

16th April, 1934

THE
LEGISLATIVE ASSEMBLY DEBATES

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(16th April to 21st April, 1934)

SEVENTH SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY,
1934

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1934

Legislative Assembly.

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THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

Deputy President:

ABDUL MATIN CHAUDHURY, M.L.A.

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

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

Secretary:

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

Assistant of the Secretary:

RAI BAHADUR D. DUTT.

Marshal:

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

Committee on Public Petitions:

MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman.*

MR. K. C. NEOGY, M.L.A.

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

MR. T. R. PHOOKUN, M.L.A.

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

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LEGISLATIVE ASSEMBLY.

Monday, 16th April, 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.

MEMBER SWORN.

Mr. Kenneth Grant Mitchell, C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

RETRENCHMENTS DUE TO CONSISTENTLY UNSATISFACTORY WORK.

721 ***Bhai Parma Nand:** (a) Will Government please state whether it is a fact that men are being retrenched for consistently unsatisfactory work under the retrenchment scheme?

(b) Will Government please state what is the criterion for judging the nature of "Consistently unsatisfactory work"?

(c) Will Government please state whether it is a fact that under the rules, all adverse remarks in a character sheet or roll of an official, are to be communicated to him and no action affecting his interest is taken unless such remarks are communicated to him? If so, will Government please state whether this principle is strictly being adhered to in making retrenchment? If not, why not?

(d) Will Government please state whether it is a fact that under the rules no official is eligible to draw usual increment unless his work is considered satisfactory during the previous years?

(e) Will Government please state whether it is a fact that under the rules no official is eligible to cross the efficiency bars unless his work has been satisfactory in the past?

(f) If the replies to parts (d) and (e) are in the affirmative, will Government please state whether officials drawing usual annual increments and crossing efficiency bars have been retrenched on account of "Consistently unsatisfactory work"? If so, why?

The Honourable Sir Harry Haig: (a) and (b). The retrenchment orders laid down certain rules to guide Departments in selecting individuals for discharge. One of the categories was that of officers whose work is considered to be so consistently unsatisfactory that to retain them on the cadre, while others are discharged from it, would be unjustifiable. It is not possible to lay down any definite criterion for carrying out such an instruction. It must be left to the Department concerned to decide which officers come within this category.

(c) Usually adverse remarks against an officer are communicated to him, but there is no rule making this obligatory in all cases.

(d) and (e). I would refer the Honourable Member to Rules 24 and 25 of the Fundamental Rules.

(f) I would invite attention to my reply to parts (a) and (b) of this question.

Bhai Parma Nand: May I ask the Honourable Member, when a man has got 18 increments out of 20 and two remaining increments are to be earned by him during the rest of his service, can he be retrenched on account of constant inefficiency?

The Honourable Sir Harry Haig: The effect of my answer was that we cannot lay down any general rules for determining inefficiency. That is a matter of judgment which has to be left to the Department concerned.

Mr. Lalchand Navalrai: May I know from the Honourable Member if there is no rule for communicating to the man concerned the adverse remarks against him? Otherwise, how can he defend himself?

The Honourable Sir Harry Haig: The practice varies, but discretion is always left to the head of the Department. In some cases, it is felt that the communication of adverse remarks might lead to improvement, and in others it would not.

Mr. Lalchand Navalrai: In such cases, what is the remedy for the man? He is being dubbed as inefficient without his knowledge and without giving him an opportunity to explain himself.

The Honourable Sir Harry Haig: If there is any question of taking disciplinary action against him, definite charges are always drawn up.

Mr. S. C. Mitra: Is it not a fact that the person concerned should know of any adverse remarks that are passed against him; otherwise how can Government expect him to improve his conduct?

The Honourable Sir Harry Haig: As I have said, the usual practice is that in the case of what are considered as remediable defects communication is made.

Mr. M. Maswood Ahmad: Is it not a fact that when an official crosses the efficiency bar, it means that he is an efficient officer?

The Honourable Sir Harry Haig: It means that at the time the head of the Department considers that he is fit to cross the efficiency bar.

Mr. M. Maswood Ahmad: And is it not a fact that the officer who draws all the usual increments cannot be treated as a consistently unsatisfactory officer?

The Honourable Sir Harry Haig: As I have said, it is not possible to lay down any general rule for the purpose of interpreting this phrase, "consistently unsatisfactory service".

Mr. S. C. Mitra: Are not Government aware that, during these two years, there have been numerous cases where persons have been retrenched on this lame excuse of being inefficient, while there had been no adverse remarks against them to their knowledge, in their service books?

