? Did any of the reserve clerks mentioned in part (a) above get promotion as clerk permanently?

(c) Will Government please state the position held by the reserve clerks mentioned in part (a) above in the gradation list of the reserve clerks of the Rohilkhand Division prior to their appointment as clerks?

(d) Is it a fact that some of the reserve clerks mentioned in part (a) above superseded about 15 senior reserve clerks of the Division about the month of June, 1933?

(e) If the reply to part (d) above be in the affirmative, will Government please state whether reserve clerks, with equal qualifications and fitness

are appointed as clerks according to their seniority or by selection, and what were the special considerations in favour of the reserve clerks who were allowed to supersede a large number of their seniors?

(f) Do Government propose to issue orders that the reserve clerks who have superseded their seniors during 1933 should be reverted in order to give place to those who have been superseded?

1 * **The Honourable Sir Frank Noyce:** (a) to (f). Enquiries are being made and a reply will be laid on the table in due course.

RETRENCHMENT IN THE UNITED PROVINCES POSTAL CIRCLE.

246. **Mr. M. Maswood Ahmad:** (a) Will Government please state whether it is a fact that under the retrenchment scheme, the officials of the clerical group who have put in 30 years' service in the Indian Posts and Telegraphs Department have to be retrenched before the retrenchment of those with less than 30 years' service?

(b) Will Government please state whether it is a fact that in the United Provinces Postal Circle some officials of the clerical group (including the lowest selection grade) who had not completed 30 years' service prior to the 31st December, 1933, were ordered to proceed on retrenchment leave due to the length of service, despite the fact that there were officials in the same group of clerks who had completed 30 years' service?

(c) Will Government please place on the table a statement showing the names of officials of the clerical group in the United Provinces Postal Circle who (i) had completed 30 years' service prior to the 31st December, 1933, but were retained, and (ii) those who had not completed 30 years' service but were retrenched?

(d) Do Government propose to issue orders that those officials who have put in 30 years' service should be retrenched and others who have been forced to go on retrenchment leave be called back?

The Honourable Sir Frank Noyce: (a) The fact is substantially as stated by the Honourable Member but I may explain that retrenchment is made by selection and that when no official of a particular community having at least 30 years' service is available it is permissible to retrench one of that community having less service, in preference to officials of other communities with longer service, so as to maintain the communal ratio.

(b) and (c). Government have no information and do not consider it necessary to call for it as there may be such cases for the reasons explained in the reply to part (a).

(d) In view of the application of the retrenchment rules as explained in the reply to part (a), Government are not prepared to issue any such orders as those suggested by the Honourable Member.

RECRUITMENT OF POSTAL CLERKS.

247. **Rao Bahadur M. O. Rajah:** Is it a fact that the recruitment to the clerical staff in the Post Office has been ordered to be made from the postmen class?

The Honourable Sir Frank Noyce: Qualified men of the postmen class have been made eligible for appointment to the Lower Division of the clerical cadre.

EXAMINATION FOR INSPECTORS IN THE PUNJAB POSTAL CIRCLE.

248. Rao Bahadur M. C. Rajah: Is it a fact that no examination in the Punjab Postal Circle will be held for the Inspectors this year? If so, will Government be pleased to state if those candidates of the Post Office who were last nominated for Inspectors' examination will be allowed to sit in the next examination even if they cross the age bar?

The Honourable Sir Frank Noyce: The reply to the first part is in the affirmative and to the second in the negative.

INDIAN OFFICERS EMPLOYED ON RAILWAYS.

249. Mr. Nabakumar Sing Dudhoria: Will Government be pleased to state:

- (a) the name of the Indian railway which has got an Indian as its Agent;
- (b) the name of the Indian railway which has got an Indian as its Chief Operating Superintendent;
- (c) the name of the Indian railway which has got an Indian as its Chief Commercial Manager;
- (d) the name of the Indian railway which has got an Indian as its Chief Locomotive Superintendent;
- (e) the name of the Indian railway which has got an Indian as its Chief Carriage and Wagon Superintendent;
- (f) the name of the Indian railway which has got an Indian as its Chief Engineer;
- (g) the name of the Indian railway which has got an Indian as its Chief Audit and Accounts Officer;
- (h) the name of the Indian railway which has got an Indian as its Chief Controller of Stores; and
- (i) the name of the Indian railway which has got an Indian as its Chief Medical Officer?

Mr. P. R. Rau: Presumably my Honourable friend is referring to State-owned railways. If so, of the various posts referred to by him, the following are at present held by Indians—Agent, Eastern Bengal Railway, Chief Accounts Officers, Great Indian Peninsula, East Indian, Madras and Southern Mahratta Railways and Chief Medical Officers, East Indian and Great Indian Peninsula Railways.

ACTION TAKEN BY AGENT OF THE EAST INDIAN RAILWAY ON CERTAIN QUESTIONS ASKED IN THE LEGISLATIVE ASSEMBLY.

250. Mr. S. G. Jog: Is it a fact that Mr. P. R. Rau in reply to starred questions Nos. 1398 and 1399 of the 12th December, 1933, informed this House that Government have sent copies of these questions to the Agent, East Indian Railway, for such action as he may feel necessary to take? If so, are Government prepared to enquire and state the nature of the action taken by the Agent?

Mr. P. R. Rau: The answer to the first part of the question is in the affirmative. As regards the second part, Government did not ask for a report from the Agent.

STAFF ENGAGED FOR PAYMENT OF PENSIONS TO ARMY RESERVISTS.

251. **Mr. D. K. Lahiri Chaudhury:** With reference to the credit of Rs. 2,72,000 in demand No. 23, page 79, under the head "Payment of military pensions and subsistence allowance to army reservists", will Government please furnish a statement showing (i) the number of clerks and other staff engaged for payment of pensions, and (ii) their pay, pensionary charges, leave provision, cost of stationery, etc.?

The Honourable Sir Frank Noyce: Information is being collected and will be laid on the table in due course.

CLERKS PERFORMING SAVINGS BANK AND CASH CERTIFICATE DUTIES IN CERTAIN POST OFFICES AND AUDIT OFFICES.

252. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government please lay on the table a statement showing the number of clerks engaged on the performance of Savings Bank and Cash Certificate duties in the Post Offices in the Madras and Burma Circles and the number of clerks engaged in the Madras Audit Office to audit the work?

(b) Will Government please furnish a statement showing the number of clerks engaged on Savings Bank and Cash Certificate duties in Bengal and Assam and Bihar and Orissa Circles, and the number of clerks engaged in the Calcutta Audit Office to check the work?

The Honourable Sir Frank Noyce: (a) and (b). A statement showing the number of officials employed in the Madras and Calcutta Audit Offices on Savings Bank and Cash Certificate work is annexed. Separate figures are not available in respect of the staff employed in the Post Offices in the Madras, Burma, Bengal and Assam and Bihar and Orissa Circles for the performance of Savings Bank and Cash Certificate work as in most of the offices the same staff are employed on these as well as on other classes of work.

Statement showing staff employed on Savings Bank and Cash Certificate works in the Madras and Calcutta Audit Offices.

		Savings Bank.			Cash Certificate.		
		Accounts.	Clerks.	Total.	Accounts.	Clerks.	Total.
Madras	Audit	2	89	91		9	9
Office.							
Calcutta	Audit	3	137	140	1	17	18
Office.							

STAFF PERFORMING SAVINGS BANK, CASH CERTIFICATE AND GOVERNMENT SECURITY WORK IN POST OFFICES AND AUDIT OFFICES.

253. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing the number of (i) supervisors, (ii) clerks, and (iii) inferior servants engaged in Post Offices and Audit Offices for the performance of Savings Bank, Cash Certificate and Government security work during the year 1932-33?

(b) What was the pay, pensionary charges, and cost of leave provision of the staff in post offices and audit offices, separately?

(c) What was the proportionate rent for the accommodation of the department in post offices and in audit offices?

(d) What was the cost of stationery, printing and contingency?

The Honourable Sir Frank Noyce: (a) A statement showing the number of officials employed in Audit Offices in 1932-33, on Savings Bank, Cash Certificate and Government Security work is annexed. Separate figures are not available in respect of the staff employed in the Post Offices for the performance of Savings Bank, Cash Certificate and Government Security work as in most of the offices the same staff is employed for the performance of these as well as other classes of work.

(b), (c) and (d). The information relating to the charges incurred in the Audit Offices is given in another statement annexed. As regards Post Offices, a separate record is not maintained in respect of such charges.

Statement showing the Staff employed in Audit Offices on Savings Bank, Cash Certificate and Government Security work during 1932-33.

	Savings Bank.				Cash Certificate.				Government Security.			
	Supervisors.	Clerks.	Inferior servants.	Total.	Supervisors.	Clerks.	Inferior servants.	Total.	Supervisors.	Clerks.	Inferior servants.	Total.
Calcutta Audit Office	3	137	4	144	1	17	1	19	3	58	2	63
Delhi Audit Office	3	138	3	144	1	27	1	29	..	..	..	..
Nagpur Audit Office	2	96	2	100	1	33	1	35	..	..	..	..
Madras Audit Office	2	89	1	92	..	9	..	9	..	..	..	..
Total	10	460	10	480	3	86	3	92	3	58	2	63

Statement showing expenditure incurred in Audit Offices during 1932-33 in connection with Savings Bank, Cash Certificate and Government Security work.

	Savings Bank.	Cash Certificate.	Government Security.
	Rs.	Rs.	Rs.
Pay including leave provision	5,84,606	1,03,657	76,485
Allowances	39,765	4,250	830
Pensionary charges	42,716	6,041	[4,257
Contingencies including share of rent of buildings.	61,955	7,807	[6,805
Stationery and Printing	29,365	422	166
Total	7,58,407	1,22,177	88,543

GENERAL SERVICE TELEGRAPHISTS.

254. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government please furnish a statement showing the number of departmental telegraph offices converted into combined offices during the year 1933-34 and up to the 31st January, 1934?

(b) Will Government please also furnish a statement showing the number of general service telegraphists employed during the year 1932-33 and up to the 31st January, 1934?

(c) How many general service telegraphists worked in the Calcutta, Bombay, Madras and Agra Central Telegraph Offices during the years mentioned above?

(d) How many of them were transferred?

The Honourable Sir Frank Noyce: (a) Nine departmental telegraph offices were converted into combined Post and Telegraph Offices during the first ten months of the year 1933-34.

(b) The number of general service telegraphists (including those who were officiating as telegraph masters) on the 31st March, 1933, and on the 31st January, 1934, was 1,959 and 1,862, respectively.

(c) 126, 320, 124 and 146, respectively on the 31st March, 1933, and 124, 332, 120 and 138, respectively, on the 31st January, 1934.

(d) 125.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

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

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

Sir, in making this motion, I hardly think that the House will require any long explanations from me. I should only like to take this occasion to express my appreciation of the value that we have received from the Committee of the Assembly in handling this very difficult and intricate question of encouraging the production of Indian Salt. We have followed a novel procedure and I think the plan which we have evolved is one which contains very valuable lessons. There are two essential features, the first that, combined with the import duty, there is a provision by which the Government reserve power to buy in salt at a certain fixed maximum price from those manufacturers who get the benefit of the import duty. That is the first feature, and the second feature is that we have always refrained from recommending the fixation of the duty for a long period of years. We felt that this was a matter which must be watched and reviewed from year to year, and although the Committee in its report makes it quite clear that they recommend the continuance of this system, they have also made it clear that they think that the actual level of the duty should be subject to examination from year to year. I trust that after the experience we have had in the last three years of the working of this measure, its continuance will prove to be a non-controversial issue. Sir, I move.

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

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

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I beg to move:

"That the consideration of the motion be postponed pending an opportunity for this House to re-consider the terms of the Resolution (dated 1st April, 1931) regarding distribution of the proceeds of the additional import duty on foreign salt, in the light of the action taken by the Government of India and the Provincial Governments thereunder."

Sir, I want to assure the Honourable Member in charge at once that it is with no desire to impede the progress of this measure that I am moving this motion, and I also want to assure him that it is with no desire to raise any controversy with regard to the principle underlying this measure that I am making the present motion.

Sir, it is within the recollection of this House that the Tariff Board made an enquiry into the question as to what action might be taken by Government for the purpose of making India self-supporting in regard to her needs of salt. This was done in pursuance of the insistent public demand that was voiced in this House from time to time. Now, the Tariff Board made certain recommendations which were in course of time referred to a committee of the legislature, which in itself was rather an extraordinary measure, and as a result of the examination of the recommendations of the Tariff Board by this committee of the legislature, a Bill was brought forward in 1931 by the Honourable Member in charge seeking to impose an additional duty on the imports of foreign salt and also seeking some powers for the purpose of regulating the price of salt in the interests of the consumers. Now, Sir, when that Bill came up for consideration in this House, there were signs of a storm being raised over it, and as soon as one Member from Bengal had spoken in opposition, you, Sir, it was who intervened and made the suggestion that perhaps it would smooth matters if Government were to move a Resolution laying down the manner in which the proceeds of this additional duty were proposed to be distributed among the Government of India on the one hand and the Provincial Governments on the other in accordance with certain recommendations made by the Committee of this Legislature on the basis of which that Bill had been drawn up. The intention of Government on that occasion was expressed by the Honourable Member in charge to be to take further time and have the Resolution brought up at the next Session of the Assembly in Simla, so that the Government might meanwhile have more particulars to go upon for the purpose of drawing up a scheme of the distribution of the proceeds of this additional impost. But, Sir, in order to meet the opposition that was raised to this question, the Government, within, two days of the passing of this measure, brought forward a Resolution which was adopted by this House. My point is this, that the two measures go together and form a comprehensive scheme, the Bill which later on became the Act giving the authority to Government to raise additional taxation, and the Resolution laying down the lines on which the proceeds of that taxation were to be distributed. In 1931, the Honourable Member in charge emphasised the temporary character of that measure. I take it that the Resolution was no less temporary than the Bill itself. But whereas the Government have found it necessary to come up to this House from year to year for the purpose of giving an extended life to the legislative measure, they have not thought it right to place the Resolution before this House for the purpose of being reviewed in the light of the experience of the administration of that

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measure and that Resolution. If the Bill has to be dependent upon the assent of this House for the purpose of getting a continued existence, I for myself cannot see any reason as to why the Resolution itself should be considered to be sacrosanct which need not be brought up before this House every year for consideration and assent. I have already stated that the Honourable Member in charge had definitely regarded the two measures to be of a temporary character in 1931. Not merely that, but I find that, when Sir Hugh Cocke sought to move an amendment, which attacked the very basis of the distribution as contained in the Resolution, he was assured that that matter would be gone into at the next Simla Session and the House would have a fuller opportunity of considering the question, and it was on that assurance that that particular amendment was withdrawn. I do not think, however, that the House was given any further opportunity for going into this question at the next Simla Session. Furthermore, I find from the speech of the Honourable Member in charge that he himself pointed that, in as much as the Government had to expedite the bringing forward of the Resolution in deference to the wishes of the Opposition, certain particulars had necessarily to be left rather vague, and more powers had to be left to the discretion of the Governor General in Council in the matter of the distribution of the proceeds of the taxation, than would be necessary if the Government had the time to consider the detailed scheme. That also shows that the Resolution itself did not represent the considered views of the Government at that particular moment, and that the original intention of the Government was to bring up a Resolution which would be more precise in its terms. Now, Sir, I would read that Resolution. The Resolution has been reproduced in the fourth Report of the Salt Industry Committee of the Legislative Assembly at page 2!

"This Assembly recommends to the Governor General in Council that in the event of the Bill to impose a temporary additional duty of customs on foreign salt becoming law, the proceeds of the additional duty, after deducting such amounts (not exceeding one-eighth of the whole) as may be required for disbursement by the Governor General in Council for the development of certain Northern India Salt Sources in the manner recommended by the Salt Survey Committee and for the investigation of the possibility of the development of other sources in India for the supply of salt to those areas which at present consume imported salt, shall be distributed to the Governments of those provinces in which salt liable to the additional duty is consumed; and that this apportionment shall be conducted by the Governor General in Council in accordance with his decision as to the extent to which the burden of the additional duty falls upon customers in the various provinces mentioned; and this Assembly further recommends that the attention of the Provincial Governments who may receive a portion of the revenue which is to be distributed should be called to the views expressed in this Assembly as to the desirability of applying such revenue in certain ways and in particular to the development of salt production where economically feasible within their own provinces."

This Resolution, apart from making a distribution of the proceeds of this additional taxation in a certain manner as between the Government of India on the one hand and the Provincial Governments on the other, lays down certain duties for the Government of India as also for certain Provincial Governments. So far as the proportion in which this distribution of the proceeds takes place as between the Government of India and the Provincial Governments is concerned, I have nothing to say at the present moment. But we should like to examine as to how far the Government of India and the respective Local Governments have carried out the intentions of this Legislature as expressed in this Resolution. In the first place, the Governor General in Council was expected to devote a portion of

their share of the proceeds of this additional taxation to the development of certain Northern India Salt sources in the manner recommended by the Salt Survey Committee. That was the first obligation that was laid upon the Government. In what manner has that obligation been discharged by the Government of India? A question, or rather a series of questions, was asked yesterday on this point and the Honourable Member in charge was not in a position to state as to what amounts out of the Government of India's share of this taxation had been spent for the purpose of the development of the salt mines at Khewra. Furthermore, he was not in position even yesterday to state as to how far the Government of India had succeeded in getting salt produced at Khewra to supply the needs of the markets in Bihar and Orissa, Bengal and Assam. On a reference to the report of the Central Board of Revenue on the working of the Salt Additional Import Duty Act during the period 1st January, 1933, to 30th September, 1933, we find that, so far as Khewra is concerned, there is little prospect of the expectations that were held out by the Government in regard to the development of the salt sources for the special benefit of the markets of the three Provinces that I have mentioned being realised. Honourable Members will find at pages 4 and 5 of this report what the Central Board of Revenue think about the present position with regard to this matter. I will just briefly indicate the salient points mentioned by the Central Board of Revenue on this point.

In the first place, it appears that the additional machinery which had been requisitioned for the purpose of crushing the salt at Khewra to the required fineness and for its necessary purification had not been working in the manner expected. That is one point. Then, the uniformity of the crushed product was very seriously below the results which were anticipated, and next, that the results are not quite so satisfactory in respect of the colour of the crushed product. Lastly, the Board summarise the position in the following manner:

"It is at the present stage impossible to give any accurate date for the time when the plant may be expected to deliver salt of a uniformity of grain and colour suitable for Bengal; a relatively lengthy period of experiment may be necessary in this regard. We should, however, in one year from the present date be in a position to state whether Khewra can produce crushed salt of the required whiteness."

So, after a good deal of money has been spent, we are still in a stage of uncertainty, and nothing is known yet as to whether in the future there is any possibility of Khewra being able to supply the necessities of the markets of the three Provinces that I have mentioned. A strange fatality seems to dog the career of the Government's salt sources.