The Honourable Sir Harry Haig: I am not personally aware of such cases, and if there are cases which Honourable Members wish to draw attention to, I would suggest that the question should be directed to the Department concerned.

Dr. Ziauddin Ahmad: It has been repeatedly said on the floor of this House that officers used this method of retrenchment in cases where they could not prove the charges against the servant concerned.

The Honourable Sir Harry Haig: No, Sir. The principle, I think, is laid down clearly in the general answer I had given, namely, that it was considered that one of the categories of officers to be retrenched should be those whose work was considered to be so consistently unsatisfactory that to retain them on the cadre, while others were discharged from it, would be unjustifiable. I am afraid I cannot, as a general rule, amplify that.

EXPORT OF SANTONIN FROM INDIA TO JAPAN.

722. *Sardar Sant Singh: (a) Will Government be pleased to state whether any quantity of santonin is exported from India to Japan? If so, what is the quantity exported from 1929 to 1933?

(b) If the answer to part (a) be in the affirmative, was such export made direct to Japan or through London Agents?

The Honourable Sir Joseph Blore: With your permission, Sir, I will reply to questions Nos. 722 and 723 together. Exports of santonin are not shown separately in the Sea-borne Trade Accounts of British India. As a result of inquiries made, it appears that the export of santonin is confined to Karachi where certain shipping bills show the following exports of santonin seeds:

	Cwt.	Rs.
1931-32	135	3,390
1932-33
1933-34	28	1,050

There, exports were all to Japan direct.

EXPORT OF SANTONIN FROM INDIA TO FOREIGN COUNTRIES.

†723. *Sardar Sant Singh: Will Government be pleased to state the total exports of santonin from India to foreign countries from 1929 to 1933?

PRODUCTION OF SANTONIN IN INDIA.

724. *Sardar Sant Singh: Is it a fact that santonin is produced in large quantities in India? If so, where?

† For answer to this question, see answer to question No. 722.

Mr. G. S. Bajpai: So far as Government are aware, santonin is manufactured in India only by the Kashmir Pharmaceutical Works at Bara-mulla. The annual production is said to be about 2,250 lbs.

PROMOTION OF RAILWAY EMPLOYEES SUBJECT TO THE PASSING OF THE WALTON TRAINING SCHOOL EXAMINATION.

725. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if there is a rule that if the Railway employees who are sent for training to the Walton Training School do not succeed in passing the required examination, they will be debarred from promotion?

(b) If so, when was that rule made and is it still in existence?

(c) If there is no such rule, what are the orders of the Railway Board or the Agent in connection therewith?

(d) If such a rule exists, is it enforced? If so, is it a fact that certain Railway employees in the Karachi Division, who did not succeed at their examination in the Walton School, have been promoted and made permanent in the cadre of Senior Assistant Station Masters and Traffic Inspectors, superseding those who are qualified and who passed such examination? If so, why has the rule been violated?

(e) What action does the Agent, North Western Railway, propose to take in the matter?

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

PROMOTION OF TELEGRAPHISTS AS TELEGRAPH MASTERS.

726. ***Mr. K. P. Thampan:** (a) Will Government be pleased to state whether it is a fact that a telegraphist on passing the examination for Telegraph Mastership is certified by the highest Traffic officer and the highest Engineering officer of the Telegraph Department to possess sufficient general, traffic and technical knowledge required for promotion to Telegraph Mastership and is granted a certificate of proficiency?

(b) If the answer to part (a) be in the affirmative, why has such a qualified telegraphist to pass another efficiency bar and complete 15 years' service before his seniority for promotion to Telegraph Mastership could be determined?

(c) Has the Varma Committee, which thoroughly investigated into these matters, remarked in its report that the result of such complicated rules is that younger and more intelligent men do not benefit by passing the examination earlier?

(d) What is the idea of imposing this 15 years standard for fixing seniority?

(e) Is such a standard imposed for fixing seniority for the appointment of Electrical Supervisors, Engineering Supervisors, Baudot Supervisors, Inspectors of Post offices, Head clerks to Superintendents of Post offices or any other appointment of Posts and Telegraph Department?

(f) Is such a standard imposed in any other Department of the Government of India in respect of promotions by examination?

(g) What are the principles followed in British Post offices for fixing seniority in such cases?

(h) What is the difference between proficiency mentioned in part (a) and efficiency mentioned in part (b)?

(i) Is it a fact that an efficiency bar is placed after ten years' service in case of station service telegraphists and after 15 years service in case of General Service telegraphists? If so, why?