I remember that in 1921, Sir Charles Innes got the Legislative Assembly to make very large grants of money for the purpose of enabling the Northern India Salt resources of the Government to be developed, and very alluring prospects were held out by Sir Charles Innes on that occasion when he assured that the measures contemplated, for which the money was duly sanctioned by the House, would greatly increase the supply, that the price of salt would go down and that apart from all that Government would get a direct return on the investment of the additional capital. But, as a member of the Public Accounts Committee and as a Member of this House, I had opportunity in the past to show that none of these three expectations had been realised. The additional expenditure had not increased the supply, had not lowered the prices, and instead of their being a direct return on the capital spent so far, the

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additional capital entailed in these schemes had been a source of additional loss to the Government. Now, Sir, I am not, therefore, surprised, knowing as I do the history of these development projects with reference to the salt resources of Government, that the expectations that were held out to this House in regard to certain measures of reform to be carried out at Khewra have not borne fruit. My Honourable friend, in answering a supplementary question yesterday, stated as follows:

"We have not tested out that particular quality of salt in the Bengal market but in the meanwhile the price of salt owing to the modification of our policy and competition has fallen considerably from the Rs. 66 per hundred maunds on which the original plans were based. It is therefore clear that Khewra cannot sell at the present competitive prices and the urgency for proceeding with the development of Khewra has therefore become less."

May I remind my Honourable friend that the particular reason why the development of Khewra was considered important was this, that apart from making India self-supporting from Indian sources, the Tariff Board had laid great stress on the desirability of meeting the Indian demand from sources in India itself and in particular from places so situated that transport to Bengal would be by rail. If you bear that very important consideration in mind, then it is very difficult for one to agree with the conclusion of the Honourable Member in charge that in view of the reduction in prices the importance of going ahead with the project at Khewra had been diminished.

The Honourable Sir George Schuster: I did not say "importance". I said "urgency".

Mr. K. C. Neogy: I stand corrected, the urgency had been diminished. I should like to have a statement from the Honourable Member in charge with regard to the future policy so far as this particular point is concerned.

As I already stated, I have no great faith in these development projects having regard to our past experience with regard to Khewra. There is a passing reference in this report to Pachbhadra where also there does not seem to be any very great improvement. Apart from the development of the Northern India Salt sources, the Resolution, which was adopted by this House in 1931, expected the Governor General in Council to investigate the possibility of development of other sources in India for the supply of salt to those areas which at present consume imported salt. The only step that has been taken in pursuance of this particular recommendation, so far as I know, has been the inquiry which was undertaken by Mr. Pitt. A copy of that report was made available to us, but I must point out that that report, whatever its value may be as the opinion of an expert officer, evidently was completed within a short time, with the result that the necessary data which Mr. Pitt had every right to expect to be placed before him were not forthcoming. I do not conceal from the House the fact that the prospects of the development of salt manufacture on the coast of Bengal and Orissa do not appear to be very rosy from that report, but we find that Mr. Pitt himself was not quite satisfied that the last word had been said by him on this subject. For instance, he himself has suggested the collection of certain data. He has suggested, for instance, the collection of the readings of the strength of the brine at different points during different periods of the year. Then, although he has expressed the

view that manufacture on a large scale will not be remunerative along the coast of the Bay of Bengal, he has also expressed the view that this opinion of his does not rule out processes of manufacture, for instance, on the footing of a cottage industry and for the purpose of supplying the needs of definite localities within easy reach of the manufacturing centres. I do not know what action has been taken by the Government of India, in the first place, to investigate all these various matters which Mr. Pitt obviously expected some authority to investigate. I come to the responsibility that was laid upon the shoulders of the Provincial Governments in regard to this matter in the latter part of this Resolution. The Honourable Member in charge, while moving that Resolution, made it abundantly clear that although the wording of the Resolution does not lay down any specific duties to be discharged by the Provincial Governments, the Government of India thought that the Provincial Governments could carry on their own investigations and experiments side by side with any investigation that the Government of India might undertake. I must confess that the wording of this Resolution, particularly the latter part of it, is very unsatisfactory, inasmuch as it does not accurately give expression to the views that were expressed on the floor of the House while the Bill and the Resolution were under discussion. And what have the different Provincial Governments done in pursuance of this recommendation? I find that the Bombay and the United Provinces Governments, although they perhaps have benefited the least out of this additional impost, did make a serious effort to push on with certain investigations in regard to the manufacture of salt within their respective charges; but so far as the two Provinces, which have a large seaboard and which had sometime back a flourishing salt industry of their own, are concerned, they have completely failed to carry out the intentions of this House. The Government of Bihar and Orissa and the Government of Bengal have utilised their respective shares of the proceeds of this taxation for the purpose of swelling their general balances and spending the amount for general purposes. That they have not carried out the intention of the Government or of this Legislature does not admit of any dispute, because the Honourable Member in charge himself only yesterday stated in reply to a supplementary question that—I am quoting his words:

"It is quite clear that the Bengal Government have not acted in accordance with the views that have been expressed by this House. But my Honourable friend is also aware that we have no means of dictating the use to which this money should be put."

I do not know why my Honourable friend considers himself and this House to be so helpless in this matter. I take it, my Honourable friend does not approve of the manner in which the Government of Bengal have disregarded the opinion of this House. Now, that is the reason why I want him to give an opportunity to this House to put right any loopholes in the Resolution under which the distribution of the money has so far taken place, and taking advantage of which the Governments of Bengal and of Bihar and Orissa have not spent one pice out of these grants for the purpose of developing the salt resources in their own territories.

Now, Sir, I wanted to know yesterday as to whether the Government of India were prepared to place on the table of this House the correspondence that had passed between them and the Government of Bengal in regard to this matter, and the Honourable Member stated that he could not oblige me in that particular. We have the advantage of having before

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us one of the letters at least that passed between the Government of Bengal and the Government of India. The letter is dated 28th September, 1932, in which, in the concluding paragraph, the Government of Bengal stated as follows:

"In conclusion, the Government of Bengal desire to make it clear that they adhere to the view they have already expressed as to their freedom to utilize their share of the proceeds of the additional import duty on salt in the way most advantageous to the people of Bengal, from whose pockets it has come."

So they claim absolute independence in this matter.

Now, this question was also raised for discussion in the Bengal Legislative Council on the 16th March, 1933, and there, in replying to the debate, the Honourable Mr. Woodhead stated as follows:

"We have used it for improving our financial position, and surely our financial position is bad enough."

While I entirely sympathise with the financial difficulties of the Government of Bengal, I do think that this House was entitled to a better treatment than has been accorded to its Resolution by the Government of Bengal.

Now, Sir, Mr. Pitt, in the course of his report, has mentioned one very significant fact, and that is that there is a suspicion in the minds of the people that the Government—and I think he meant the Government of Bengal in this particular reference—were unsympathetic towards the cause of the salt industry, and he thought, therefore, that the industry should be left as much as possible to private enterprise. This is what Mr. Pitt says:

"There is a tendency to consider that Government is antagonistic to the manufacture of salt in the areas I have mentioned."

Having regard to the attitude taken up by the Government of Bengal in this particular matter, I am not surprised that there is a suspicion of that character in the minds of the people.

Now, what is the position in Bengal at the present moment? Taking advantage of this measure of protection, several private individuals, and at least two limited companies, have come forward to undertake the manufacture of salt, and some of them have already been granted licences; and if we are to believe what was stated by a writer not long ago in a Calcutta newspaper, the manufacture of salt is progressing very rapidly on the coast of the Bay of Bengal—in the districts of Midnapore, the 24 Parganas, Khulna, Barisal, Noakhali and Chittagong. This writer, who is an engineer in Calcutta, has given us very detailed figures of production at each of these centres, and his estimate is that in the entire seaboard area of Bengal the production of salt amounts to about ten to twelve lakhs of maunds per season, and this production is increasing by leaps and bounds. I do not know whether the Central Board of Revenue, or the Officers directly concerned in the administration of the Salt Department, have any information on this particular point. Now, when I read that account, I could hardly believe that the industry had made such progress within this short period without any kind of Government assistance. But, then, just a few days ago, I found that a Muhammadan gentleman writing to the *Star of India*—an evening paper in Calcutta—had also supported the statement of this writer, so far as the districts of Chittagong and Noakhali were concerned.

I do not know whether there is any exaggeration in the figures given in these accounts; on reference to the figures of imports and clearances of salt in the various ports of India, and so on, which are to be found in Table I of the Statistical Supplement to the Report of the Central Board of Revenue on the working of the Salt (Additional Import Duty) Act,—I find that there has been a remarkable diminution of the clearances of salt in the Bengal ports during the year 1933. Honourable Members will find that in 1931 the clearances in Bengal ports amounted to 1,53 lakhs of maunds—foreign salt, Indian salt and Aden salt, all three taken together. There were 1,53 lakhs of maunds in 1931, and the corresponding figure in 1932 was 1,49 lakhs of maunds and the figure for the year 1933 was 1,35 lakhs of maunds. Here is a sudden drop which can only be accounted for by an increase in the manufacture of salt along the coast of the Bay of Bengal. And if we take this figure of 1,35 lakhs of maunds, it just fits in with the claim put forward by the writer, whom I have already quoted, that the local manufacture has reached the neighbourhood of 12 lakhs of maunds. Now, Sir, a proportion of this manufacture is certainly legitimate, although duty is not paid on it, because, according to the agreement reached, I think, between Mahatma Gandhi and the Government of India and which was embodied in a Government circular, people living along the coast of the Bay of Bengal and the other seaboards are entitled to prepare salt for their own consumption or for sales in their own localities without having to pay any duty. That certainly is a legitimate kind of manufacture which is reflected in this figure of 12 lakhs of maunds, but I daresay a good proportion of the manufacture is of an illicit kind. That is to say, there is some amount of smuggling going on, otherwise it is very difficult to account for such a large extent of manufacture.

Now, Sir, the position, therefore, comes to this: manufacture of salt is going on along the coast of the Bay of Bengal; Government are losing revenue because of the restricted imports of foreign salt whose place has been supplied by this indigenous salt; and in so far as a proportion of this home manufacture is of the contraband variety, Government are losing revenue in respect of excise duty. Although this manufacture is going on merrily, the Government of Bengal do not seem to have any information in their possession as to the feasibility of the manufacture of salt along the coast line of Bengal nor do the Government of India seem to be anxious to see as to what is actually happening. If manufacture is possible to be carried on in such large amounts, is it not worth while to step in with necessary assistance for the purpose of developing this particular manufacture on a regular basis which incidentally will also benefit the Government by way of excise duty.

Sir, I had occasion to discuss this question with some of the promoters of the two companies that are at the present moment striving to set on foot an industry in Bengal. I find that their experience has not been very happy in regard to the assistance which the Government of Bengal are prepared to render to any *bona fide* enterprise of this character. In first place, they complain that it was very very difficult to get the necessary licence from the Government of Bengal and that there was an inordinate delay in the issue of licences. Then, they tell me from their own experience that there are certain suitable places along the coast line for the manufacture of salt which are owned by numerous co-owners under the

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system permanent settlement, with the result that it is very difficult for them to get any settlement of those lands, and when they approach the Government for undertaking land-acquisition proceedings which are very legitimate in the interest of industrial ventures of this kind, they are given a flat refusal. Then, Sir, when they want to take settlement of Government's own *Khas Mahal* lands, their experience is no better. There are certain spots which have been mentioned by Mr. Pitt in his report as being suitable centres for the manufacture of salt, and when these concerns made an application to the Government of Bengal for a settlement of limited areas in those places, their applications were rejected. Then, Sir, another complaint of theirs is that they have not succeeded in getting any warehouse licence. It will be in the recollection of the Honourable Member that one of the specific suggestions that were made by Mr. Pitt for the purpose of encouraging the salt industry on the basis of a cottage industry in Bengal was that proper facilities might be granted for the purpose of constructing warehouses where the small manufacturers might bring their own small quantities of salt for sale and storage. There was a specific application for permission to build a warehouse at a particular place in the district of Midnapore, and that application was turned down on the curious ground that the circular, which I have referred to, did not contemplate any warehouse to be put up in this fashion, but that it merely contemplated local manufacture on a small scale for the benefit of the local people. The Government of Bengal obviously ignored the fact that the application for permission to build a warehouse was based on a scheme under which the people who wanted that facility would be liable to pay the excise duty to Government at the stipulated rate. Sir, these are the ways of the Government of Bengal. The application was rejected with the result that a particular recommendation made by Mr. Pitt has not yet been put to the test as to whether, if warehouses were constructed at suitable places, the salt industry could be developed on the footing of a cottage industry. Then, there are further complaints regarding facilities for obtaining fuel necessary for the manufacture of salt. To sum up: the Government of Bengal, apart from granting licences in certain individual cases, have not done anything yet, as far as we know, to advance the cause of the salt manufacture in Bengal, or even to enable suitable experiments to be made as to whether such manufacture can possibly be made on commercial lines, and yet during the past three years the Government of Bengal have got more than 12,58,800 (up to September of 1933) as their share of the proceeds of the additional taxation which we are now asked to sanction for one more year.

Now, Sir, I want my friend to review the whole situation in the light of experience and tell this House as to whether the terms in which the Resolution was passed in 1931 do not require to be amended. In the first place, the Northern India salt resources have virtually failed us. I am afraid it would be idle to expect any great results from Khewra. What is the justification, therefore, to spend any more money out of this taxation for the development and improvement of the process of manufacture at Khewra? It must be remembered that the proceeds of this additional taxation have been dwindling of late, firstly, because of the reduction in the rates that have been imposed with effect from last year, and, secondly, because of the success which this policy has borne so far, namely, in restricting the foreign imports. As the foreign imports go on diminishing,

the proceeds of this additional duty are also bound to go down, and, therefore, we will not have any very large amounts now to devote either to the development of Khewra or the distribution to the Provinces. Having regard to the manner in which the Government of Bengal and the Government of Bihar and Orissa, which were expected to take some additional measures for the purpose of developing the salt industry, have failed to carry out the intentions of the Resolution of 1931, and having regard also to the fact that the amounts at our disposal henceforward will be comparatively small, I ask the Honourable Member whether it is right to distribute the money between the Government of India and the Provincial Governments, or whether it would not be more proper to keep the entire amount in the hands of the Government of India for the purpose of undertaking whatever necessary investigations may be called for in the different areas, or for the purpose of giving due encouragement to the pioneer concerns that are already in the field. If, however, the Government of India do not desire to undertake the responsibility directly through the agency of the Central Board of Revenue, they might set apart sufficient amounts for the purpose of being utilised by the Provincial Governments in the development of the salt industry with a specific condition attached to it that not a piec out of that shall be spent on any other purpose. Either of these two things are called for having regard to our experience in the past, and that is the reason, Sir, why I want that this Resolution should be brought up before this House for being reviewed in the light of the circumstances that I have related, so that the House may decide as to whether to continue the policy of distributing the proceeds of this taxation between the Government of India on the one hand and the Provincial Governments on the other in the proportion specified in that Resolution. If it appears to the House that the money could be more usefully utilised through the agency of the Government of India themselves for the purpose of developing the salt industry in certain areas, it would perhaps be more desirable to leave the entire amount at their disposal for the necessary purposes. Sir, I do not want to express my own opinion on this particular point just now, because what I want at present is that this House should be given an opportunity of reconsidering the terms of that Resolution. There will be ample time for Honourable Members to decide as to whether the money could be better utilised if it were left entirely with the Government of India to develop the salt resources of India or whether certain portions of it could be earmarked for that specific purpose and made over to the Provincial Governments. All that I want on the present occasion is that this Resolution should be considered along with this particular measure, so that while we give an extended life to this additional taxation for one year, we might also consider as to whether the terms on which the proceeds of this taxation are to be distributed deserved to be amended having regard to our experience in the past.

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

"That the consideration of the motion be postponed pending an opportunity for this House to re-consider the terms of the Resolution (dated 1st April, 1931) regarding distribution of the proceeds of the additional import duty on foreign salt in the light of the action taken by the Government of India and the Provincial Governments thereunder."

Mr. G. Morgan (Bengal European): Sir, in view of the note of dissent which I have appended to the Report of the Salt Industry Committee,

[Mr. G. Morgan.]

I support the amendment of my Honourable friend, Mr. Neogy. At the same time, Sir, before I proceed further, I should like to point out that in the printed official Report of the 1st April, 1931, in the question put from the Chair, and adopted, the last line reads "applying such revenue in certain ways and feasible within their own Province", but according to the Report which we have all signed, the words used are "and in particular to the development of salt production where economically feasible". This is the official report sent to us. I do not know which is the correct one, but I should think probably the wording given in our Report is the correct wording

The Honourable Sir George Schuster: The official record of the Assembly proceedings is in accord with the passage quoted from the Report. I do not know where my friend gets the other version from.

Mr. K. C. Neogy: May I point out, Sir, that in the Resolution as originally moved by Sir George Schuster, the word "economically" was there, but in the form in which it was adopted by the President this and a few other words do not occur. Technically, I think the Resolution which was put by the President is the correct version.

The Honourable Sir George Schuster: It is a very curious case. Certainly my attention was not drawn to it. I do not think it has ever happened before. Anyhow, I think the significance of the difference is not very great.

Mr. G. Morgan: I did not notice it before either. It was only when my Honourable friend, Mr. Neogy, read out those words, I noticed it, and I was following the matter in the official Report.