The Honourable Sir Frank Noyce: (a) Yes.

(b), (d), (f) and (h). The attention of the Honourable Member is invited to the first part of the reply given by Sir Thomas Ryan on the 1st April, 1933, to starred question No. 1085 by Pandit Satyendra Nath Sen.

(c) Yes.

(e) No.

(g) Government have no information.

(i) Yes. The efficiency bar has been placed in each case according to the recommendations of the Telegraph Committee, 1920, on which the staff were represented.

Mr. K. P. Thampan: Arising out of the answer to part (c) with reference to the report of the Varma Committee, are Government thinking of revising the present rules?

The Honourable Sir Frank Noyce: The Government have not yet received the report of the Varma Committee, and so I am unable to answer my Honourable friend's question.

PROMOTION OF TELEGRAPHISTS AS TELEGRAPH MASTERS.

727. ***Mr. K. P. Thampan:** (a) Will Government be pleased to state what average length of service is required of a telegraphist before he could expect a promotion to the Telegraph Mastership under present conditions of the Telegraph Department?

(b) What was this average in 1920?

(c) What will this average approximately be in 1935, when the proposed retrenchments are carried out in full?

(d) Do the telegraphists recruited from postal signallers, having four or more years of postal service, stand any chance of promotion to Telegraph Mastership under present conditions of the Department?

(e) Will it involve any extra expenditure to Government if the past service of a postal recruited telegraphist, rendered as postal signaller, be counted as qualifying service only for seniority in respect of promotions to Telegraph Mastership?

(f) Do Government propose to afford some facilities, without incurring any extra expenditure, only to those men who may try to partly make up their own loss through their own efforts and merits? If so, how? If not, why not?

The Honourable Sir Frank Noyce: (a) Promotions to the grade of Telegraph Master were last made in the year 1931, and the average length of service of the men then promoted was approximately 24 and a half years.

(b) 24 years.

(c) Government regret that they are unable to furnish the information which can be calculated only when promotions have actually been made.

(d) and (e) Government regret that they are unable to express an opinion on a hypothetical question.

(f) The Honourable Member is referred to the reply given to part (c) of Mr. D. K. Lahiri Chaudhury's starred question No. 422 in this House on the 9th March, 1934.

Mr. K. P. Thampan: Have Government any objection to treating two years of service in the Postal Department as equal to one year of service in the Telegraph Department for the purpose of determining seniority?

The Honourable Sir Frank Noyce: The question of postal signallers and their position in the Telegraph Department has been reviewed by Government from time to time, and I have nothing to add to the reply given to Mr. D. K. Lahiri Chaudhury's starred question to which I have referred.

Mr. S. O. Mitra: Arising out of the answer to part (a) of the question, am I correct in assuming that it requires 24 years for the next promotion in the case of these officers?

The Honourable Sir Frank Noyce: My answer to part (a) of this question was:

"Promotions to the grade of Telegraph Master were last made in the year 1931 and the average length of service of the men then promoted was approximately 24 and a half year."

Mr. S. O. Mitra: If it takes 24 years to get any promotion, will Government consider the desirability of revising such rules which require 24 years to get the next promotion?

The Honourable Sir Frank Noyce: The only inference to be drawn from my reply is that, on the last occasion on which promotions to this grade were made, the men promoted had 24½ years' service. Whether that will happen on the next occasion, I am unable to say, but I may inform my Honourable friend that this question was, I am told by the Financial Adviser to the Posts and Telegraphs Department who was President of the Reorganisation Committee, gone into by that Committee. I trust that before the next Session I shall be in a position to give my Honourable friend fuller information on the subject.

Mr. M. Maswood Ahmad: Is it a fact that the same average length of service is required for promotion from the post of telegraphist to telegraph mastership?

The Honourable Sir Frank Noyce: I do not think there is any question of an average length of service being required. The question was what is the average length of service of the men who were last promoted. As I have already said, it does not follow that on the next occasion the average length of service will be exactly the same. Again, as I have already said, I am not in a position to answer these technical questions

offhand, but I trust that if the Honourable Member puts down questions next Session, I shall be able to give him and other Members of the House fuller information than I am able to give at this moment.

Mr. K. P. Thampan: I am grateful to the Honourable Member for the kind reply that he gave now, but may I request him to consider the desirability of sending these people to the office of the Postmasters-General in the Provinces if there are no vacancies in the grade of telegraph masters?

The Honourable Sir Frank Noyce: I would ask my Honourable friend to put down a question on that subject. Then the suggestion will be considered.