I am going to confine myself to a few remarks on the amendment itself. I think my Honourable friend, Mr. Neogy, has put the case perfectly clearly. With regard to the Northern India sources, I have no hesitation in saying, and I am perfectly certain that the Finance Member will bear me out when I say,—and I have been quite consistent in this matter,—that there was not the slightest chance of crushed salt being supplied from Khewra for the Bengal market at anything like an economic price. This is also the view held by the Tariff Board, as far as we could make out from their Reports. Since then, various complications have arisen which I need not specify,—they are already mentioned in the Tariff Report.—one is the machinery and the other is the colour of the salt. It just shows how dangerous a thing a Tariff Board Report may be. They have definitely stated that the quality of salt which would be procurable at Khewra is equal to the finest white salt, the Aden salt. Now that the actual crushing has been attempted, this is proved not to be the case. Whether it can possibly be overcome is a question for chemists to decide. So far as the salt is concerned, there is not the slightest doubt that there is a strong pink tinge in the salt. But, Sir, it is with regard to the allocation of the additional duty that my Honourable friend, Mr. Neogy, has brought up this amendment. I am strongly of opinion that no money should be retained by the Government of India for the reasons conveyed in the Resolution as it stands at present, that is the development of certain Northern India salt sources. The money for that is

supplied by the consuming Provinces, mostly Bengal and Assam, Bihar and C. P. to a small extent. Now, Sir, it has proved so far, and I am perfectly certain

The Honourable Sir George Schuster: Sir, I do not want to interrupt my Honourable friend, but I would like to make a suggestion to him. If it can be arranged that this Resolution can be discussed, obviously I think the House would not want a discussion twice over. It appears now that my Honourable friend is really not discussing the point whether the Resolution should be put to the House, but is actually entering upon a discussion of the Resolution. The point I want to put to my Honourable friend who has moved this amendment is this. I want to have an opportunity for dealing fully with all his points, but I want to put this particular point to him. We must get this Bill through before the 31st March. It is merely extending legislation. If we do not get it through before 31st March, the original measure will lapse and we should have to introduce a new Bill, and there will be a great complication owing to the gap that will occur; and I am sure nobody wants,—and certainly that my Honourable friend does not want,—to produce that result. I think my Honourable friend is perfectly reasonable in asking for an opportunity for this House to discuss the Resolution again, and if the point had been raised earlier in the history of this case, we should certainly have acceded to the wishes of Honourable Members who put it forward. The only question is what will be the opportunity for discussing the Resolution. The time of the House is very fully occupied this session and of course anything one can say about Simla is rather hypothetical; but I am quite prepared to say that as far as Government are concerned we recognise that it is a reasonable request and that we will do our utmost to secure time for the discussion of the Resolution as such. If it should be the wish of the House that it should be brought up before the end of this Session, it might mean prolonging the Session a bit, but, as far as Government are concerned, we should raise no objection to that. Sir, I really want to put that point to my Honourable friend who has moved the amendment and to you. If the amendment is passed, it would mean that we could not go on with the discussion of the Bill. We might fail to get the Bill through in time. I would ask our friends to accept our assurance that we will do our utmost to find time for the discussion of this Resolution, if desired this session; but in that case it would have to go on after the more urgent business which has already been provided for.

Mr. K. C. Neogy: Sir, I gladly accede to the request of my Honourable friend, and I would be perfectly willing to withdraw this amendment or mine on the assurance that, if this Bill is passed, Government will find some time for us to discuss this Resolution during this Session.

The Honourable Sir George Schuster: Yes, as long as my Honourable friend is clear on this point that we have a programme mapped out and this Resolution may have to come up at what Honourable Members usually describe as “the tag-end of a very long Session”.

Mr. President (The Honourable Sir Shanmukham Chetty): If the Honourable Member is satisfied with the assurance given by the Honourable the Finance Member, I think the best course for him would be to withdraw the amendment.

Mr. K. C. Neogy: I beg leave of the House to withdraw the amendment.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The discussion is now to be confined to the Bill itself. Would Mr. Morgan like to continue his speech on the Bill?

Mr. G. Morgan: No, Sir.

Mr. B. Das (Orissa Division: Non-Muhammadian): Sir, I rise to support the motion moved by my Honourable friend, the Finance Member, that the Bill to give additional protection to salt be taken into consideration. Sir, I am grateful to the Honourable the Finance Member for one portion of his observation that he agrees that the present system of review of the protection to the salt industry by the Assembly Committee is a wholesome practice and has resulted in bringing reduction not only to the protective duty, but also in reducing the price level from what was fixed by the Tariff Board. The Tariff Board fixed the price level at Rs. 66; afterwards it was reduced by the Assembly Salt Committee to Rs. 54-12-0 and this time this Committee has recommended that the same be reduced to Rs. 50. As a member of that Assembly Committee, I find that the Tariff Board recommendations are always out of date. After the Tariff Board report is published, if we impartially review their recommendations, we find that the facts were wrong in the Tariff Board's report. I am at present a member of the Select Committee on the Cotton Textile Bill. I find that the Tariff Board's report on cotton textiles was handed over in 1932 and printed in 1932. But it was published only the other day, and all the facts and figures are wrong. They are based on wrong calculations; they are antiquated and ante-diluvian in the course of a year and a half. I placed a note in the fourth report of the Assembly Committee and I will refer the Honourable Members to page 7 of that report which contains the note signed by me and by Mr. Mitra. This is the second paragraph of the note:

"Particularly in the present uncertain economic conditions, the factors that lead the Tariff Board to reach certain conclusions are so often found to lose ground even at the time of the publication of the report of the Tariff Board. The Tariff Board in their latest report on Cotton Textile Industry in paragraph 199, appear to be alive to the question of constant review of prices. While we recognise that industries must receive an assurance of a definite period of protection, in fairness to the industries and consumers, there should be yearly review of the balancing factors operating these schemes of protection. Such a Committee should consist of at least two official members—the Finance Member and the Commerce Member—and ten non-officials elected by the Non-Official Members of the Assembly. Thereby confidence will be restored in all schemes of protection and the interests of the consumers and the manufacturers will be properly safeguarded. We make these observations from the long-felt want that the Assembly has often expressed that the Legislature and the Government cease to exercise effective control over an industry once it has secured protection for a definite period. If Government accept our recommendation and introduce clause to the effect in every protective measure, the demand for protection for a second time would not arise."

Sir, some Honourable Members might ask why I did not give notice of such an amendment. Before I give notice of such an amendment to this Bill and to other tariff measures that this House will shortly discuss, I would like to know the viewpoint of Government. I am very grateful to my Honourable friend, the Finance Member, for when I broached this particular subject, my Honourable friend expressed sympathy with the

purpose for which I made that suggestion. I do not find the Commerce Member here now. We are still sitting in the Textile Committee. I do not like to fight single-handed always to bring forward a clause to be introduced in every Tariff Bill. It is for the Honourable the Finance Member and the Commerce Member to put their heads together, and if this suggestion of ours—Mr. Mitra's and mine—should commend itself to them, and from our experience in the past we know there is justice in our demand, because the Tariff Board's recommendations are always going wrong in these days—whether the Tariff Board members are suffering from economic depression or lack of brains or lack of expert knowledge I do not know—I do hope, my Honourable friends, the Commerce Member and the Finance Member, will put their heads together, and they will now introduce a new clause in every Bill; and if the Honourable the Finance Member so agrees, I will, with your permission, at a later stage bring forward such a clause to be incorporated in this Bill. But what is required is this that it is no use giving protection for a number of years to the industries that come to ask for it: we knew when we gave the Tatas protection for steel in 1927, we had no opportunity to review or to ask them to produce before the Government their cost of production and their balance sheet and how the tariff proposals are benefiting them; but when the Government brought forward a measure and my Honourable friend, Sir George Rainy, brought it to give protection to the galvanised sheet industry, I had the privilege to bring forward the suggestion that the protection should be given for one year only, because the Tata steel industry took no pains to reduce their overhead cost of expenditure. That had a very salutary effect, and you, Sir, also knew it when you were on this side of the House with us, the representatives of the Tatas used to come and explain to you and to us as to how they had reduced the large number of Europeans from 225 to 75. We have that experience and we have the experience in this salt protective measure: we have the certificate of the Honourable the Finance Member that this practice has worked well. So I do hope it is high time that the Government of India adopt a definite policy, a policy of control, a policy whereby the industries produce their balance sheets from year to year, bring forward a report to the Government as to how the protective measure has helped that particular industry during the year and what profit they are making. I do hope this small suggestion coming from this side and which, I find, has the approval of the Honourable the Finance Member,—may be in his personal capacity and not as the Government of India—would now be a regular feature in every Tariff Bill. With these remarks, I support the consideration of the Bill.

The Honourable Sir George Schuster: Sir, I do not wish to burke any proper discussion of this measure; but possibly in view of the undertaking I have given the House may agree to take the Bill into consideration without much further discussion. I was prepared to deal with all the points of my Honourable friend who moved this amendment, but I think it will be better to defer that until we come to the discussion of the Resolution. There is only one point that I have just to clear up at the present moment and that is the position as regards Khewra. My Honourable friend said he wished to know precisely what Government's policy was on this matter. I was not able to deal with that fully in answer to supplementary questions yesterday; but my failure to reply was not really due, as my Honourable friend supposed, to ignorance of the situation.

[Sir George Schuster.]

except as regards the precise figure of the expenditure at Khewra up to date, that I have now got. The position as regards Khewra is this: that, in the first place, with the fall in the price of imported salt, that is to say, of fine white crushed salt—which, of course, is a very good thing from the point of view of the consumer,—the possibility of Khewra becoming a commercial proposition has been very much diminished. In fact, I think we must accept the fact that we cannot put Khewra crushed salt into the Bengal market at anything like the prices which are ruling for fine white crushed salt today. Therefore, Khewra becomes not a potential source of immediate supply, unless the Government with the support of the House likes to subsidise Khewra: it becomes valuable, not so much as a source of immediate supply, but rather as a reserve on which Government could draw in case of difficulties, like another war, when sea-borne supplies would not be available. And our policy really, if I may put it very simply, is this: to go on with our Khewra experiments until we can establish that Khewra can produce the kind of salt which is required and then to keep Khewra working on a scale which will enable us to test out the practical operation of mining and crushing the salt on a commercial scale, but not to its full capacity; so that we shall have it working and shall be in a position to enlarge it if at any time a special demand occurred. That is really our policy, and I submit to the House that it is a reasonable policy. We do not want to incur the loss of producing salt in large quantities which can be produced cheaper from the sea-borne sources. On the other hand, we want to have Khewra developed up to a point at which we can at any time enlarge it if any real emergency should arise. I wanted to make that position clear to the House. Otherwise I think I need say no more on the subject. I should only like to say that I am very glad that my Honourable friend who moved this amendment has gone so carefully over the whole position. I am very glad to find that there is so much interest taken in the House on this subject, and we will, in order to make the discussion of the Resolution more valuable, forward copies of my Honourable friend's speech and the other speeches that have been made to the Government of Bengal, so that they may consider all these points that have been raised, before the Resolution comes up for discussion, and I hope that we shall then be in possession of the views of the Government of Bengal on the matter.

As regards what my Honourable friend, Mr. Das, said, I can certainly promise that the Commerce Member and I will put our heads together on this matter; but it would be rather a large order to expect me now to answer on behalf of the Government of India that they would adopt his proposal for Standing Committees on all protection measures. I will certainly talk it over with my Honourable colleague, and I think my Honourable friend will appreciate that there has hardly been time during the course of this Session, since this report appeared, to examine a matter of that kind fully.

I trust that, in view of the position that I have taken up, the House will be able to proceed very expeditiously with the passing of this Bill into an Act.

Mr. G. Morgan: I did not quite understand when you asked me whether I wanted to go on: I was thinking of the amendment and not thinking of the Bill. If you will permit me, Sir, I should just like one minute in order to justify my note of dissent on the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): Yes.

Mr. G. Morgan: Sir, unfortunately every year I have to enter an objection to the consideration of this Additional Salt Duty Bill. This year, the protest, although it has to be put forward, has lost a little of its strength in that Bengal has been able to purchase her salt at a much more reasonable price. In fact, during the discussions last year we thought that if Bengal could get salt at about Rs. 45 a hundred maunds, Bengal would probably be satisfied. That position has eventuated. In the Bill the price put down is Rs. 54-12-0, and it is suggested it should be Rs. 50. Personally, I should have liked it to be lower than that, but still something is better than nothing. The question of Khewra has been explained by my Honourable friend, the Finance Member, but I should like to make it quite clear that from the very beginning and on the Tariff Board's own Report and the various paragraphs 64 to 67 and also 74 and 75 contained in their Report with regard to rail-borne salt, I have had no hesitation in saying that whatever machinery, so far as one knows anything about salt machinery, is put in, Khewra could not supply salt to the Bengal market at Rs. 66 a hundred maunds. There is no doubt that with the help of Aden we have got things very much better, and we cannot do without the supply from Aden.

The only other point is that the Government of India have made a great point about the stabilisation of price, and if the price is a fair price, we in Bengal would be only too glad. It could have been done originally, of course, by admitting the salt free and putting a buying price in the first Bill, but that is too late now. We rely on the Indian sources including Aden, and so far they have been fairly satisfactory, and they have also been more satisfactory recently as regards price. Having entered my protest against the consideration of the Bill, I have nothing more to say at this stage. I will speak on the amendments.

Mr. S. O. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I do not remember that there have been very many measures passed in this House which attained their object in the manner we have achieved in this particular measure, and here we have secured, by putting an additional import duty, two objects: the first is the encouragement of the indigenous industry of manufacturing salt, and the second is the steadying of the price of salt. I shall only quote a few figures to show how far the indigenous industry of salt manufacture has been encouraged by this measure. I give figures for 1930 to 1933 for the 12 months

	1930.	1931.	1932.	1933.
	Per cent.	Per cent.	Per cent.	Per cent.
Foreign salt	64	35	30	17
Indian salt	8	11	20	26
Aden salt	28	54	50	57

As regards the question of steadying the price in 1931-32, the price was about Rs. 60 per 100 maunds, but it has now gone down to below Rs. 50. In view of the agreement for the consideration of the Resolution, I do not like to say anything more at the present stage, but I would only request the Government that, before the Resolution is disposed of, the money that will be collected from additional duty should not be distributed to the Provinces. With these words, I support the Bill.

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): Sir, having regard to the trend of the discussion we have had this morning, I do not think there is much to be said in this matter. I support wholeheartedly the principles of the Bill, and I do not think that any serious discussion will arise on it. We are all agreed that some money should be allotted for the purpose of developing the indigenous supplies of salt, and I am particularly glad that Bengal may regain the position which she held about 50 or 60 years ago in the salt industry if sufficient money can be had to develop the industry. We find, Sir, that, during the time of the East India Company, Bengal used to produce more than 80 lakhs of maunds of salt, and all of it was consumed by the people of Bengal. I do not see why that condition of things should not come back again, but for this purpose money is wanted, and the only way by which money can be obtained is by means of this Act. But having regard to the apathy of the Government of Bengal in connection with other measures relating to industries, I submit that no money should be given to that Provincial Government for this particular purpose. I want that the Government of India should make arrangements through their own agency for taking steps to see how best salt could be manufactured in Bengal. With these words, I support the Bill.

An Honourable Member: The question may now be put.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur and Orissa: Muhammadan): Sir, I find that as a result of this measure the price of salt has gone up immensely. My friend, Mr. Mitra, said that the additional import duty measure would lead to a reduction in the price of salt, but I do not know how the additional import duty will reduce the price of salt. On several occasions, my friends have said that if an import duty were levied on certain articles, prices would be increased. No doubt, the price of salt has gone down to some extent, but it is not on account of this import duty. Sir, I think if this import duty had not been levied on the imported salt, the price of salt would have gone down much further, because, in that case, the salt that was imported into this country could have been obtained at a much cheaper rate.

With regard to the development of the indigenous industry, in order that a few persons, who have invested their money in Aden, may fill their pockets, it is not desirable to tax the poorer classes of this country. The great salt demonstration that was made in this House on this question is probably still fresh in the minds of Honourable Members. On several occasions, my Honourable friends have said that salt should be as cheap as possible, but by this import duty I think that salt at the rate of 24 annas a maund is dearer, and if this import duty were abolished, I think to that extent salt would be cheaper. So far as my Province is concerned, I find that the Government of Bihar and Orissa are not also in favour of this import duty, and whatever amount may be paid out of this taxation to them will not be sufficient, because, as a result of this tax, the price of salt has not gone down to the extent it should have. Therefore, the poorer consumers will have to pay a heavy amount to these millionaires who have already got sufficient wealth and do not need this kind of protection. With these words, I oppose this Bill.

Seth Hatt Abdooli Hiron (Sind: Muhammadan Rural): Sir, I support this Bill. I do not agree with my Honourable friend, Mr. Maswood Ahmad, when he said that India was getting her salt at a

dearer price than previously. In 1927-28, the price in Calcutta market was Rs. 100 per 100 maunds. When this Bill was first passed, we fixed the rate at Rs. 66 per 100 maunds after giving protection to the industry. Last year, it was reduced to Rs. 54, and this year you will find that we have fixed only Rs. 50. But still I received a telegram a few days ago that the Aden people were selling their salt at Rs. 42. If you go into facts, you will find that Bengal and Bihar and Orissa are getting cheaper salt now than before.

Mr. M. Maswood Ahmad: Then why do you fix it at Rs. 50 when it is selling at Rs. 42?

Seth Haji Abdoola Haroon: We have fixed Rs. 50 as the maximum price, so that neither Aden nor any indigenous industry here can charge more than Rs. 50. Besides this, I want to bring to the notice of the Government of India that at present we are giving all this protection to the Kathiawar States. I have no objection to giving protection to the Kathiawar States, but I submit that the Kathiawar ports are importing direct foreign goods from different countries. I do not know what sort of agreement has been reached over cotton textiles some months ago, but in any case they have put nothing about the Kathiawar States. If we do not come to an arrangement with the Kathiawar States, then they may import piece goods direct from Japan, they will consume them in their own country and the benefit of the duty will go to the States. The Kathiawar States are at present importing sugar from foreign countries, because they will get Rs. 18-2-0 per bag as customs duty, and they won't consume Indian sugar on which they cannot get any duty for their own States. I do not know how these things will be continued. The States import their goods into British India without any import duty. At present we are importing cotton from Kathiawar and Cutch without charging any import duty. We are importing some seeds and other produce from these territories, I remember, three or four years ago, the Kathiawar States were importing sugar from foreign countries and they manufactured it into candies and despatched it to British India without paying any duty, and they were passing it on as a produce of Kathiawar. This was brought to the notice of Government, and it was after a year or so that we succeeded in charging a duty on the Viramgam Line, and so on. I submit that all these things must be settled on a proper basis. We are giving protection to their salt, we are importing their goods without charging any duty, and the Government of India should make some sort of treaty that the Indian production also must be consumed in Kathiawar or in Kashmir. The Kashmir State gets all those customs duty, which is recovered at the Indian ports, on sugar which goes to Kashmir. The Kashmir Government do not consume Indian sugar, because they do not get any duty from the customs. So, all these things must be considered very seriously, otherwise industry and trade will suffer. With these words, I support the motion.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muham-madan): Sir, I should like to add one word by way of support to this motion. But, before doing so, I must refer to the speech of my Honourable friend, Mr. Maswood Ahmad, who, on behalf of Bihar, has said that the price of salt has increased since this import duty was imposed. In that connection I should like to refer him and the House to the report by the Central Board of Revenue on the working of the Salt (Additional

[Mr. Gaya Prasad Singh.]

Import Duty) Act, during the period 1st January, 1933, to 30th September, 1933.

Mr. M. Maswood Ahmad: I have said, it would have been much less than what it is at present.

Mr. Gaya Prasad Singh: I need not read out the whole thing, but I will refer to Table II at page 28, in which it is stated that the wholesale price in Ranchi was Rs. 5-14-0 in 1929, Rs. 2-12-0 in 1931, Rs. 3-2-0 in 1932, Rs. 3-2-0 in 1933, and so on. The latest figure, that is, up to the 31st May, 1933, is Rs. 2-12-0—that is, the wholesale price. There are other figures also here which I need not read out to the House. There is one point which is involved in this. There is, I understand, a foreign combine in this country which lower the price of salt in the first instance in order to crush indigenous industry, but when that indigenous industry has been crushed out of existence, they increase the price of salt to the top of their bent. That sort of thing will do incalculable harm to the indigenous industry of this country. The Taxation Enquiry Committee in 1926 reported that it was desirable to make India self-supporting in the matter of salt supply. India possesses a peculiarly salubrious climate in the matter of salt industry and it is surrounded on three sides by sea. It has got plenty of sunshine all the year round, and this country is quite favourable to the production of salt, not only for its own consumption, but also for export outside. This proposal of the Taxation Enquiry Committee was subjected to an enquiry by the Central Board of Revenue who at first refused to refer the matter to the Tariff Board, but, later on, under pressure of this House in 1929, the matter was referred to the Tariff Board which ultimately recommended an imposition of protective duty for the purpose of giving encouragement to the manufacture of salt in this country. Since the imposition of this additional duty, the consumption of foreign salt in India has dropped from 63 per cent. in 1930 to 19 per cent in 1933, and this reduction has not resulted in any increase in the price of salt. The Salt Survey Committee of 1931 also supported the conclusions of the Tariff Board. Then, this House appointed a Committee which went into the question in 1931. It recommended an additional duty of 4½ annas per maund on all salt, Indian and foreign, imported by sea into British India, and it was in consequence of all these transactions that the Salt Additional Import Duty Act of 1931 was passed for one year. It was subsequently renewed from year to year. There is one point which I should like to refer to. It is the question whether the benefit of this protection should, as before, be extended to the salt works at Aden or it should be confined only to the salt works in the mainland of India. Now, there are four salt works in Aden. One is an Italian firm, and three are Indian firms. Even before the outbreak of the War, the salt supply of Aden has been coming into this country in sufficient quantities, and this has resulted in steadying the price of salt and in keeping off foreign salt from this country. So long as Aden remains a part of India, I do not think there is any justification for making any sort of discrimination against the import of salt from Aden. My Honourable friend, the Finance Member, also, in a Conference, which was held at Simla, in May 1932, said as follows:

"And as to that, I would like to make the position clear again and to put the Government's position as shortly as possible. Our position is this, that if we take any steps to interfere with free competition among Indian producers, I include Aden

producers, if we were to interfere with the free competition between Indian producers in the same way as we have already interfered with the Indian producers on the one hand and foreign producers at the other, we should do that for one object alone, and that is the National interests of India. We should not do that for the sake of putting profits into the pockets of one set of manufacturers and producers at the expense of another set of producers and manufacturers and I would remind you, gentlemen, that as far as the Indian interests are concerned, according to Tariff Board's report, there is really nothing in it, I say as far as Indian interests are concerned, between Aden and other sea borne sources of production."

This is, what my friend, the Honourable the Finance Member, I.P.M. rightly said on that occasion.

Now, Sir, there are also a few considerations which might weigh with the House in considering the claim of Aden to protective duties and these considerations are as follows. The works at Aden give a royalty to the Government which brings in a substantial amount of revenue. I understand they also give heavy annual ground rent for the works that are established in Aden, whereas the Karachi works do not pay any royalty and they do not pay anything like the ground rent as Aden, and these are some of the advantages in allowing Aden to be included within the benefit of this duty. The imports from Aden have increased from 40,000 tons to 1,30,000 tons per year, and to 2,60,000 tons per year since protection was granted in the year 1931.

There is only one point which I should like to make, and it is this that when this additional import duty was first imposed, it was decided that a part of this, seven-eighths of the proceeds, should be allotted to the Local Governments in which imported salt was consumed in proportion to their share in the trade. But reports obtained by the Central Board of Revenue show that very little money has been devoted by the Local Governments out of these proceeds to expenditure in connection with the development of the salt industry in their areas, and practically the whole has been absorbed by the Local Governments concerned for meeting expenditure incurred for general purposes. This is a very disquieting feature of the situation. The Government of Bengal and the Government of Bihar, instead of utilising their shares of the proceeds to the development of salt industry in their respective areas have absorbed the money for general purposes, and this is a matter which ought to engage the serious attention of the Government of India, because, after all, the significance of this additional import duty is to give an impetus to the indigenous industry of this country, and if the money which is realised out of this additional duty is not utilised for the purpose of the development of the industry in the respective areas, I think it will defeat its own purpose. Therefore, I would request the Government of India to look into the matter and to devise some means by which the share of the duty which is given to the Local Governments concerned is utilised for the development of the industry in their respective areas. This is all I have got to say. I do not agree with my friend, Mr. Maswood Ahmad. As I have said before, the price of salt has not increased since the imposition of this duty. Even if we suppose that the price of salt has increased a little bit, I should think that our countrymen should cheerfully accept this additional duty in the interests of the development of the national industry of this country. With these words, I support this motion.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): My Province, the United Provinces, has not got great possibilities for the development of salt. There are only a few places where

[Mr. Muhammad Azhar Ali.]

there is some sort of possibility, still the way in which the Government of the United Provinces have cheerfully taken up the lead from the Resolution of this Assembly shows that the interpretation of that Resolution has been quite different in different Provinces. We in the United Provinces are acting according to our present conditions. The United Provinces Government spent some money also over it, but the experiments unfortunately have not been so encouraging. My chief complaint is this, that the Departments of Industries and Co-operation in the United Provinces are being worked together and it is difficult for one officer to look to the Industry and to the Co-operative Department at the same time. Both these Departments require some sort of expert knowledge, and, as you know, co-operation especially is a very important subject in itself, but the United Provinces Government have not considered it in the interest of the people to keep the Departments under different heads. Formerly when that was so, I remember that the work of the Industries Department and the Co-operative Department was being run on very good lines, and I should say they could show very encouraging figures and a good deal of success, but since these two Departments are under one head, we find that none of these Departments work so efficiently as they did before. But still, in pursuance of the Resolution of the Assembly, the Government of the United Provinces have taken a keen interest in the solution of the question of salt manufacture. It was in two districts—in Jaunpur and in Muttra—that this experiment was tried, and there may be some possibility of improvement. I hope, if the Government of India encourage them by means of money, the Government of the United Provinces will not lag behind any other Province in encouraging the salt industry in the Province. Sir, we in the United Provinces and our Government do not very often come before this House or before the Government of India with a beggar's bowl as do some of the other Provinces. It is a matter of great gratification, not only to us as Members from the United Provinces, but also, I am sure, to the Government of India, that the United Provinces Budget is well balanced even this year. Our sense of prestige and self-respect is not such that the United Provinces should come always to the Government of India or to this House asking for doles for different things as does Bombay or Madras.

Diwan Bahadur A. Ramaswami Mudaliar (Madras: Non-Muhammadan Urban): No, no, not Madras. Madras has given doles to the Government of India.

Mr. D. N. O'Sullivan (Bombay: European): Sir, as I understand, there is a possibility of two of the three amendments which stand in my name and in that of my Honourable friend, Mr. Lalchand Navalrai, being ruled out of order. I wish to say a few words at this stage. In the first place, I would refer to the happy remarks of the un-official members of the Salt Industry Committee of the Assembly with reference to the assistance given to them by the Honourable the Finance Member. They are in these terms:

"The unofficial members of the Committee, and more particularly those who have sat on the Committee since it was first formed, wish to take this opportunity of expressing their appreciation of the sincere and helpful spirit in which Sir George Schuster has presided over their deliberations and assisted them in finding a way along a path which, they are constrained to claim, has been one beset with exceptional obstacles and pitfalls."

Sir, on behalf of the Karachi salt industry, I wish to associate myself with these expressions and with all they say in that behalf. Not long ago

in this House, Sir, my friend Mr. James, in the course of a speech, recommended the re-shuffling of portfolios of Members of Government and in a graphic manner described a cartoon he once saw with the caption—"The same old birds, the same old birds". If I, for one moment, may be permitted to speak in terms of ornithology with reference to the Finance Member, I would be greatly tempted to say that it would be very difficult to catch him up by that old expedient—the application of salt to his tail. He is far too wily a bird. The best compliment I can pay him in this respect is that he is amenable to all sorts of reason and never turns a deaf ear to anything in the nature of cogent argument, but he is impervious to applications of salt on his tail and even to infusions of hot air. The object of the amendments which we tabled to this Bill was to provide what the salt industry in India considered necessary for the further security and further protection of that industry and for a longer defined period. The salt industry in India, and principally the Karachi salt industry, have carefully considered this matter, and their considered opinion is that four essentials are necessary for

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member can resume his speech after Lunch.

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

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

Mr. D. N. O'Sullivan: Sir, as I was saying before the adjournment, the indigenous salt industry in India presses for four conditions without which the industry cannot continue to exist in this country. Those four requisites are that this Act, affording protection, should be extended for a period of at least three years, if not five, that the duty should be fixed at four annas and six pies as it previously was, that the maximum selling rate should be fixed at Rs. 54-12-0 as it was and finally that there should be a certain degree of protection from imports of Aden salt. The burden of my argument is that if there is a case for protection at all and if one can justify protection at all, then give adequate protection. Half measures are useless. Do not hesitate or vacillate, but embark on a bold and straightforward policy and give all the protection that is necessary to this infant industry, so that it may flourish in this country and may eventually be able to provide the whole country with all the salt that is required. I think, from the trend of what we have heard today, there is no doubt that it is the general opinion that these protective measures are fully justified. I make no apology whatever for briefly referring to the state of affairs which existed prior to the time when the protection was first granted in 1931. We all know that the needs of Bengal for salt are about 550,000 tons per annum. While I mention Bengal, I would add that I, for one, speaking on behalf of the Karachi salt industry, would agree that if it is possible to develop Bengal's resources in salt by encouraging either a cottage industry or in any other way, by all means do so. But, as far as we can see at present, the

[Mr. D. N. O'Sullivan.]

climatic conditions in Bengal are not conducive to the manufacture of salt by any method whatsoever. So, in the meantime, our concern must be for the production of salt in other parts of India to meet the needs of the Bengal market.

Now, Sir, as this House is well aware, the bulk of the salt trade was formerly in the hands of foreign importers. At one time it was almost exclusively in their hands, but during the last 35 years the imports from Aden have had a share. It is also unnecessary to remind the House that prior to the protection of 1931, prices fluctuated and rose to enormous and unparalleled heights. With apology, I would refer to certain figures in this respect. Take, for instance, the statistics for the last 70 years from 1862. If we have a glance at them, it will be seen that as far back as 1862 the prices were Rs. 66-0-0 and over for a 100 maunds. From 1862 onwards, with the exception of short periods when the Aden salt began to be sold in the market right up to the time of the protection, the average price of 100 maunds of salt was approximately Rs. 80. We see that in 1875 there was a sudden drop from Rs. 90 to Rs. 59, and it went down as low as Rs. 50 during the next two years owing to the entry of the Italian salt works at Aden. Then presumably when the Italians, with the resources at their command, demonstrated that they could compete successfully, the prices again soared. Then, again, the price suddenly dropped about the year 1908 when other works at Aden were commenced. The prices then remained low from 1907 to 1910 presumably while foreign interests were endeavouring to crush the new Aden interests and then soared again. Coming to more recent times I might refer to the war period and thereafter. Take the war period—from 1915 to 1918. During this period, the prices were simply enormous. In 1915, the price was Rs. 124 per 100 maunds; in 1916, it was Rs. 117; in 1917, it was Rs. 227, and in 1918, it was Rs. 241. I may point out that these are average prices, and, as a matter of fact, during the year 1917, the price actually at one period went up to Rs. 434, and the salt was frequently sold at Rs. 300 per hundred maunds. Enormous profits were made. Then, one would have supposed that after the war prices would have again come down more or less to their normal condition, but they continued to be very high from 1919 right up practically to the time of protection. In 1919, the price was Rs. 176 per hundred maunds, and, from 1920 to 1928, the price was round the average of Rs. 100 and more. In 1929, the price was Rs. 84 per hundred maunds, and, in 1930, it was Rs. 73 per hundred maunds. Then, of course, we had the protection and the maximum price was fixed. Obviously, therefore, somebody profiteered to an enormous extent during these years. Fabulous profits were made and enormous reserves must have been built up by these foreign importers. Referring to profits, the Karachi Salt Industry, in one of these excellent pamphlets which they have produced from time to time, have pointed out from statistics in their possession that on an average from 1911 to 1931, a period of 21 years, before India came into the field to manufacture salt in this country, an average of a crore of rupees per annum was paid out to these foreign interests and to Aden. Twenty crores, we might say, of excess profits in twenty years. These figures are startling. I would submit then that these details show clearly that it became manifestly important that some measure of protection should be brought into being so as to encourage the indigenous industry and it was none too soon

that in the year 1929, I think it was, Mr. Kelkar on a cut motion introduced a discussion on this subject in this House and we know the rest of the history of this legislation. There was a Tariff Board enquiry in 1930, and eventually in 1931 this Bill, the first Bill, was introduced in this House. Since then we have seen that the measures of protection introduced by the Bill have been fully justified.

As my Honourable friend, Mr. Gaya Prasad Singh, pointed out this morning, there are certain parts of India eminently suited to the manufacture of salt and not the least in this respect is Karachi with its excellent dry climate, its sea-coast and its excellent port. This enterprising city took full advantage of the protection afforded by the Act and there are now five salt works on the outskirts of Karachi 15 miles away, all built up since 1931. I understand that something like 25 lakhs has already been expended on the development of these works. An area of about 3,000 acres has been included, a small township has sprung up and large numbers of labourers are housed there and involved in this work. Where there were merely sand-dunes previously along the sea-shore, we now have a prosperous township, the inhabitants of which are mainly engaged in the manufacture of salt. The local bodies have assisted and canals have been dug and wharfs are being erected and the enterprise is well on the way to prove a success. I think my Honourable friend, Mr. Mitra, referred this morning to this report of the Salt Industry Committee and gave the House the figures for the last year regarding the increase in the manufacture of indigenous salt. The report says:

"In the meantime, the statistics of imports and clearances show a substantial increase in the proportion of the market commanded by the Indian sources of supply balanced by a decline in transactions in foreign salt. The result is that at Calcutta clearances foreign salt represented during the calendar year 1933 only 17 per cent of the whole, whereas they stood at 64 per cent in 1930, 34 per cent in 1931 and 29 per cent in 1932."

Then, they refer to clearances of Aden salt, and, with regard to clearances of Indian salt other than Aden, this accounts for 29 per cent of the whole in 1933 as against eight per cent in 1930.

Now, with reference to what I said just now, if it is worth protecting this industry and if circumstances require it, then let us have an adequate protection. I would point out and I think everybody will agree with me that no industry can possibly flourish if kept in continual suspense. If there is a recurring risk from year to year of protection being removed, then capital will not be forthcoming and the development of the industry suffers. I would emphasise that the industry is in its infancy at the moment and should not be permitted to wither or die. Furthermore, I would submit that a continual change in the tariff policy—an annual change—is to be deprecated, and, therefore, next year when this matter comes up again, I would urge Members of the Committee seriously to consider bringing this enactment into operation for a period of at least three years. On this point, as far as I can see, the Committee have offered no very cogent reasons for refusing to extend the Bill for more than one year. They rely more or less, on this point, on the constitutional position of Aden today and the uncertainty in connection with it. They say in paragraph 5 of their report:

"When the future constitutional position of Aden is decided the whole position will have to be reconsidered, and until then we regard it as wiser not to ask the Legislature formally to commit itself for any long term of years."

[Mr. D. N. O'Sullivan.]

With the greatest deference I fail entirely to see what the constitutional position of Aden has to do with this question. So long as Aden remains a part of British India, she will naturally receive a measure of protection under the enactment. If circumstances arise which cause Aden to be administered in the future by the Colonial Office, then naturally the exports of salt from Aden will be treated as foreign salt and taxed accordingly. It seems to me that the question of Aden is entirely extraneous to the point and the Committee have failed to take the economic situation into consideration. In other words, this part of the report should be taken with a grain of salt.

One or two words more with regard to the argument about the consumer. There are very few Honourable Members I notice in this House who today advanced the time worn argument about the added expenditure to the consumer—the argument that countless millions have to suffer by the additional duty. I would point out in this connection that, as far as one can gather, the imports of foreign salt into India during the last year only constitute ten per cent. of the total imports—something like 50,000 tons out of a total of 500,000. These 50,000 tons of salt were either Liverpool or Hamburg salt which, I understand, is of special quality and is only consumed by the comparatively wealthy. Therefore, the argument that the consumer will suffer can hardly arise by the extension of the import duty.

One word more, and that is with regard to what we are pleased to call in Karachi the "Aden Menace". My Honourable friend, Mr. Gaya Prasad Singh, referring to Aden said that whatever protection Indian salt receives should also be afforded to Aden. I agree, but only up to a certain point and for these reasons. My Honourable friend quite rightly pointed out that exports of salt from Aden into India have gone by leaps and bounds and I will not waste the time of the House by quoting statistics. I will simply say that from 182,080 tons in 1927 it has gone up to 280,000 tons in 1933. Obviously, therefore, Aden requires no protection, because she flourished even before these protective measures were brought into being and she also participated in the enormous pre-protection prices. She consequently built up enormous reserves and now we find today that you can buy, as one Honourable Member pointed out, Aden salt in Calcutta at Rs. 36. I had a telegram on the point yesterday. There has been a drop from Rs. 70 and Rs. 80 per 100 maunds in 1929 to Rs. 36 today. Does the general level of prices of other commodities justify this drop? I respectfully submit that it is not the case. Why this sudden love of Bengal by Aden?

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): The drop in price is so in regard to rice also.

Mr. D. N. O'Sullivan: There obviously seems to be a ring of some kind with the avowed object of bringing down the prices and thereby ruining the indigenous industry. After this is accomplished, the prices will again rise. I would further point out that if salt is sold today at Rs. 36 a hundred maunds and Rs. 42 a hundred maunds and at prices of that kind under Rs. 45, then the duty of two annas and six pies is obviously inadequate to protect the local industry and that is the most

cogent argument in favour of reverting to the old rate of four annas and six pies. That is all I have to say at present, and I support the motion on the principle that some protection is better than no protection.

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

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

The motion was adopted.

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

"That clause 2 stand part of the Bill."

Has Mr. O'Sullivan got the sanction of the Governor General to his amendment?

Mr. D. N. O'Sullivan: No, Sir, I have not.

Mr. President (The Honourable Sir Shanmukham Chetty): Then it is not in order. Mr. Morgan.