Mr. Lalchand Navalrai: Will the Honourable Member please tell me if it is not a fact that these signallers, who were transferred from the Postal side to the Telegraph side, had graded promotion and on the other side the telegraphists have got time-scales?

The Honourable Sir Frank Noyce: I am not in a position to answer my Honourable friend's question, and I can only repeat that the position of these postal signallers, who were transferred to the Telegraph Department, has been reviewed by Government from time to time and that those who considered that they had any grievance were given two opportunities of going back to the Postal Department. Presumably the men who did not avail themselves of these opportunities were content to stay where they were.

Mr. Lalchand Navalrai: Is it not a fact that these men now as they are on the telegraph side can rise to the higher grade of telegraph masters after 27 years of service?

The Honourable Sir Frank Noyce: I must ask for notice of that question.

EDUCATION OF THE BLIND AND DEAF MUTES IN THE CENTRALLY ADMINISTERED AREAS.

728. ***Haji Chaudhury Muhammad Ismail Khan:** (a) Will Government be pleased to state the numbers of the blind and deaf mutes, respectively, in the centrally administered areas?

(b) Do Government recognise the need for the education of defective children? If so, what steps have they taken to provide educational facilities for them?

(c) Are Government now prepared to open educational institutions at the headquarters of each area? If not, are Government prepared to encourage the existing private institutions by giving them sufficient grants-in-aid on the lines of that given to the Deaf and Dumb School at Calcutta?

Mr. G. S. Bajpai: (a) The information required is laid on the table.

(b) and (c). Yes. There are in British India 16 schools for deaf mutes and a similar number for the blind. The enrolment is only 724 and 607.

respectively. This is probably due to the reluctance of parents to part with their children. It is, therefore, doubtful whether multiplication of such institutions would be justified. Moreover, very expert and experienced teaching in these schools is essential and the inadequate supply of such teachers makes concentration of effort necessary. The Government of India are prepared to consider applications for assisting pupils from the centrally administered areas to attend these schools elsewhere; and also the award of grants to privately managed institutions in centrally administered areas provided that the arrangements are satisfactory.

Statement showing the number of the blind and deaf mutes in the centrally administered areas.

Name of the Administration.	Blind.	Deaf-mutes.
Ajmer-Merwara	2,162	410
Andaman and Nicobar Islands.	9	8
Baluchistan	781	278
Delhi	656	148
Coorg	100	101

Mr. K. O. Neogy: Is the Honourable Member aware of the existence of a private institution in Delhi which ministers to the educational needs of the deaf mutes?

Mr. G. S. Bajpai: I gather that there is such a private institution.

Mr. K. O. Neogy: Is it not part of the duties of the Educational Officer for the Centrally Administered Areas to keep himself informed about the activities of such an institution?

Mr. G. S. Bajpai: Yes, I take it that the Superintendent of Education for Delhi and Ajmer-Merwara does attend to the activities of this institution. Only so far as I am aware, no direct appeal has been made to the Government of India for assistance.

Mr. Gaya Prasad Singh: Delhi being a Centrally Administered Area, do Government possess any statistics as to the number of deaf mutes within the precincts of this House?

Mr. G. S. Bajpai: I have already said in reply to the first part that I am laying a statement on the table.

Mr. Gaya Prasad Singh: My question was whether Government possess any statistics of the number of deaf mutes within the precincts of this Chamber? (Laughter.)

Mr. G. S. Bajpai: My friend is speaking metaphorically. I am not in a position to answer that.

Mr. B. Das: Is it not part of the duties of the Educational Commissioner of Ajmer-Merwara to find out himself and recommend to the Honourable Member that such and such a deaf mute institution requires help from the Government?

Mr. G. S. Bajpai: As my Honourable friend is aware, there is a certain sum of money within the budget of the Chief Commissioner to make grants-in-aid. It is only if his resources are not equal to the requirements that an appeal need be made to the Governor General in Council.

Mr. S. O. Mitra: If a properly conducted institution applies to the Government for assistance, will Government give consideration to their case?

Mr. G. S. Bajpai: That is what I have said in reply to the question.

VENDORS' CONTRACTS IN THE DINAPUR DIVISION OF THE EAST INDIAN RAILWAY.

729. ***Pandit Satyendra Nath Sen:** (a) With reference to the answer given to my starred question No. 605, dated the 4th April, 1934, will Government please state if it is a fact that most of the old contractors in Dinapur Division of the East Indian Railway are ex-Railway employees?