Sir Lancelot Graham (Secretary, Legislative Department): Sir, before Mr. Morgan moves his amendment, I shall be grateful to get a direction about this amendment. The form of this Bill is an amending Bill and there is an established ruling in this House that the scope of an amending Bill is limited either to the insertion of the new sections which actually it is proposed to insert or to those sections of the original Act which it sets out to amend. Now, Sir, as I said, the form of this Bill is an amending Bill, and it sets out to amend sub-section (3) of section 1 which gives the life of the original Act. It also makes an amendment in sub-section (4) of section 5. Now, Sir, if this really were in substance an amending Bill, I should feel bound to take objection to the relevancy of this amendment on the ground that Mr. Morgan was setting out to amend a provision of the original Act which is not touched by the Bill as introduced; and, Sir, it is because of my natural apprehension that if I let this amendment pass without seeking your direction, it might be held that that very salutary rule of procedure by which the scope of amending Bills is determined had been tacitly abrogated. That, Sir, is one point on which I seek your ruling. The other is as to what is the effect of a continuing Bill like this. You have a Bill to continue the life of an Act already on the Statute-book; and I suggest that it ought to be possible for Government to put before this House a Bill merely extending the life of such an Act, if such Act has a limited life, without putting before the Legislature the whole contents of the original Act. That is to say, there ought to be a possibility of having an extending Act which did not place before the Legislature for the purpose of amendment the whole contents of the original Act. And it is because this amendment of Mr. Morgan's might seem to imply that it was possible to go beyond the scope of an amending Bill on the one hand and on the other to have access to the whole contents of the original Act that I would seek your advice. I trust I have made a somewhat difficult point comparatively clear.

Mr. President (The Honourable Sir Shanmukham Chetty): It is now a well-understood principle in this House that an amending Bill does not throw open for discussion or amendment the entire sections of the original Act which the Bill seeks to amend. All amendments relating to an amending Bill must clearly be within the scope of the amending Bill. Ordinarily what the Legislative Secretary has pointed out would follow from this, that is, that the scope of an amending Bill is to be sought either in the new clauses that the amending Bill seeks to incorporate or in those sections of the original Act which the amending Bill seeks to amend. It is, however, conceivable that in certain exceptional cases the scope of an amending Bill might be covered by certain sections of the original Act which are not specifically referred to in the amending Bill. If such a contingency arises, it would be in order to move amendments for those relevant sections. In this particular case, applying these principles, we have to find out what exactly is the scope of the Bill that is before the House. The scope of the Bill is to extend the life of the Salt Import Duty Act. The Chair must hold that when Government come before the House with an amending Bill to extend the life of an existing Act which imposes a duty or levies taxation, the amount of that duty or taxation will also be open for discussion. For instance, in the present Bill, the import duty on salt is two annas and six pies per maund. The existing Act will expire on the 31st March, and Government want by this amending Bill to extend the operation of the Act for one year more. Under such circumstances, it will be perfectly open to this House to say that they would agree to the extension of this Act for one year more provided the duty is reduced to two annas or one anna and six pies. Therefore, all amendments which aim at reducing the amount of duty would be in order in such circumstances. The Chair finds that the amount of the duty under the Salt Import Duty Act is found in section 3 of the original Act. That section is not specifically referred to or mentioned in the amending Bill. Now, Mr. Morgan, who seeks to reduce the duty on one class of imported salt, has necessarily to incorporate his amendment in section 3 of the original Act if he is to carry out his purpose, and, therefore, his amendment in these circumstances, will be in order. The Chair is sure, the position is clear and there is no danger of this principle being extended.

Mr. G. Morgan: Sir, I beg to move:—

"That after clause 2 of the Bill the following new clause be inserted:

"2A. To section 3 of the said Act the following proviso shall be added, namely,—

"Provided that Liverpool shall be permitted to import into any port in British India free of any additional duty of customs salt not exceeding fifty thousand tons in quantity." "

Sir, although a somewhat similar amendment was moved by me last year, and I am very sorry to say, was very unfavourably received by this House. I am emboldened to bring forward this amendment, because, during the past eight or nine months, conditions generally have rather changed. Last year, the Honourable the Finance Member, when speaking on my amendment, said:

"If it can be established that Liverpool salt is an entirely special article which has its own market and its own price, in no way competing with Indian salt, then a case might presumably be made out for reducing the duty on Liverpool salt and thereby relieving the consumer."

That is one of the remarks which emboldened me to come forward. Reference was made to the Central Board of Revenue, I understand, and in their report they remark with regard to Liverpool salt as follows :

"One conspicuous fact which the figures bring to notice is the complete absence of importations into Calcutta of Liverpool salt (fine white Cheshire) in the six months April to September 1933 and the very greatly reduced sales of salt in the same period."

They give some figures and then go on to say :

"This abrupt decline must be attributed rather to German than to Indian competition, as the figures of imports from these two sources will readily show."

Now, it is on that report that I base my amendment. Hamburg salt has been imported to the extent of something like 45,000 to 50,000 tons. We have a very strong feeling that that salt is being subsidised in some way or other—whether of the actual salt producers or whether through the shipping companies it is impossible for me to say; but we have a very very strong suspicion that it is subsidised in some way or other, and, therefore, Liverpool salt which is not subsidised or given a bounty or any other help, finds itself unable to compete. The Honourable the Finance Member, in his Budget speech, referring to the necessity of trade and co-operation between Britain and India, said :

"... and thirdly by finding an increased market for her agricultural exports in the United Kingdom in exchange for the United Kingdom imports into India."

During this Session, every section of this House has laid considerable stress on the necessity of India for Britain and Britain for India. I do not think there can be any question about that. Everybody has come to the conclusion that we must stand together and there must be trade exchange and increase of trade exchange and service

Mr. N. M. Joshi (Nominated Non-Official): What are you offering in return ?

Mr. G. Morgan: I am offering in return what the Honourable the Finance Member made a point of in his speech, finding an increased market for her agricultural products in the United Kingdom in exchange for United Kingdom imports into India. If you buy, you can generally sell: there must be exchange of trade and services: that is an established fact: you cannot only buy: you cannot only sell

Diwan Bahadur A. Ramaswami Mudaliar: Can the Honourable Member say how much of German salt is coming, this subsidised salt ?

Mr. G. Morgan: 45,000 to 50,000 tons.

Diwan Bahadur A. Ramaswami Mudaliar: May I give him the figures ? 5,000 tons during the last ten months and 5,000 tons during the previous ten months, from the whole of Germany. I refer him to the January number of Sea-borne Trade Accounts, p. 104.

Mr. G. Morgan: I cannot accept those figures, but I think I am right in saying that salt of that Hamburg quality comes to very nearly 50,000 tons on an average; that is the quality which is consumed in the Bengal market.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): What is your authority for making that statement?

Mr. G. Morgan: I cannot find it just now. It is in the report. I merely put this forward, because, I think, that as things stand today, there is a case made out for Liverpool salt up to a certain amount.

Diwan Bahadur A. Ramaswami Mudaliar: I am sorry I was mistaken. The Honourable Member is right: it is about 50,000 tons.

Mr. G. Morgan: I did not like to be too definite, but having followed this for three years without ceasing . . .

Seth Haji Abdoola Haroon: At what price is German salt selling in the Calcutta market?

Mr. G. Morgan: Liverpool salt sells in the Calcutta market at Rs. 8 per hundred maunds over the price of Aden Solar Fine. The Honourable Member ought to know, he has a great deal to do with salt business.

There is a special price for that particular quality and that has been brought out in every report that I have had to deal with and I know that Liverpool salt has a special market for a certain quantity and it sells roughly at Rs. 8 per hundred maunds over the Aden Solar Fine price. Supposing the price today—I am afraid my friend, Mr. O'Sullivan, must have been quoting some other quality—suppose the price today is round about Rs. 49 to Rs. 50, then add to that Rs. 8, and you get the price of Liverpool salt. The Hamburg salt is just the same. I am talking about that particular special quality for which there is a limited demand: In connection with that the Indian Salt Association on two occasions, once in 1932, which elicited from my Honourable friend, Mr. B. Das, a very stinging remark, and again in January, 1934, said that if the Bengal consumers were keen to have to some extent Liverpool salt besides Aden and Indian salt to suit their taste, it was then right to ask for a provision in that class of salt to a limit commensurate with the actual demand for that variety. That is why I have placed my limit at 50,000 tons.

A short time ago, even the Burma salt people sent in a representation to either the Governor or the Financial Secretary and said:

"The inference is therefore, obvious that these foreign salts were being subsidised by their respective governments, the only possible exception being British salt which suffered in common with Burma salt and so was practically excluded from the Rangoon market."

That was in a representation made by the Burma indigenous salt producers to the Government.

I have nothing else to say on this matter. I hope that the House will view it in the spirit with which I have put it forward and also with regard to remarks made by the Honourable the Finance Member as to exchange of trade. Sir, I move.

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

"That after clause 2 of the Bill the following new clause be inserted:

"2A. To section 3 of the said Act the following proviso shall be added, namely,—

'Provided that Liverpool shall be permitted to import into any port in British India free of any additional duty of customs salt not exceeding fifty thousand tons in quantity.'"

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I oppose the amendment just moved by my friend, Mr. Morgan. My Province was one of the most prosperous Provinces in India due to the existence of salt industry, but unfortunately this industry was sacrificed at the altar of the avarice of the British merchants interested in Liverpool and Cheshire salt. Mr. Sterling, who was the Divisional Commissioner in Orissa in 1822, paid a tribute to the fine quality of salt manufactured in Orissa. This is what he said:

"In this inhospitable tract,

An Honourable Member: Do you take this description as a correct description of your country?

Mr. Sitakanta Mahapatra: We did not hospitably receive the British. However, I would ask Honourable Members to particularly mark the words:

"the finest salt of all India is manufactured, which, under the monopoly system, yields annually to the Government a net revenue of a little short of eighteen lakhs of rupees."

But this industry was killed to make room for Cheshire salt in India. Even in spite of the imposition of heavy duties on Orissa salt, they could not compete with salt made in Orissa. The grant of monopoly for salt manufacture to the East Indian Company accentuated the distress of the Orissa people. I shall read out a portion from a book by my friend, Mr. B. Das

Mr. Gaya Prasad Singh: What is the name of that book?

Mr. Sitakanta Mahapatra: The name of the book is "Salt Manufacture in Ancient Orissa" by Mr. B. Das:

"But the pressure by the Cheshire manufacturers in England grew stronger and stronger in the meanwhile. Before 1829, the consignments were trials only, but by 1832 nearly two lakhs of maunds were imported and hence Cheshire producers compelled the House of Commons to examine the situation in 1836. The Select Committee of the House of Commons of 1836 recommended that the Government monopoly should be reduced only to a monopoly of manufacture. This monopoly of manufacture was further criticised from time to time while the imports of foreign salt grew to 29 lakhs of maunds in 1851."

Sir, in this way the salt industry of my Province was killed for the benefit of Liverpool salt merchants. Sir, I oppose the idea of any sort of concession being granted to Liverpool salt.

The Honourable Sir George Schuster: Sir, my Honourable friend already knows my views on this subject, because he had put forward his proposal in our Committee discussions. What I chiefly wish to point out to him is, without in any way taking the line that a proposition of this kind is totally inadmissible, I would put it to him that this is not the way in which to bring it up. We have now entered into definite relations with the United Kingdom as regards the preferences and trade arrangements and it is impossible to consider propositions of this kind in isolation. If the United Kingdom manufacturers wish to press for preferential terms as regards salt, that is a matter which can be considered as part of a general discussion in which a number of questions can be raised and in which India

[Sir George Schuster.]

will have the opportunity to raise reciprocal questions. Therefore, Sir, I must oppose my friend's amendment on those grounds, quite apart from the fact that, as at present advised, I cannot see that he has established his case on its merits.

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

"That after clause 2 of the Bill the following new clause be inserted:

"2A. To section 3 of the said Act the following proviso shall be added, namely,—

'Provided that Liverpool shall be permitted to import into any port in British India free of any additional duty of customs salt not exceeding fifty thousand tons in quantity.' "

The motion was negatived.

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

"That after clause 2 of the Bill the following new clause be inserted:

"2A. In section 3 of the said Act after the words 'two and a half annas per maund' the words 'and in the case of Liverpool at the rate of one anna and three pies per maund' shall be inserted'."

Sir, the Honourable the Finance Member says that I have not made out a case for Liverpool. I think that it is very hard. I thought I had made out quite a good case. The Finance Member's ideas of the merits of the case and mine may be entirely different, but I really thought that my case was quite a good one. The Finance Member has stated that the proper way to make any change in any tariff arrangement between Britain and India is to bring the matter up in the trade agreement which, I understand the Finance Member to say is under consideration

The Honourable Sir George Schuster: What I really suggested to him was that it should be brought up through the proper channel to enable the case to be examined properly. Matters of this kind cannot be brought up on the floor of the House by individuals who claim to speak on behalf of particular commercial interests in England.

Mr. G. Morgan: That, I take it, has to come from the other side through the British representatives up to the Government of India. That may be so, and the House will decide whether that is the proper way to deal with this matter. I shall be very glad to place my amendment before the House. This second amendment is merely put in on the principle that half a loaf is better than none, but I should like to place my amendment before the House in order that they may say definitely that this is not the way to bring forward this amendment. Sir, I move.

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

"That after clause 2 of the Bill the following new clause be inserted:

"2A. In section 3 of the said Act after the words 'two and a half annas per maund' the words 'and in the case of Liverpool at the rate of one anna and three pies per maund' shall be inserted'."

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise to oppose this amendment. Salt is one of the necessities of life, and, therefore, India ought to be independent of any foreign supplies. This is a just principle, and, in order to carry out that principle, an import duty has been levied, because the Province of Bengal did not produce the salt it needed. All the maritime Provinces in India make their own salt and are independent of any foreign salt, but the Province of Bengal has ceased to manufacture salt for its own use, and it is the intention of Government to encourage that manufacture even in Bengal, and with a view to protecting Indian salt, an import duty of Rs. 0-2-6 per maund has been levied. This import duty is necessary in the interest of the salt that is manufactured in India. We have been told that new manufactories in Karachi, Kathiawar and other places are springing up to supply the necessary quantity of salt required by Bengal. If this preference is given to Liverpool salt and if the duty is halved, then the condition of salt manufacture in Sind especially, and in Kathiawar will be very bad, and they will have to face competition which they are not able to face even at present. Therefore, I maintain that this amendment ought to be opposed.

The Honourable Sir George Schuster: Sir, I must oppose the amendment, I am afraid, on the grounds I have already explained.

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

"That after clause 2 of the Bill the following new clause be inserted:

'2A. In section 3 of the said Act after the words 'two and a half annas per maund' the words 'and in the case of Liverpool at the rate of one anna and three pias per maund' shall be inserted'."

The motion was negatived.

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

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

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

"That clause 3 stand part of the Bill."

Mr. D. N. O'Sullivan: I beg to move:

"That clause 3 of the Bill be omitted."

The effect of this will be to maintain the old maximum selling price of Rs. 54-12-0 as against the proposed maximum price of Rs. 50-0-0, and I will be very brief in my remarks on this point. It was the idea of the Tariff Board in fixing a maximum price to fix a fair and economic selling price. In 1931, a fair selling price was Rs. 66 in the estimation of the Tariff Board. It was subsequently reduced for no adequate reason, in my submission, to Rs. 54-12-0, and now it is proposed to reduce it to Rs. 50. I would point out to the House that it is the maximum selling price that has been fixed and not the minimum selling price. We all know that the

[Mr. D. N. O'Sullivan.]

price is now considerably lower than the proposed maximum price. The points at issue are these. First of all, is there any justification for reducing the maximum selling price to Rs. 50, and, secondly, if the old rate of Rs. 54-12-0 is retained, is anybody prejudiced thereby, that is to say, does the consumer or any one suffer? The last report of this Salt Industry Committee has given no valid reasons at all for this reduction, none whatsoever. It is impossible to say on what premises they based their conclusions. Their remarks in relation to this are contained in paragraph 4 of their report:

"While for these reasons we recommend no change in the import duty we think that the time has come to make a change in the price at which the Government has power to buy in salt which power, we may point out by way of reminder, is the controlling factor in the whole plan which we originally recommended, and distinguishes this plan from an ordinary scheme of protection. We consider that this buying in price can now be brought more into touch with the actual realities of the situation."

—What those realities are, of course, they do not say—

"The original buying price was fixed according to the Tariff Board's assessment of a fair selling price and the reduction which we recommended last year, was based on the established fact of a reduction in the cost of one of the Tariff Boards factors, namely, sea freight. We recognise that in proposing a further reduction now we are departing in a new manner from the Tariff Board's basis without actually reviewing the other items which made up this basis."

—They make no enquiry on the point at all as far as one could see—

"Nevertheless we consider that on *broad grounds* some revision is justified for in the present economic depression the whole scale of values has changed and every industry has had to accept lower prices for its goods."

Is it a fact that in the last year the whole scale of values has depreciated to that extent? I respectfully submit that that is not

S.P.M.

the case. Therefore, I submit that this report itself does not establish that there is any justification on economic grounds for the lower rate, and I shall be glad to hear of any adequate reasons. On the other hand, is there any prejudice to anybody by the retention of the old rate? Again, the old consumer argument cannot be brought into play here, because the difference to the consumer in the two rates is practically negligible. A very large family would consume about one-third of a maund of salt per annum, and the difference in the two rates would work out, according to our calculation, to about three pice per annum per maund to the consumer. So, the extra cost to even the largest family would be about one pice per annum. As against this negligible increase of one pice to the consumer, considerable prejudice is done to the manufacturer because, as I said previously today, if you are granting protection, grant adequate protection, protect this infant industry adequately, and a rate of Rs. 50 per 100 maunds will not enable the indigenous industry to put away any reserves against a rainy day or afford protection against this rate cutting war which is now in being or which is commencing. I have pointed out that today the rate is Rs. 46 in the Calcutta market and Little Aden crushed salt is being sold at Rs. 42-0-0. Aden Italian is being sold as low as Rs. 36-0-0 per 100 maunds. How, unless this indigenous industry is permitted to build up some sort of reserve against a rainy day, are they to continue? I submit for the serious consideration of the House that there is absolutely no case made out for the lower maximum selling rate, and I would urge upon the House in the interests of the indigenous industry to retain the old rate of Rs. 54-12-0.

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

"That clause 3 of the Bill be omitted."

Mr. M. Maswood Ahmad: I oppose this amendment, and I want to say in this connection that the price of Rs. 50 which has been proposed is already a very large amount. My Honourable friend has himself admitted that nowadays the price is Rs. 36, and that is the reason why the Committee has reduced the amount to Rs. 50.

Mr. D. N. O'Sullivan: I said temporarily owing to rate cutting war.

Mr. M. Maswood Ahmad: When the price rises, then my Honourable friend can come later and say that the amount must be raised, but at the present moment there is absolutely no case for my Honourable friend's amendment. My point is that this Rs. 50 is already an exorbitant amount for the poorer classes. My Honourable friend does not realise what one pice makes in the Budget of a poor man who earns six pice after toiling the whole day. To people who spend hundreds of rupees at bridge tables, one pice does not matter much, but it means everything to the poor people. Again, my Honourable friend has said that this is an infant industry. I do not know when this infant industry will grow into young, healthy manhood. I suggest to the Honourable the Finance Member that instead, he should, by executive order, reduce this Rs. 50 and fix it at Rs. 36, as he has power to do.

The Honourable Sir George Schuster: Sir, I take my stand halfway between my Honourable friend who moved this amendment and my Honourable friend who has just spoken. We have given this matter a great deal of consideration in the committee and I think our proposal is right to reduce the maximum price now to Rs. 50. We are definitely feeling our way in this matter. What we are doing is to bring this maximum price rather more into touch with the prevailing market price than it would be if we left it at Rs. 54. I would ask the House to support our conclusion in this matter.

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

"That clause 3 of the Bill be omitted."

The motion was negatived.

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

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is that the Bill be passed.

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS.

OPIMUM.

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

"That a supplementary sum not exceeding Rs. 13,58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Opium'."

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa Muhammadan): This amount is required by Government to pay the price of the opium. At present opium is grown in British India and in the States as well and the amount demanded by my Honourable friend is for the excess of the opium which has been grown in British India and the larger portion of this is to defray the charges of opium grown in Indian States. In this connection, I want to say that except Gwalior and Indore, they have got contracts with other Indian States and they inform the States that a particular quantity of opium

The Honourable Sir George Schuster: On a point of order, I think my Honourable friend is raising questions of policy on this matter and I understand that the general rule of procedure is that in the case of supplementary grants the question is merely one of whether the money should be voted. Moreover, in this case, I may point out to my Honourable friend that it does not represent expenditure in the ordinary sense. We have to take over this opium according to the amount of the crop which is grown and we may get a little more than our forecast in one year and a little less in another year.

Mr. M. Maswood Ahmad: This amount is wanted by Government to pay the States for the excess of opium which they have supplied to them. I want to suggest to Government that they should not take this excess amount of opium. That is my point. So I say that we should not give this money to them.

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

Mr. M. Maswood: I have not finished my remarks. I was only explaining my point in reference to the point of order.

The Honourable Sir George Schuster: My Honourable friend surely admits that we must carry out our agreements in this matter. What my Honourable friend is doing is to raise questions of policy. That is the point of order I raised. Our policy has been to get control of all these stocks of opium that are produced in the States, and unless we take over those stocks, they become a real menace to the carrying out of our policy of controlling the production of opium.

Mr. M. Maswood Ahmad: I oppose this motion and say that the amount should not be sanctioned.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member knows perfectly well the restricted scope of the discussion on these demands. He cannot discuss the question whether the Government are right in pursuing the policy of purchasing all the opium that has been produced in the crop of a particular year, and he will not be in order if he wanted to stress that point.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): My Honourable friend is discussing the question on its merits. The outturn has far exceeded the estimate and, in order to cover that expenditure, my Honourable friend, the Finance Member, wants that this sum should be granted and Mr. Maswood Ahmad is going to discuss that question. I cannot understand how that can be out of order.

Mr. President (The Honourable Sir Shanmukham Chetty): What the Chair said was that he could not discuss the policy of the Government—whether they were following a right policy in contracting to purchase all the opium grown in a particular year.

Mr. M. Maswood Ahmad: I do not want the Government to purchase this excess amount of opium as being against the public interests.

Mr. President (The Honourable Sir Shanmukham Chetty): This point ought to have been raised during the Budget. It is a question of policy as to how they are to spend the money in the purchase of opium. He has missed his chance.

Mr. M. Maswood Ahmad: If that is your ruling, then I cannot discuss this question. In opposing this grant, certainly I must place the facts before the House as to why the sanction of this amount by the Assembly is not in the interests of India. Rather it is against the interests of India.

Mr. President (The Honourable Sir Shanmukham Chetty): The ruling has been given on a number of occasions in the past. It is not a new ruling.

Mr. M. Maswood Ahmad: Then I oppose this amount and submit that it should not be sanctioned by the House.

Mr. S. O. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): We do not question the policy of the Government to control the opium that is produced in India, but what I understand Mr. Maswood Ahmad to argue, and I agree with him, is this. Should it be left to the sweet will of the Native States to produce any amount of opium they like, and then to force the Government of India to buy that? If that be so, . . .

The Honourable Sir George Schuster: If my Honourable friend would read the papers that have been supplied, he would realise that we have definite agreements with the States. They cannot control the weather conditions. Sometimes they produce a big crop and sometimes they produce less. It happened in this particular year that the crop production far exceeded any reasonable estimate, and that is why there has been an excess.

Mr. President (The Honourable Sir Shanmukham Chetty): Under the agreement the States are bound to limit the acreage under cultivation of opium. That is governed by the policy of the Government and the agreement that they have entered into with the States. If, as a result of favourable weather conditions in that particular area, there is more crop than can be anticipated at the time of the Budget, then what can we do.

Mr. S. O. Mitra: The Honourable the Finance Member referred to the papers supplied to us. The proceedings of the Standing Finance Committee, Volume XIII, No. 9, is the only one that has been supplied to us. He has referred to a number of other proceedings Nos. 8, 5, and so on, which we cannot get hold of.

The Honourable Sir George Schuster: Will my Honourable friend refer to page 415 of the proceedings of the meeting of the Standing Finance Committee of the 23rd January?

Mr. S. C. Mitra: The members of the Standing Finance Committee have got it, but it does not follow that it has been supplied to us. (*Voices:* "No, no, the other volumes were supplied.") Very well, can you tell us why this volume was circulated?

Mr. President (The Honourable Sir Shanmukham Chetty): Have all the volumes been circulated?

The Honourable Sir George Schuster: Yes.

The Honourable Sir Brojendra Mitter (Leader of the House): Sometimes they go with the proceedings of the Legislative Assembly, and Honourable Members, thinking that they are all merely proceedings of the Assembly, never look at them.

Mr. S. C. Mitra: Many papers are supplied to members of the Standing Finance Committee, but that does not necessarily mean that all the papers supplied to those members are supplied to every other Member as well. The Honourable the Leader of the House does not perhaps know that the members of particular Committees get much more papers than those supplied to other Members in the House.

The Honourable Sir George Schuster: I am quite clear that my Honourable friend has been supplied with a copy of this volume of the proceedings of the Standing Finance Committee.

Mr. S. C. Mitra: Why is it that this volume No. 9 alone has been tacked on to this supplementary demand?

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair finds this number tacked on to the supplementary demand on its table also.

The Honourable Sir George Schuster: Because that particular volume had not been circulated before.

Mr. S. C. Mitra: Sir, we are getting this particular copy on our table here for the last three or four days. However, if that be the point, then I have nothing to say.

Mr. Gaya Prasad Singh: Sir, I understand that this sum is required to meet extra payments due to the outturn of opium during the season 1932-33 having far exceeded the estimated yield due to favourable weather conditions. Now, a reference has been made to the Standing Finance Committee's report, Volume XIII, No. 7, pages 415-16. Well, I have turned to those pages and this is what I find:

"1. *Concise Statement of the proposal and reasons therefor.*—The amounts provided in the current year's budget estimates on account of 'payments for special cultivation in Malwa' and 'Payments to cultivators in the United Provinces' are Rs. 24,18,000 and Rs. 17,87,600, respectively, but due to favourable weather the outturn of opium has exceeded the anticipated yield on which the budget was framed. According to the latest revised estimates, the expenditure under the two sub-heads is expected to

be Rs. 30,81,500 and Rs. 26,84,100 and an excess of Rs. 15,60,000 is therefore anticipated in the budget grant of the Opium Department for 1933-34 under these sub-heads. A portion of the excess will be met by the re-appropriation of funds to the extent of Rs. 1,36,800 from the savings anticipated under other sub-heads in the Opium grant. As regards the balance it is proposed to submit a supplementary demand to the Legislative Assembly for Rs. 14,23,200."

A supplementary demand has been put before the House. Now, unfortunately I find from my own experience as a member of the Standing Finance Committee for a long number of years that these recurring demands very often come, owing to the weather conditions becoming very favourable so far as the cultivation of opium is concerned. Sir, the Government of India are under an obligation to bring into control the traffic in opium within a prescribed number of years at the end of which—it was probably in 1934-35, any way by the end of that year the cultivation of opium is to be strictly limited only to the medicinal and scientific requirements of the country and by the end of that period our exports of opium to China and other places should also be stopped, but I find very often that these favourable weather conditions prevail and the cultivation of opium within the prescribed area exceeds the estimated outturn. I would, therefore, suggest that some drastic steps should be undertaken by the Government, if possible, to restrict the cultivation of opium within the territories of the Indian States, so that the obligations of the Government of India may be carried out without prolonging the interval which they have stipulated in that agreement. Therefore, while I am not exactly opposing this demand, I would press upon the Government the necessity of exploring some avenues through which the necessary arrangements might be made for strictly controlling this immoral traffic in opium and restricting the outturn to the actual requirements which the Government themselves have undertaken years ago by the end of which period our exports to other countries should automatically cease. I shall be glad if my Honourable friend, the Finance Member, throws more light on this proposal.

The Honourable Sir George Schuster: Sir, I am very glad to throw light on the proposal. I thought my Honourable friend, as an old member of the Standing Finance Committee, was very familiar with it. As a matter of fact, if I look back over my own period of office here, I can remember periods like the present when we have had an excess production. I can also remember two or three years back a period when the Central Board of Revenue authorities came to me in considerable panic owing to the fact that there had been a shortage of production. We were likely to have an insufficient quantity of opium in order to carry out our programme. It so happened that in 1932-33 there was an excess. I am told in the current year there is actually going to be a shortage and we are going to have a substantial saving on our estimates of expenditure. On the whole I think we have been pretty accurate in handling this matter and in regulating the area under cultivation so as to produce the amount of opium that we require. There is, however, a considerable fluctuation in the yield from year to year and I am afraid no suggestions from any Honourable Member opposite will make us able to guess the position more accurately than we do at present.

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

"That a supplementary sum not exceeding Rs. 13,58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'opium'."

The motion was adopted.

INTEREST ON MISCELLANEOUS OBLIGATIONS.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 4,59,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

COUNCIL OF STATE.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of the 'Council of State'."

The motion was adopted.

LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 1,32,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

FINANCE DEPARTMENT.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of the 'Finance Department'."

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, before I vote for this supplementary demand, I would like to get some information from the Honourable the Finance Member, and, while asking for this information, I assure you that I have no desire to go against your ruling. At the same time, I am sure, you will consider the difficulty of Members who have to vote for a particular grant and make their position quite clear in opposing or supporting it. Having made that request to you, Mr. President, I would like to ask for certain information from the Honourable the Finance Member. The first point on which I would like to get information is whether the economic experts for whom Rs. 20,000 have been asked in the supplementary grant have made any report. If they have made any report, when is it going to be published, or is it going to be a confidential report? If it is going to be a confidential report, I am afraid I shall not be able to support this demand at all.

The Honourable Sir George Schuster: If my Honourable friend would just ask his questions, it would save lot of time in answering them.

Mr. N. M. Joshi: I hope the Honourable the Finance Member will permit me to ask my questions in my own way. If the report is going to be confidential, I really cannot support this demand. But there is no reason for the report to be confidential.

The Honourable Sir George Schuster: May I tell my Honourable friend at once that it is not going to be confidential. I think it is now in the press and it will be published very shortly.

Mr. N. M. Joshi: Well, Sir, it is very difficult to understand the exact meaning of the words "very shortly". If the Honourable Member had told me that it would be published within a week's time, I would not have spoken at all on that point.

The Honourable Sir George Schuster: May I tell my Honourable friend that probably within a fortnight's time it will be published.

Mr. N. M. Joshi: Sir, I am quite satisfied on that point. My next question is whether Government propose to waste this money on an inquiry by not taking any action. My experience is that the Government of India have spent lot of money several times on these inquiries for the collection of statistics. They appointed a big Committee going round the country with several members and spent lot of money. The Committee made certain recommendations, but the Government of India did not give effect to any of those recommendations. Now, I want to ask before I vote for this demand whether the Government of India have decided to give effect to the recommendations of this Committee. Sir, the third question that I would like to ask is this. From the report of the Standing Finance Committee, I find that the Government of India have decided to associate two Indians with the two experts who have been brought from England. I want to know whether the position of the two Indian members was that of equality with the British experts who were brought here? From the words used by the Honourable Member that two Indians will be associated, my fear is that the position of Indians will not be that of equality. If that is so, I find it very difficult to support a demand of this kind, because I feel that there should always be co-operation between the British and the Indians, but it should be as between two equals and not as between superiors and inferiors.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Sir Abdur Rahim, one of the Panel of Chairmen.]

I am not, of course, against the experts being brought to India either from Great Britain or from anywhere else.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): May I know what was the position of my Honourable friend on the Joint Select Committee?

Mr. N. M. Joshi: My question, therefore, is whether the position of the Indians was that of equals. If the position was not that of equals, I am afraid that I shall not be able to vote for this demand. My reason is this, that if Indians are appointed in the position of inferiority, then the decision of a Committee like this will not carry that influence in the country which it would otherwise have carried. We want these Committees to be received

[Mr. N. M. Joshi.]

well by the public. We want their decisions to be received well by the public and I feel that if we allow Indians to be associated in a position of inferiority, the decisions of a Committee of this kind will not be properly received. I hope that the Government of India will give me satisfactory information on these three questions.

Mr. M. Maswood Ahmad: Sir, I want to know only one thing. In the memorandum placed before the Finance Committee, it was said that if the experts were unable to complete their inquiry during the cold weather, it might be necessary to invite them to return to India during the cold weather of 1934-35. I want to know in this connection whether the inquiry has been completed and whether the report which will be supplied within a fortnight's time to us will be a complete report or whether it will be a preliminary report. Also, if it is a preliminary report, whether another report will be made only after they have made more investigations in the year 1934-35. I would like to have information on this point.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I gave notice at the meeting of the Standing Finance Committee that I would oppose each and every item contained in these supplementary demands on the ground that there is one very important item which the Government of India have turned down on account of the financial stringency which, to my mind, is much more important than any of these demands that are mentioned in the agenda paper. Unless the Government of India put that particular demand in the forefront, all the other demands must wait. If my Honourable friend wants, I will make a short speech on the occasion of each and every demand or I will make only one speech and then oppose every motion. Sir, we know that the Simon Commission appointed a Committee known as the Hartog Committee. That Committee made one very important recommendation for the appointment of an Advisory Board. The Government of India accepted this principle and the Local Governments supported the measure, and it received the unanimous assent of the people. When I moved a motion sometime ago, . . .

The Honourable Sir George Schuster: Sir, I feel bound, as a matter of principle, to raise a point of order although I am sorry to do so, because nothing would have given me greater pleasure than to hear my Honourable friend make a speech. My Honourable friend is opposing these motions of supplementary demands on the ground that Government have not proposed expenditure under some totally different head. If we are to follow the ruling given by the President, it appears to me that my Honourable friend must be out of order in making speeches on these lines.

Dr. Ziauddin Ahmad: I am not raising any question of principle just now. I am really pointing out that we are in a very bad state of financial stringency which is evident from the fact that the Government have turned down this important proposal. Therefore, we have got no money to sanction all these supplementary demands. I am opposing them on the ground of economy and financial stringency. In proof of the fact of financial stringency is the statement made by the Government of India in connection with this particular proposal, and because this thing was turned down on account of financial stringency that the Government of India have no money, I say that we ought to turn down every proposal which is really of less importance than the other one.

Mr. Chairman (Sir Abdur Rahim): On the point of order raised by the Honourable the Finance Member, the Chair would say that if the Honourable Member wants to oppose this demand on the ground that there is no money in the exchequer of the Government of India, he is perfectly within his bounds in doing so. Otherwise he must confine himself to the subject to which this motion relates.

Dr. Ziauddin Ahmad: I am really taking my stand on this ground that we have got financial stringency and we have really no money.

The Honourable Sir George Schuster: We all admit that.

Dr. Ziauddin Ahmad: My Honourable friend agrees that we have got financial stringency, and, in spite of that, he brings forward this proposal. May I ask him if it is not inconsistent?

The Honourable Sir George Schuster: Not at all inconsistent. Financial stringency is an elastic term, within the limits of financial stringency, there are certain items of expenditure which are really obligatory or which we think are likely to produce results which make it worth while undertaking at present.

Dr. Ziauddin Ahmad: Financial stringency is an elastic term which can be used in any way that the Finance Member likes.

Mr. Chairman (Sir Abdur Rahim): That will not justify an Honourable Member in dealing with all sorts of questions bearing on the financial condition of the Government of India. He must really confine himself to the subject to which this motion relates.

Dr. Ziauddin Ahmad: I am confining my remarks to the subject matter of this motion. I do not want to enter into the merits of the case, because this may be a very good one. But I want to mention particularly that we have got no money to spend on this particular demand,—and that is the whole point of my objection. That the Government have no money is evident from the fact and from the action they took in connection with certain other items of expenditure which, in the opinion of this House, is much more important than any of the items mentioned here. That is really the ground on which I stand. I already said that the Government of India have accepted that the recommendations of the Hartog Committee were very good and very desirable. The Local Governments wanted it, the public wanted it and everybody wanted it and said that it was absolutely essential for the progress of education in this country. In spite of all these, it was turned down on account of financial stringency. Therefore, am I not right in asking this House to turn down this particular proposal on the same ground which my Honourable friend used in turning down the recommendations of that Committee? With these words, I oppose the motion.

The Honourable Sir George Schuster: I will do my best to answer the questions that have been put to me.

As regards my Honourable friend, Mr. Joshi, I am afraid that having heard his questions we must on this side face the appalling but not entirely unusual prospect of having to do without my Honourable friend's vote.

[Sir George Schuster.]

My Honourable friend has asked us to give an undertaking that we would act on all the proposals that may be contained in this report. I could not possibly give any such undertaking. We shall certainly treat with the greatest seriousness all these recommendations and I trust that the report will be of such value that we can act upon all of them but until we have seen the report, we cannot possibly say what our action will be. My Honourable friend asked whether the Indians were given equal status. Well, I may inform the House that the Indians themselves never raised this question. They were extremely pleased to have the opportunity of working in association with these two experts that we brought from England and no one took the trouble to raise that question as to whether their status was equal or not.

Mr. Gaya Prasad Singh: As a matter of fact, were their status equal or not? That is the point Mr. Joshi wants to know, whether the status of the Indian Members was equal to the status of the European Members.