(b) Was any policy laid down by the Railway authorities as early as 1919, that in view of the discontinuation of granting extension of service after the age of fifty-five, vending contracts should be given to ex-Railway employees for their maintenance? If so, what is the reason for a departure from that policy?

(c) Were there any charges against these contractors? If so, what? Were they given any warning?

(d) Did the Railway authorities call for any tender?

(e) Is it a fact that the present contractors are prepared to pay the same rate as offered by the new contractors?

(f) Is it a fact that all the old contractors are residents of Behar and that the new contractors are outsiders?

(g) Is it a fact that special passes—First class, Inter class and Third class—are to be granted to the new contractors?

(h) Is it a fact that one of the new parties, Messrs. Ballavdas Esardas, under the name of Jyoti Pershad Daulat Ram, were contractors on the Bengal Nagpur Railway some time ago? Is it also a fact that they have lost that contract? If so, why?

(i) Is it a fact that they were already in possession of the contract for the Indian Refreshment Room which is chiefly utilised by upper class passengers?

(j) Are Government aware that, in view of the representations made by the old contractors, the new contractors have been asked by the Divisional Superintendent to sublet their contract to as many of the old contractors as is conveniently possible?

(k) Is it not a fact that a circular was issued some time ago that to sublet contracts would be regarded as an offence? If so, why has a departure been made now?

(l) Are Government aware that the old contractors submitted their first representation to the Chief Commissioner of Railways, on the 5th

March, 1934, and a detailed representation on the 12th March, and that copies of the same were sent to the Agent and the Divisional Superintendent?

(m) Will Government please state :

- (i) the exact date or dates on which the new contracts were completed;
- (ii) the terms of the contracts; and
- (iii) why the Divisional Superintendent did not wait for instructions from higher authorities?

(n) Is it the usual practice that the Divisional Superintendent goes against the recommendations of the Local Advisory Committee without consulting the higher authorities?

Mr. P. E. Rau: I am making enquiries from the Agent, East Indian Railway, and shall place a reply on the table in due course.

Mr. M. Maswood Ahmad: Is it a fact that a question of this kind was asked and Government had inquired from the Agent in this connection and they promised to lay down the information in due course? Have they received any reply from the Agent in that connection?

Mr. P. E. Rau: Not yet.

Mr. M. Maswood Ahmad: Will that reply and the reply to this question be laid on the table of the House this Session?

Mr. P. E. Rau: I am unable to say at the moment.

Pandit Satyendra Nath Sen: My question has been practically asked by Mr. Maswood Ahmad. The case of the vendors has been before the Railway Department for the last five or six weeks. If the inquiries are not yet finished, what is the remedy in such cases?

Mr. P. E. Rau: I must say that I am surprised that the Honourable Member, who has asked this detailed questionnaire, should expect a reply within ten days!

Mr. Lalchand Navalrai: How much time is ordinarily required for getting a reply from the Agent?

Mr. P. E. Rau: It depends on the question.

Dr. Ziauddin Ahmad: As regards part (a), that does not require any information from the Agent. That can be answered straight off.

Mr. P. E. Rau: There is no use in answering part (a) of the question by itself.

TRAVELLING ALLOWANCE AND ADVANCE OF PAY TO THE GOVERNMENT OF INDIA SECRETARIAT STAFF.

730. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that the date of the closing of the Government of India Secretariat has been fixed as 26th April, 1934?

(b) Is it a fact that Government have ordered that no travelling allowance and advance of pay will be allowed earlier than 15 days before the date of the closing of the Departments? If so, are Government aware that the staff of the moving Departments cannot get their travelling allowance and advance of pay before the 10th April, 1934?

(c) Are Government aware that the men staying up to the end of April practically do not get any advance originally contemplated in the Simla Allowances Code for helping the staff for breaking up their homes in Delhi and for clearing all their dues before they leave?

(d) Do Government propose to amend the order, and sanction the grant of travelling allowances and advance of pay on the 1st April and the 15th September, every year irrespective of the dates of the moves? If not, will Government be pleased to state the reasons for denying this concession to the staff?

The Honourable Sir George Schuster: (a) Yes.

(b) The order is that advances should not be disbursed earlier than fifteen days before the official date for re-opening offices at New Delhi or Simla.

(c) and (d). Government do not propose to amend the order as they see no reason to believe that it is causing serious hardship or inconvenience to the staff concerned.

DELAY IN THE ALLOTMENT OF QUARTERS IN NEW DELHI FOR THE NEXT WINTER SEASON.

731. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that the Government of India asked for the requirements of Delhi accommodation for the next winter before the 15th December last?