The Honourable Sir George Schuster: The position is this, that two economic experts were brought from England and they were men, specially selected for this purpose, of world-wide reputation. They were the two whom we selected for carrying out and guiding this work and it is useless to ignore or to attempt not to face the fact that there was in India no statistician, for example, of the same rank, reputation and experience as Professor Bowley. I do not think anyone would dispute that. Those two experts from England were chosen as I say primarily on their own merits and with them three Indian economists were associated. They were chosen purely with a view to their being able possibly to undertake work in the future in case there would be any sequel to this enquiry. They were not chosen as being men of the same standing and age and experience as those who came out from England. There is no suggestion in that that the Indian is put on a lower status than the Englishman, it is simply a question of the individuals who were employed. My Honourable friend, Mr. Maswood Ahmad, wished to know whether the enquiry had been completed or whether it was merely a first step to a larger enquiry on which possibly some experts might be invited next year. It is difficult to answer that question until we have the report before us and have considered our action upon it. But I may tell my Honourable friend that the report which is now in the press,—although I have not seen it in full, I have seen only certain sections of it, I know the scope of the report,—that report will deal merely with statistics, the organisation for statistical and economic intelligence work in the Government of India. It will suggest a setting up of certain organisation and keeping of certain statistical records. It will also suggest the undertaking possibly of a very full enquiry what is generally known as the "census of production" or an "economic census" of the whole of India. That enquiry if it is undertaken might be a task which would last four or five years and would be an important and costly bit of work. I wish to express no opinion at present on the merits of that. I am merely explaining the position in order that my Honourable friend may understand what is involved in his question. I think it is not at all probable that either of these two gentlemen, who have come out for the present enquiry, will be willing to come out again to take part in the larger and longer enquiry of the nature which I have just described. That, Sir, I think answers all the questions. As regards my Honourable friend, Dr.

Ziauddin Ahmad, I would point out to him that there is a certain distinction between allowing expenditure for a non-recurrent item and embarking on setting up a new department which would involve a regular recurring expenditure. I think what he had in mind was an item of expenditure which would have fallen in the latter category.

Dr. Ziauddin Ahmad: Will this committee of enquiry not be a permanent department? Do you mean to say that the enquiry will be held one year and then it will be over?

The Honourable Sir George Schuster: Undoubtedly these particular recommendations may lead to recurrent expenditure, but the item which is now before us and which my Honourable friend wishes to oppose is an item which involves a single non-recurrent payment.

Mr. Chairman (Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of the 'Finance Department'."

The motion was adopted.

CENTRAL BOARD OF REVENUE.

The Honourable Sir George Schuster: I beg to move:

"That a supplementary sum not exceeding Rs. 6,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of the 'Central Board of Revenue'."

The motion was adopted.

ADMINISTRATION OF JUSTICE.

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

"That a supplementary sum not exceeding Rs. 5,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Administration of Justice'."

Mr. M. Maswood Ahmad: Sir, the great trouble is that certain information has been supplied to us by Government after the Budget debate, and it was not possible for us to discuss that policy of Government at the time of the Budget debate. So I think I am entitled to ask questions and criticise their attitude in regard to those items which have cropped up after the debate, and this is a case of that kind. This is what I find on page 419 of the Standing Finance Committee's report, Volume XIII, No. 8:

"It has since been reported that the actual cost incurred by the Local Government during 1931-32 and 1932-33 in the prosecution of cases relating to the administration of Central subjects was Rs. 6,192-13-3, viz., Rs. 5,779-8-3, in 1931-32 and Rs. 413-5-0 in 1932-33. The total amount payable for the two years inclusive of the annual contribution of Rs. 3,000, thus amounts to Rs. 12,192-13-3."

[Mr. M. Maswood Ahmad.]

I do not understand how the total comes to Rs. 12,192 odd. After adding these sums of Rs. 6,192-13-3 and Rs. 3,000, the total comes to only Rs. 9,000 odd, and not to 12,000 odd. I want an explanation of this from my Honourable friend.

Mr. T. Sloan (Government of India: Nominated Official): Sir, I can answer the Honourable Member's question. The position is that in the Budget annually there is a provision of Rs. 3,000 for the services of the Law Officers of the Local Government of Assam. We also undertake to pay the annual amount of fees and other charges incurred in the conduct of cases connected with Central Departments. The provision for that amount is small and was greatly exceeded in the years 1931-32 and 1932-33 on account of certain important cases connected with the Posts and Telegraphs Department which were prosecuted in the Lakhimpur, Sylhet and Darrang districts of Assam. The actual expenditure in those cases was Rs. 6,192. We had also to meet Rs. 3,000 each year for the services of the Law Officers, the total thus came to Rs. 12,192. Of that amount, Rs. 7,000 was adjusted in March, 1933, which leaves an amount of Rs. 5,000 to be adjusted in the present financial year. I think that explains the Honourable Member's difficulty.

Mr. M. Maswood Ahmad: Then, this Rs. 3,000 is really Rs. 6,000?

Mr. T. Sloan: Yes, that is the sum paid each year, and for two years it comes to Rs. 6,000.

Mr. Chairman (Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 5,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Administration of Justice'."

The motion was adopted.

POLICE.

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

"That a supplementary sum not exceeding Rs. 4,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Police'."

Mr. M. Maswood Ahmad: I want to know whether this is an extra amount or an original demand. In all these demands, we find they say that this is an extra portion of the cost, etc. But here that word is not found. The note says that it is required to meet the cost of police guards by the Punjab Government for guarding the Viceregal Lodge in Simla during the six winter months and for the protection of the press attached to the office of the Private Secretary to the Viceroy during the whole year. I want to know whether this is an extra portion of some expenditure or a new demand. If it is extra cost, I have nothing to say, but if it is a new demand, then I have to say something.

4 P.M.

Mr. T. Sloan: Sir, the position is that the Government of the Punjab were paying for the police guards at Viceregal Lodge in Simla, both while His Excellency was in residence and during the winter while His Excellency was not in residence, and also paying for the guards in the Viceroy's press. It is a practice in the case of other Government buildings in Simla, which belong to the Central Government, that the Central Government pay for their protection. The Government of the Punjab pointed out that when His Excellency was not in residence in Simla, the protection was really for Government buildings only and that the Central Government should pay for it and that the same applied to the Viceroy's press for the whole year round. The Central Government accepted that claim, and they agreed to bear the cost of the protection during the winter months of Viceregal Lodge and of the press for the whole year. The annual recurring cost is estimated at Rs. 12,000 per annum and this amount of Rs. 4,000 is required to meet an excess in the present financial year.

Mr. M. Maswood Ahmad: Was this amount paid in past years also during the absence of His Excellency?

Mr. T. Sloan: The Punjab Government paid it previous to the present financial year.

Mr. M. Maswood Ahmad: It is quite surprising that the press is maintained even in the absence of His Excellency in Simla. If His Excellency is not in Simla, then, I think, there should not be such a large number of police to watch these buildings: when, in past years, the Punjab Government did not claim, why should they claim it this year? I think they must bear these charges, and I think this expenditure is not justified.

Mr. T. Sloan: Sir, I have already said all that is necessary to say. The Punjab Government have a just claim; they have made the claim and we have admitted it; I do not think that there is anything more to be said in the matter.

Mr. Chairman (Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 4,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Police'."

The motion was adopted.

PORTS AND PILOTAGE.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of Ports and Pilotage'."

Dr. Ziauddin Ahmad: Sir, in this case I would like as an exception to support the motion (Laughter) as it is for an educational purpose; and that is why I speak. The Government of India now propose to open special classes for training mercantile engineers. (Interruption.) I know that this is an important thing—this particular ship, in which they are going to open these new classes, was very badly in need of repairs; and these repairs were necessary and desirable for re-equipment of the "Dufferin" for

[Dr. Ziauddin Ahmad.]

this new purpose. We have not provided anything this year for it, though there is something provided in the next year's Budget which has been passed. Till now the ship has been preparing men for the officer's class only, and it is really one of the important achievements of the Commerce Department that they have made this provision for training mercantile engineers in India. Till now such training could be had only abroad. But in future such training will be imparted in this country, and, therefore, I support this motion.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I am much obliged to my Honourable friend for his support of this motion.

Mr. Chairman (Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Ports and Pilotage'."

The motion was adopted.

SURVEY OF INDIA.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 1,77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Survey of India'."

Dr. Ziauddin Ahmad: Sir, I regret that the Army Secretary is not here as I wanted some information from him. This is required on account of a change in the policy of the Military Department. This particular Department was maintained by the Education Department and they repaired the mathematical instruments for the Army Department and, as a side issue, for other Departments as well. I should like to know whether the Army Department have now made other arrangements for the repair of their instruments, with the result that the income of this particular Department has very much diminished and the tax-payer has really to pay for the losses of this particular Department on account of this fact. I would like to know whether this arrangement is only temporary or whether it will be continued in future years and we will have to pay this deficit year after year. If it is only for this year, then there is no serious objection. But if it is to continue, then I must oppose it on the ground that there are more important things to be done, and I think it is unfair that we should really maintain such a costly Department for which there is no use whatsoever. It may be required in case of war, if unfortunately it breaks out. Therefore, I would like to know what is the policy of the Army Department. If they get their repairs done elsewhere, I see no reason why this thing should be continued and we go on paying for it year after year.

Mr. M. Maswood Ahmad: Sir, in this connection also I am sorry to say that the Departments from which the Army Department get benefit do not get back anything. We have pointed out on several occasions that many

other items of expenditure which really should be adjusted under the Army Department are not put in the Army Department Budget, but on the civil side—such as dairies, slaughter houses, and other things. I want to know whether they are sending their mathematical instruments now or not. The main reason for deficit in this Department is that their mathematical instruments are sent to another Department for carrying out the necessary repairs. May I know from the Army Secretary whether these mathematical instruments are repaired in their own workshops or they are sent to other Departments, and what is their policy in this matter, whether they want to continue the policy of sending their mathematical instruments to other Departments only for this year, or what exactly is the position.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I would like, with your permission, to answer the point that has been raised by my friend, Dr. Ziauddin Ahmad, and by my friend, Mr. Maswood Ahmad, on behalf of the Army Secretary, as he was not present when the questions were raised, and I happen to be more familiar with the case than he is.

The position, Sir, is, that the activities of the Mathematical Instruments office have had to suffer as a result of retrenchment which affects not only one department of the Government of India but also the Army Department. I think it was the Honourable the Finance Member who pointed out the other day that the Army Department had had to reduce expenditure by something like ten crores of rupees, and it is only natural that that reduction of expenditure should be reflected in all branches. My information is that the Army now propose to make use of their own arsenals and other facilities for the purpose of effecting these repairs, and I would invite the attention of my friends to the opinion of the Committee, which is stated at page 520 of the proceedings of the Committee, Vol. XX, No. 9, namely, that if neither work nor subsidy could be provided by the Army Department, the very substantial fall in the recoveries should be balanced by a corresponding reduction in expenditure. That is a point which we are going to examine very carefully in consultation with our Surveyor General, and I hope that next year we shall be in a position to give a better account of ourselves.

Dr. Ziauddin Ahmad: Will the Honourable Member be pleased to say whether he will be able to close down this Department altogether?

Mr. G. S. Bajpai: No, Sir; it will not be possible to close this Department altogether, because it carries out repairs to instruments sent to it by the Army Department, and it also does repairs for the Survey apparatus which belongs to the Department itself.

Dr. Ziauddin Ahmad: May I know, Sir, when the Army Department have made their own arrangements for getting their repairs done, why should you not close down this Department altogether, why can't the mathematical instruments be sent to them for any repairs that may be necessary?

Mr. G. S. Bajpai: I doubt very much whether it will be possible for us to send our instruments to be repaired in half a dozen arsenals spread all over India, and there is something to be said for centralised activity in the Department by a staff which has been trained practically through decades.

Mr. Chairman (Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Survey of India'."

The motion was adopted.

METEOROLOGY.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 1,58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Meteorology'."

Dr. Ziauddin Ahmad: May I know, Sir, whether this particular demand is of a temporary or permanent nature, and whether it will not be repeated next year.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, the arrangement is obviously permanent. A new system of accounting has been brought into force in order to enable the cost of telegrams to the Meteorological Department to be definitely decided instead of being merely estimated as it has been in the past. This new system was introduced at the instance of the Standing Finance Committee, and obviously, therefore, it will be permanent in the future.

Dr. Ziauddin Ahmad: Then, I think, I am entitled to object to this particular item on the ground that this is of a permanent nature as the Educational Advisory Board. My friend, the Finance Member, opposed it on the ground that the item was of a temporary nature, while this matter is of a permanent nature. I should like to point out in this connection that the major portion of the expenditure lies in the appointment of the Educational Commissioner. The special man has already been brought out on a high salary

The Honourable Sir Frank Noyce: May I rise to a point of order. I think my Honourable friend has entirely misunderstood the case. There is no question of any additional expenditure here. What this has got to do with the additional expenditure involved in the appointment of an Educational Commissioner passes my comprehension. My friend seems to think that there is some permanent additional expenditure. It is merely a question of accounting. It is merely a question as to which Department the cost of telegrams should be debited. In the past the Meteorological Department apparently has been let off rather lightly. Under the new system, it will pay for all the telegrams it actually sends and the Posts and Telegraphs Department will, therefore, get the benefit. There is no new expenditure of any kind whatsoever. It is merely a matter of adjustment between one pocket of Government and another.

Mr. M. Maswood Ahmad: I agree with my friend when he says that this is merely a matter of adjustment between one Department of Government and another. With regard to the weather reports that are published, I should like to suggest to my Honourable friend, Mr. Bajpai, that

they should be published in the Gazette and in the press in ordinary plain language, so that they could be understood even by ordinary people. It is very difficult to understand the weather reports as they are published now. They say that the humidity at such and such a place is so much, and so on. They are published in technical language in the Gazette and other papers, and it is very difficult for ordinary people to understand them. Therefore, I would suggest that weather reports should be published in plain language, so that they could be understood by ordinary people. There is no use of publishing them in scientific language if they cannot be understood by ordinary folk. They must lay the information relating to the weather conditions in such a manner as could be understood easily by ordinary people.

Mr. S. C. Mitra: Sir, I am not satisfied with the explanation that inter-departmental accounts need not be accurate. In this particular case, I find in the proceedings of the Standing Finance Committee:

"Under the system of accounting in force in the Posts and Telegraphs Department prior to the 1st April, 1933, telegram charges were determined not on the basis of actual cost of telegrams issued during a particular period but with reference to the ratio of weather telegraphic traffic to the total telegraphic traffic in India. This ratio, in turn, was determined not by the actual count of telegrams in the year to which the expenditure related but with reference to certain periodical sample counts taken in the year preceding that to which telegram charges were debitable."

This is not the one case where we have reason to complain. Why should you proceed on whimsical ratios, and particularly in this case it is found out that the ratio is totally false and the accounts are very much artificial. In connection with the Telegraph Department too, we have had occasion to refer to this kind of manipulation of accounts, and this is a specific case which demonstrates how the accounts in the Postal Department are all fictitious and cooked up. That is the reason why on a similar case we pressed the view that, instead of putting these theoretical ratios on assumed figures, an actual account should be made, so that the accounts in this Department may not be unreal. I am glad to find now that they have come to actualities in this particular case, and that, in future, instead of depending upon these assumed ratios, they will keep an account of the actual expenditure. I do not oppose this demand, because they have come to their senses and now they will keep real accounts and not the so-called ratios.

The Honourable Sir Frank Noyce: I am grateful to my Honourable friend, Mr. Mitra, for his support. As regards his general criticism, I have nothing to add to what I said during the discussions on the Finance Bill, namely, that we are doing our best to bring about a satisfactory system of allocation of revenue and expenditure in the Posts and Telegraphs Department. The House will see that we have very willingly accepted the recommendation of the Standing Finance Committee on this matter, and if the Public Accounts Committee, before whom the general question is being put in the near future, has any suggestions to make, I have very little doubt that we shall take them into the most careful consideration and follow them if it is at all feasible to do so. I am afraid I cannot offer Mr. Maswood Ahmad much consolation. I shall, however, be glad to present him with a copy of a small book on Meteorology, which

[Sir Frank Noyce.]

will enable him to understand the scientific terms which are used in our weather reports and which are not really so formidable after all.

Mr. Chairman (Sir Abdur Rahim): The question is:

"That a supplementary sum not exceeding Rs. 1,58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Meteorology'."

The motion was adopted.

GEOLOGICAL SURVEY.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 5,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Geological Survey'."

The motion was adopted.

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

EDUCATION.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Education'."

Mr. Bhuput Sing (Bihar and Orissa: Landholders). I wish to say a few words on this motion. Government must come forward to help Indian Universities in times of difficulty, but I find that the amount is only Rs. 18,000 of which Rs. 15,000 is to be given to the Aligarh University. It is only proper that when the Universities are not finding sufficient money, owing to unforeseen circumstances, to balance their Budgets, they should be helped. May I ask the Government whether they have helped other Universities which are running under a deficit and are unable to meet their expenditure. It is only meet and proper that the Government should not make any distinction between University and University. When the Government come forward to help one University, they ought to do the same in respect of the other Universities which are running under a deficit. In this connection, may I ask the Government whether they are aware that the Benares Hindu University is also running under a deficit for several years, and what they have done to help that institution financially? I hope that the Government of India will kindly come forward to help that University also.

Dr. Ziauddin Ahmad: I should like also to add a word. When they restored the partial grant to the Aligarh University, it is just and equitable that we should also restore the partial grant to the Benares Hindu University. I have been in the local Council for many years, and the Aligarh and Benares Universities were always considered in the same category.

Whatever grant was given to one University was given to the other University also, and no distinction was made by the U. P. Government as regards the grant to these two Universities. Therefore, I suggest that we should give a similar grant to the Benares University, because I know that their difficulties are also very great, and every one is practically in the same boat on account of financial stringency. Therefore, we would have very much appreciated on this side of the House had the Government seen their way to give relief to the Benares Hindu University as well.

Mr. M. Maswood Ahmad: In this connection I should be glad to hear that if any amount has been deducted from the grant to the Benares University, it should be restored to them. But I want to inform my Honourable friend, Dr. Ziauddin, that the amount that has been deducted from the Aligarh University is not going to be restored to the Aligarh University. My Honourable friend has not seen the report of the Standing Finance Committee or he has forgotten the memorandum. In the memorandum he will find that Rs. three lakhs was used to be given to the Aligarh University, and a ten per cent cut was made in that with the result that Rs. 30,000 were deducted, and out of that amount an *ad hoc* amount of Rs. 15,000 has been proposed to be given to this University. And even that amount is not proposed to be given to that University next year as well. My Honourable friend has misunderstood the case, and I hope that he now realises the true state of affairs, as well as my Honourable friend, Mr. Bhuput Singh.