(b) Is it a fact that though the Departments sent their requirements before the 15th December, no allotment has as yet been made for the next winter?

(c) Will Government be pleased to state the reasons for obtaining the departmental requirements before the 15th December and for the delay in the allotment of the quarters?

(d) Are Government aware that if the allotments are made before the move, the staff not getting accommodation may arrange for private accommodation before they leave Delhi?

The Honourable Sir Frank Noyce: (a) The Honourable Member is presumably referring to the allotment of quarters in New Delhi to married officers whose emoluments are less than Rs. 600 per mensem. The date prescribed for the submission of applications for quarters is the 1st and not the 15th of December.

(b) No. The allotments have been communicated to Departments.

(c) The 1st of December was fixed as the date for the submission of applications in order to ensure that allotments might be made before the move to Simla. The allotments have actually been made before the move.

(d) Does not arise.

APPOINTMENT OF A REPRESENTATIVE OF THE LANCASHIRE COTTON COMMITTEE IN INDIA.

732. *Mr. M. Maswood Ahmad: (a) Are Government aware that one Mr. Fleming has been appointed as a representative of the Lancashire Cotton Committee in India?

(b) If the answer to part (a) be in the affirmative, will Government please state the nature of duties he will be required to perform?

Mr. G. S. Bajpai: (a) Yes.

(b) Mr. Fleming's functions are as follows:

- (1) to keep in touch with the cotton producing areas in India at times of sowing and picking,
- (2) to report to England as to cottons suitable for English consumption and available in sufficient quantities,
- (3) to deal with inquiries by firms in England about Indian cottons, and
- (4) generally to act as a liaison officer between the Indian and the Lancashire organisations with the object of encouraging the Lancashire off-take of Indian cotton and simultaneously of assisting Indian raw cotton interests to cater with growing effectiveness for the special needs of Lancashire.

Mr. M. Maswood Ahmad: Have they come officially or non-officially?

Mr. G. S. Bajpai: They have come, as far as I know, on behalf of their own organisation.

SHORT NOTICE QUESTIONS AND ANSWERS.

RELEASE OF CIVIL DISOBEDIENCE PRISONERS AND POLICY OF GOVERNMENT TOWARD MEETINGS OF THE INDIAN NATIONAL CONGRESS.

Mr. C. S. Ranga Iyer: (a) Have Government considered the advisability of taking immediate steps for the release of the civil disobedience prisoners after the ratification of Mahatma Gandhi's abandonment of civil disobedience by the Congress Working Committee? If so, are Government prepared to make a declaration of their policy in the matter?

(b) Are Government prepared to remove the ban on the Congress Working Committee to enable it to hold a meeting to consider the ratification of Mahatma Gandhi's decision?

Mr. President (The Honourable Sir Shanmukham Chetty): There is an allied question standing in the name of Mr. Lalchand Navalrai.

Mr. Lalchand Navalrai: (a) Has the attention of Government been drawn to the decision of Mahatma Gandhi, suspending individual civil resistance for Swaraj and leaving Council entry open to the desire of the Congress men?

(b) If so, do Government propose to review their attitude towards the Congress and revise their own policy behind the various notifications suppressing Congress activities? If not, why not? If so, how far do they propose to proceed in the matter?

(c) Do Government propose to declare the All-India Congress Committee a lawful body? If not, why not?

The Honourable Sir Harry Haig: With your permission, Sir, I shall reply to both these questions together.

(1) The Government propose to raise no obstacle to a meeting of the All-India Congress Committee or, if the Congress leaders so prefer, of the Indian National Congress for the purpose of ratifying the statement of policy recently made by Mr. Gandhi and calling off civil disobedience.

(2) If such a meeting is held, and if Government are satisfied that as a result of the meeting civil disobedience has been called off, Government will certainly review their policy towards the various Congress organisations.

(3) With reference to the question of the release of prisoners who have been convicted for offences connected with civil disobedience, I would remind the House that I explained in August last that Local Governments have been releasing civil disobedience prisoners before the expiration of their sentences if they were satisfied that such releases were not likely to encourage the revival of civil disobedience. That is a policy which the Government intend to continue. If civil disobedience is called off effectively, the policy of release will naturally be expedited.

Mr. O. S. Ranga Iyer: I thought I missed the Honourable Member's answer to my question whether the Government are prepared to remove the ban on the Congress Working Committee?