Mr. G. S. Bajpai: I do not really know that any elaborate explanation is necessary from me after what my Honourable friend, Mr. Maswood Ahmad, has said. The Government of India undoubtedly look upon it as their duty to treat the Benares and Aligarh Universities alike, and, as Mr. Maswood Ahmad explained, when we introduced the ten per cent cut as regards salaries, there was a similar ten per cent cut in regard to grants in aid to these Universities. When there was a reduction from ten per cent to five per cent, there was no reduction in the grants in aid to both the bodies. But the point as regards Aligarh is that they were in a very critical situation financially. They had a retrenchment committee to go into their expenditure and they had actually effected reductions to an amount which is expected to be as much as Rs. 1,40,000 out of a budget of Rs. 9,00,000 in the course of the next 2 or 3 years. We felt that in order to enable them to tide over their difficulty we would be justified in making an exception and giving Rs. 15,000. There is no question of any disparity of treatment between the two Universities so far as grants in aid are concerned.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Is there no deficit in the Budget of the Benares University?

Mr. G. S. Bajpai: There is a deficit, but I think the conditions of the two Universities are somewhat different.

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

"That a supplementary sum not exceeding Rs. 18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Education'."

The motion was adopted.

AGRICULTURE.

The Honourable Sir George Schuster: Sir, I move:

"That a supplementary sum not exceeding Rs. 28,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Agriculture'."

Mr. M. Maswood Ahmad: I want to quote a passage from the memorandum which has been given in the Standing Finance Committee's report in connection with this demand. It is to be found on page 371 of the report:

"The estimate of expenditure for fumigation of American cotton during the current year was framed on the basis of a probable minimum import of 40,000 bales and a maximum import of 50,000 bales. The actual import during the first seven months of the year have, however, amounted to 47,524 bales and the anticipated arrivals during the last five months are estimated at 10,500 bales making a total of 58,024 bales for the whole year."

This paragraph gives the information that cotton is imported in large quantity from America and the import has increased this year. I want to draw the attention of the Government that they must watch this question very carefully. Foreign countries are sending their raw cotton in large quantities to this country. Whatever might have been expected in the beginning of the year, the result is that a very large quantity of cotton has been imported into this country and 99 per cent is used in the mills which prepare cloth. Instead of decreasing the use of foreign cotton, the mills are using more and more foreign cotton nowadays. Government must watch it very carefully. This is the only suggestion which I have to make now.

Mr. G. S. Bajpai: I wish to explain to my Honourable friend that fumigation is not intended as a protective measure for the purpose of promoting or increasing the consumption of Indian cotton. It is really intended as a protection against the boll weevil. Now, the question which my friend has raised, namely, as to whether the Indian mills should use more Indian cotton does not directly arise out of this.

Mr. M. Maswood Ahmad: More cotton is imported into India.

Mr. G. S. Bajpai: There, again, if my friend had waited, I would have informed him that every year the estimate that we make of imports is to a certain extent falsified, because the importation of cotton into this country depends upon the requirements of the mills, which varies from year to year.

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

"That a supplementary sum not exceeding Rs. 28,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Agriculture'."

The motion was adopted.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 4,98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Imperial Council of Agricultural Research Department'."

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I congratulate the Government on their increased

activity in connection with the Imperial Council of Agricultural Research. My complaint is this. It is said here that the resources at the disposal of the Imperial Council of Agricultural Research are not sufficient to meet the cost of all the schemes which have been sanctioned by the governing body. Some time ago, when this question arose, I had asked that the details should be given to this House as to the schemes that have been sanctioned and as to the way in which these schemes are being worked. I was promised that information would be given to the House, but no such information has been given so far. So I am, therefore, glad that something is being done in this Imperial Council of Agricultural Research. We should be more happy if we knew exactly what they are doing, because, Sir, on some occasions they do things which are not particularly useful to the country. No doubt, as a research, I submit, it is all right, but I should have thought that in matters of this sort, those which are very urgently required should be given the first choice and they should be dealt with in the order of their importance. I wanted information as to whether that is the way in which they have been doing their work but unfortunately no such information was given. So I am glad that at least something is being done and something is being allotted to the Imperial Council of Agricultural Research in which my friend, Sir T. Vijayaraghavachari, and his staff do a good deal of useful work.

Lala Hari Raj Swarup (United Provinces: Landholders): I give my wholehearted support to this grant for the Imperial Council of Agricultural Research. My complaint against the Government is that they have not shown as much sympathy towards the Imperial Council as they should have done, and the activities of the Imperial Council have always suffered for want of funds. I have been associated with the Imperial Council of Agricultural Research for the last three or four years, and I can say from my experience that this Council has done much in carrying out researches for agriculture and other subjects allied with agriculture, and all these things should go to improve the condition of the cultivators.

Some time back, when the Sugar Protection Bill was before the House, the Government Members in the Select Committee as well as in the House gave an assurance that they would place ten lakhs a year at the disposal of the Imperial Council to carry out researches in sugar cane, etc., but, since the passing of that Protection Bill, for one reason or another very small sums have been placed at the disposal of the Imperial Council, with the result that the activities of the research on sugar cane, which was one of the main recommendations of the Tariff Board, have been greatly curtailed and it has resulted in great disadvantage to the grower. On the top of that, the Government have proposed an excise duty on sugar, and I will deal with this later on when the Bill comes up for discussion. In his Budget speech, the Honourable the Finance Member said that he would earmark seven lakhs of rupees for co-operative societies, etc. I was anxiously going through this Bill, and I could not find a word about it there. We now ask that he would be pleased to earmark a certain amount of money out of the excise for the improvement of agriculture and place it at the disposal of the Imperial Council of Agricultural Research. This shows that while the Government Members here talk so much about helping the agriculturists and the grower, they are only empty words and empty sympathies which are not followed by any financial help. I, therefore, urge upon the Government to place larger funds at the disposal of the Agricultural Research Department in order to enable them to continue their activities.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural). I wish to say that for the first two years of its existence, I was intimately connected with the Imperial Council of Agricultural Research, and I have been watching its progress since then. In reply to what the Raja Bahadur has said, I have to say that information has been placed in our hands. My information shows that Rs. 22,48,600 were sanctioned for research on sugar, out of which Rs. 9,25,962 have been spent and Rs. 13,22,638 are yet to be spent. Then, there are also other schemes undertaken and the statement provides for all of them. It also shows that a large number of schemes have been sanctioned by the Council and they are held up for want of funds. This new grant of four lakhs odd is a very welcome grant, and I support it.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, from Volume No. 8 of the Standing Finance Committee's report, the House will find that the Agricultural Research Council has started a scheme for the improvement of the marketing of agricultural produce. Sir, in that Council there are Directors of the Departments of Agriculture from all the Provinces; there are representatives and experts too from each Province to a certain extent on agriculture and other allied subjects. The recommendations that come to the Agricultural Council of Research from all the Local Governments and Indian States are well examined after sifting all the material and all the demands which are being sent to them either by the public or by the Departments themselves. Sir, under this grant, you will find that it is stated here :

"The scheme for the employment of an officer for the marketing of agricultural produce has been approved by the Economic Sub-Committee of the Viceroy's Executive Council. It has also been decided by the Government of India that the scheme should be worked by the Council and financed through the research funds."

Sir, every day we find in this House and from every side that some sort of demand is made to ameliorate the condition of the agriculturist, and the chief complaint in this House is that nothing is being done for the marketing of the produce of the agriculturist. Now, it is in that connection that this grant has been made by the Executive Council of the Government, and this money will be kept in the hands of the Agricultural Research Council. Thus the House ought to be satisfied that every attempt will be made by the above Council that this marketing business is started and the scheme is worked on financial and safe lines.

Mr. Gaya Prasad Singh: Sir, in spite of the remarks of my Honourable friend, Mr. Jadhav, I have not been able to understand the details of the scheme which has been sanctioned by the Governing Body, nor the details of the scheme for the improvement of the marketing of the agricultural produce. My Honourable friend, Mr. Jadhav, read out some figures. I do not know where he got them from, but, so far as I remember, we have not been supplied with them. However, the figures themselves do not explain the scheme for which this money is required. I only wanted to know one thing from Government, namely, whether it is intended to transfer elsewhere the activities of the Pusa Research Institute from my Province or not. I understand there was some project in view for transferring the activities of the Pusa Institute

Mr. G. S. Bajpai: On a point of order, Sir. I think the question of the Pusa Research Institute is strictly not relevant to the point we are discussing now.

Mr. Gaya Prasad Singh: I wanted to know whether before this Council of Agricultural Research the activities of the Pusa Research Institute come up or not.

Mr. G. S. Bajpai: No, Sir. The Pusa Research Institute has its own separate Budget.

Mr. Gaya Prasad Singh: I am glad to know that. So far as this scheme is concerned, I hope my Honourable friend, Mr. Bajpai, will explain the details of the scheme which has been sanctioned by the Governing Body and the scheme for the employment of the officer—and by the way, who is that officer?—in connection with the improvement of the marketing of agricultural produce.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Mr. President, my friend, Mr. Hari Raj Swarup, drew attention to the fact that the Government have been starving the Imperial Council of Agricultural Research, and he referred to the proceedings of the Select Committee on the Sugar Protection Bill, of which you perhaps were the Chairman. If I remember aright, all of us were very anxious to provide as much funds for the Council of Agricultural Research as was possible, and to strengthen our hands in forcing the Government to provide larger funds for this purpose, we requested the Vice-Chairman of this Council to be present at our meeting and we put the straight question if he could spend a grant of five lakhs of rupees per annum, if we allotted that to him, and we were told that he was unable to spend the money already allotted to him for the schemes then on hand. In these circumstances, I do not think there was any ground for saying that the Government did not provide the funds which were required for the Council of Agricultural Research.

Lala Hari Raj Swarup: I think the Chairman never said that he could not spend the money?

Sirdar Harbans Singh Brar: We put to him the straightforward question whether five lakhs a year could be spent on research for sugar, and the answer was that the schemes in contemplation were not large enough to enable him to spend such a large amount as five lakhs a year. That is a fact which he will surely not deny if a reference is made to the Vice-Chairman and that will satisfy my Honourable friend; but, of course, be that as it may, we certainly do insist that larger and larger funds should be placed at the disposal of the Council of Agricultural Research if a satisfactory scheme can be evolved and placed before Government for research in directions which will lead to a better kind of crops and to the improvement of the condition of the agriculturist.

Mr. S. C. Mitra: Sir, any proposal from the Agricultural Department will have support from this side of the House. But as I read the report of the Standing Finance Committee (page 485), I find that that Committee itself has made a peculiar recommendation, namely, that all these grants should come up in the shape of supplementary grants. I think some member for the Standing Finance Committee should have explained why, going out of

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its way, they said that the grants for this Agricultural Research Institute should be in the shape of supplementary grants alone. I read this from the report at page 485:

"As the Standing Finance Committee is aware, the annual research grant of five lakhs of the Council under Demand No. 60 was suspended for the year 1932-33 on account of financial stringency but subsequently on the recommendation of the Standing Finance Committee the Legislative Assembly voted a supplementary grant of five lakhs during that year. The intention then was that until the financial condition of the Government of India improved so as to ensure the restoration of the normal provision of five lakhs, the Legislative Assembly should if possible be approached towards the end of every year with the approval of the Standing Finance Committee for a supplementary grant and that there should be no provision in the budget for the normal grant."

Sir, I cannot understand why this particular Department, which is considered to be the most beneficial for the general mass of the people, alone should have provision made for it by means of a supplementary grant? I ask, why not for every other item in the Budget put as supplementary grants in a similar way? Why is this Department singled out? Is it because it has a beneficial side that there should be special provision that this grant alone should come up merely in the shape of a supplementary grant and there should be no provision in the original Budget for this? Then, reading further on, I find this:

"It may be added that the scheme for the employment of an officer for the marketing of agricultural produce has been approved by the Economic Sub-Committee of the Viceroy's Executive Council."

Sir, I understand—here I speak subject to correction—that a European officer will be appointed from England—perhaps that will solve their unemployment to a certain extent—to look after this marketing of the agricultural produce of Indians here. Sir, during the Army Budget debates, we found that even our Indian horses required only European veterinary surgeons and not Indians. Thus, in these small matters, everywhere we find that Indians are considered unfit for discharging the duties of such simple work, while one should think they should be exceptionally fit for such duties knowing as they do their own Indian conditions and knowing as they do everything about their own Indian produce, whether it is likely to create an Indian market or not. So we shall be glad if we are further enlightened on this point. Who is the person who is going to be appointed in this behalf, and what is his special interest in the agriculture of India? Now, with regard to the point that my Honourable friend, Mr. Hari Raj Swarup, made, I think he is not correct. I attended one of these Committees, and my friend, Sirdar Harbans Singh, is perfectly right that the Vice-President of the Agricultural Research Institute was asked whether he could give well prepared schemes for the sanction of the grant of five lakhs of rupees. The Committee was very much anxious to help him with any additional amount that he wanted, and they publicly admitted that they had no scheme ready for which they could ask the Committee or the Government through them for any additional grant.

Lala Hari Raj Swarup: But did he not add a paragraph to this report?

Mr. S. C. Mitra: He might have added anything to the report six months afterwards. But it is a fact that we asked him repeatedly whether he could give us completed scheme, and the Committee was

anxious to give a grant of ten lakhs if it was deemed necessary. It was only at his instance that a grant of five lakhs of rupees was given. Sir, I do not oppose this motion, but I would like to have the information on the points I have mentioned.

Mr. M. Maswood Ahmad: Sir, I wish to make only two observations in this connection. The first point is that a Marketing Board is going to be constituted and some amount will be spent on it. I want to suggest that this Board should not restrict its activities only to wheat, but that it should interest itself in rice also and should find out markets for the rice from Madras, Bengal and Bihar.

The second point is that on research work they want to spend about four lakhs of rupees. At present it is very difficult for the poor agriculturists to know what kind of crop will be suitable for them and on what crop will they be able to earn some money. So, this Committee should investigate these things and prepare a chart every year showing the cost of producing different grains and what will be the real return to the agriculturist after deducting all the amount that he will have to spend for producing that crop.

The last observation which I want to make is this. I am very sorry that when the Budget discussion was going on, the Department of Agriculture was not allowed to open its mouth in reply to so many points which were raised on that occasion. All the important Departments of the Government of India, like the Home Department, and other Departments took part in the debate and replied to our points, but the Agriculture Department was not allowed even to open their lips and to say something on the points which were raised. My Honourable friend may say that the Foreign Department also did not open its mouth. But that is a secret Department and the Department of my Honourable friend, Mr. Bajpai, is not a secret one, and, therefore, that argument will not hold water. I do not know whether my Honourable friend himself did not like to reply or my Honourable friend, Sir George Schuster, did not allow him to speak. Whoever may be responsible for that, we have got a great grievance about this that we did not get any reply and we do not know the policy of the Government in connection with agriculture on which 99 per cent of this country live.

Mr. G. S. Bajpai: Sir, I think I would be justified in saying that there is not only general, but overwhelming support for the Imperial Council of Agricultural Research. I am sure that the Council will be greatly gratified to read the discussion that has taken place today. My remarks will be limited to a few points which have been raised by Honourable Members here and there, and I need not specify their names.

The first is as regards the lack of information about the activities of the Council. Sir, the Council issues a report annually and **5 P.M.** copies of that are available in the Library of the House. They give in clear conspectus what the Council is doing and I would suggest to Honourable Members who are interested in its activities that they might, when they have a little leisure, turn over the pages of those reports.

The financial position was also alluded to and Mr. Jadhav read out from a statement which has been circulated to the members of the Standing Finance Committee. If Honourable Members here are interested in having that statement also, I shall undertake to place a few copies of it in the Library of the House, so that they may be able to appreciate without

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much effort what amount the Council has already allotted for research schemes and what amount it would welcome in order to complete the work that it is doing.

Then, Sir, my Honourable friend, Mr. Gaya Prasad Singh, wanted to know whether there was any talk of transferring Pusa from Bihar to some other place. I would tell him that Government have certainly taken no such decision and that the future of Pusa naturally depends upon the report of the engineers as to what it will cost to reconstruct it.

Then, my Honourable friend, Mr. Mitra, asked for certain information in regard to the activities of the marketing officer. Well, Sir, if he will permit me to point out to him, the position is that marketing is a highly specialised subject. It involves technical and practical experience which is not to be acquired in the class room and the intention is not that there should be a permanent appointment made in this country of somebody imported from outside, but that we should have temporarily in our midst an expert who will be able to give the requisite training to our own people so that they can carry on the work when he has finished his task of training them.

Mr. S. C. Mitra: For how many months is this officer going to be appointed?

Mr. Gaya Prasad Singh: What is the name of this officer and his qualifications?

Mr. G. S. Bajpai: If my Honourable friend had carefully studied the proceedings of the Standing Finance Committee, he would have found that the idea is to work this provisional scheme for a period of three years only, and there is no question of any permanent arrangement being made. But I can assure my Honourable friend that in this case, as in every case of technical appointments with which Government are concerned, there is absolutely no question of denying to Indians suitable opportunities for doing the work. The policy of the Department, for which I have the honour to speak, is that, other things being equal, we shall employ an Indian to do the work that we want done, and it is only because at the present moment, as I have said, the requisite technical experience is not available in this country, that we have decided to import an officer and to import him temporarily for the purpose of giving the requisite lead.

Mr. Gaya Prasad Singh: But you do not make other things equal.

Mr. G. S. Bajpai: I do not know what my Honourable friend is driving at.

Mr. Gaya Prasad Singh: What I mean to say is that an equal opportunity is not given to Indians to be trained.

Mr. G. S. Bajpai: I am afraid that my Honourable friend has completely misread the point. I said a little while ago that it was not a question of passing examinations. Marketing is a very technical process for which you want practical experience. How are we to get that practical experience in this country? Although the Royal Commission on Agriculture reported more than four years ago, no Local Government has yet

taken the initiative in order to make experiments with marketing. We are now trying to do what we can. That is to say, we are trying to give the necessary stimulus to the provinces to proceed with this, and I have no doubt that, as a result of this initiative we shall be able to train Indians for this work and to find employment for them.

Then, Sir, my Honourable friend, Mr. Maswood Ahmad, wanted to know whether anything was feasible in regard to estimating the cost of production. I would ask him to read the report of the Council, and he will find that in regard to two important crops, namely, sugarcane and cotton, experimental work in that direction is being already done. But Honourable Members, who wish to make suggestions to the Imperial Council of Agricultural Research, will have an opportunity of doing so at the next meeting. They can meet the Vice-Chairman and the experts at the specially convened meeting which I understand will take place on the 11th or 12th April, and I can give everybody the assurance that any suggestion they might wish to make will be most carefully considered.

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

"That a supplementary sum not exceeding Rs. 4,98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Imperial Council of Agricultural Research Department'."

The motion was adopted.

EMIGRATION—EXTERNAL.

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

"That a supplementary sum not exceeding Rs. 9,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Emigration—External'."

The motion was adopted.

Mr. S. C. Mitra: May I suggest to you, Sir, that for the proper discharge of our duty to this House, the House should adjourn now. Even yesterday we sat till 2 in the morning and, in consideration of this also, I suggest that the House should adjourn now.

The Honourable Sir Brojendra Mitter (Leader of the House): I have no objection.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 29th March, 1934.