The Honourable Sir Harry Haig: I must apologise to my Honourable friend, but since he drafted this question, the particular point about which he inquires does not seem to have come into practical prominence. If the idea is that the Congress Working Committee should be the body to call off civil disobedience, then Government will certainly be prepared to consider giving the necessary authorization for that purpose; but, if, as seems more probable, all that is contemplated is that there should be an informal meeting of the members of the Congress Working Committee in order to consider the policy to be placed before the All-India Congress Committee, then no action on the part of Government is required.

Mr. Lalchand Navalkar: May I know whether the Honourable Member realises that the Working Committee must, first of all, be held in order to pave the way for calling the Congress or the All-India Congress Committee?

The Honourable Sir Harry Haig: Well, Sir, I think I have dealt with the point fully in my answer to Mr. Ranga Iyer.

Mr. O. S. Ranga Iyer: Is it not a fact that the ban exists on the Congress Working Committee?

The Honourable Sir Harry Haig: Formally it does, but I say that, as far as I can see, no occasion will arise for the formal removal of it.

UNSTARRED QUESTIONS AND ANSWERS.

REDUCTION OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

356. **Sardar Sant Singh:** (a) With reference to their reply to question No. 474, parts (a) and (b), dated the 4th September, 1933, will Government please state whether it is not a fact that Travelling Ticket Examiners were being considered as running staff up to 31st May, 1931, and if so, why the orders applicable to the running staff when appointed to stationary posts, permanently or temporarily, were not applied to them when they were transferred to the list of Special Ticket Examiners from the 1st June, 1931?

(b) Is it a fact that the Railway Board in their letter No. 1531/E/21, dated the 14th July, 1928, have laid down that the pay of the running staff when appointed to stationary posts should be fixed on pay *plus* 75 per cent. of the substantive pay representing average mileage allowance?

(c) Is it a fact that the above conditions had also been made applicable to the Travelling Ticket Examiners, as per Agent, North Western Railway's correction slip No. 5, dated the 8th October, 1929, to paragraph 5 (b), page 7, of his circular 1 of 1927, part c, wherein the Railway Board's letter No. 1531/E/21, dated the 14th July, 1928, has been promulgated? Will Government please state why these orders were not applied to the old Travelling Ticket Examiners who were considered as running staff prior to 1st June, 1931, and were appointed to so-called stationary posts of Special Ticket Examiners from the 1st June, 1931?

Mr. P. B. Rau (a), (b) and (c). The orders in the Railway Board's letter referred to are applicable only to running staff who are temporarily employed on other duties.

REDUCTION OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

357. **Sardar Sant Singh:** (a) With reference to their reply to part (d) of question No. 474, dated the 4th September, 1933, will Government place on the table, for the information of this House, a statement showing the total emoluments drawn by Messrs. Nazir Ahmad Khan, Bahadur Singh, Muhammad Hussain, Gurbachan Singh and Hargopal, old Travelling Ticket Examiners, from the 1st June, 1930, to the 31st May, 1931, for instance, for each month and the emoluments drawn by them inclusive of travelling allowance from the 1st June, 1931, to 31st May, 1932, to judge the extent of reduction in their emoluments by the withdrawal of mileage allowance?

(b) Are Government aware that the uniform rate of mileage allowance, *viz.*, Rs. 2 per 100 miles was being granted to all old Travelling Ticket Examiners whose pay ranged between Rs. 100 and Rs. 210? If so, will Government please state why different rates of consolidated travelling allowance have been sanctioned, *viz.*, Rs. 50 per mensem for those drawing Rs. 100 to Rs. 190 and Rs. 65 per mensem to those drawing Rs. 200 and over?

(c) Are Government aware that the rate of consolidated travelling allowance granted to Special Ticket Examiners in the grades Rs. 66—4—90 and Rs. 105—5—140 and Rs. 150—10—190 is in excess by Rs. 5 per mensem of the maximum travelling allowance in a month of 80 days, admissible under the ordinary travelling allowance rules, *viz.* :

Grades.	Maximum Travelling Allowance.	Consolidated Travelling Allowance.
(i) 66—4—90 . . .	30	35
(ii) 105—5—140 . . .	45	50
(iii) 150—10—190 . . .	45	50
(iv) 200—10—250 . . .	75	65

(d) If so, will Government please state why in the case of Special Ticket Examiners on Rs. 200 and above, they have sanctioned consolidated travelling allowance of Rs. 65 which is Rs. 10 below the maximum travelling allowance in a month of 80 days?

Mr. P. R. Rau: (a) Government consider that the labour involved in collecting this information will not be justified by the result.

(b), (c) and (d). The rates of consolidated travelling allowance fixed for Special Ticket Examiners were decided on after careful consideration of all the circumstances of the case and Government are not prepared to revise them.

CONTEMPLATED CUT IN THE CONSOLIDATED TRAVELLING ALLOWANCE OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

358. Sardar Sant Singh: (a) Are Government aware that the Agent, North Western Railway, is contemplating cutting down the consolidated travelling allowance of Travelling Ticket Examiners sanctioned by the Governor General of India in Council as *ex gratia* measure from December 1932, by a cut of 12½ per cent., and has issued instructions to the Divisional Superintendents of the North Western Railway?

(b) Will Government please state whether they approve of this action of the Agent, North Western Railway, and if so, on what grounds?

(c) Will Government please state what the nature and purport is of this 12½ per cent. contemplated cut and whether it applies to all travelling allowances or travelling allowance of the Special Ticket Examiners only which has been only recently sanctioned?

(d) Will Government please state whether the Railway Board have issued any instructions to the Agent, North Western Railway to this effect, and if so, whether before or after the sanction of the consolidated travelling allowance by the Governor General of India in Council? If before, are those instructions applicable in the case of subsequent orders of Government?

(e) If the Railway Board's instructions were issued after the issue of the aforesaid orders of the Governor General of India in Council, will Government please state whether the Railway Board can over-ride or modify the orders of the Governor General of India in Council?

Mr. P. R. Rau: (a) I understand the Agent, North Western Railway, has not issued any instructions cutting the allowance. He has been making enquiries from the Divisional Superintendents whether the allowance in question was not subject to a cut before December, 1933, and if so, for what reason. This was in order to obtain the information desired by my Honourable friend in his question No. 185, asked in this House, on the 21st. February, 1934.

(b) and (c). Do not arise.

(d) The Railway Board have issued no instructions as yet to the Agent, North Western Railway, on the subject.

(e) Does not arise.

NON-ADOPTION OF THE MODY-WARD SCHEME OF TICKET CHECKING ON THE NORTH WESTERN RAILWAY.

359. **Sardar Sant Singh:** (a) With reference to their reply to part (d) of question No. 475, dated the 4th September, 1933, will Government please state if it is a fact that on several divisions of the North Western Railway, for instance Quetta, Mooltan and Ferozepur, the Special Ticket Examiners' groups consist of less than five men each? If so, why?

(b) Is it a fact that these groups of Special Ticket Examiners do not move in a body but work in batches of two each per train on some of the divisions and singly on the remaining of the divisions, for instance Multan, Quetta, etc.? If so, are Government aware that the actual working of Special Ticket Examiners is being arranged contrary to the reply given to question No. 475, part (d)? If so, why?

(c) Is it a fact (i) that the pay of the Group-in-charges of Special Ticket Examiners is fixed by the North Western Railway in the grade 105-5-140; and (ii) that there are several Special Ticket Examiners working as Group-in-charges who are not given this pay, for instance in Mooltan, Ferozepore, etc.? If so, why?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 359, 360 and 361 together.

The information has been called for from the Agent, North Western Railway, and will be placed on the table of the House, on receipt.

NON-ADOPTION OF THE MODY-WARD SCHEME OF TICKET CHECKING ON THE NORTH WESTERN RAILWAY.

†360. **Sardar Sant Singh:** (a) With reference to their reply to question No. 475, part (d), dated the 4th September, 1933, will Government please state if it is a fact that the Group-in-charges in several of the divisions, for instance Quetta, Multan, Ferozepore, etc., are given fixed programme with the change in rotation with the Special Ticket Examiners of their respective groups? If so, how do they supervise or check the work of their Special Ticket Examiners?

(b) Are Government aware that all the correspondence of the Special Ticket Examiners in each group, including submission of all returns to the Divisional offices or the Group Inspectors, passes through the Group-in-charges and they are not allowed any time for this extra work and are held

†For answer to this question, see answer to question No. 359.

responsible for the shortcoming of their Special Ticket Examiners? If so, will Government state whether the Group-in-charge is made to work precisely the same programme as his Special Ticket Examiners and without any extra remuneration or the sanctioned pay of the Group-in-charge, as for instance in the Ferozepore Division?

NON-ADOPTION OF THE MODY-WARD SCHEME OF TICKET CHECKING ON THE NORTH WESTERN RAILWAY.

†361. **Sardar Sant Singh:** (a) With reference to their reply to question No. 475, part (d), dated the 4th September, 1933, will Government please state whether the orders regarding detailing of a group of Special Ticket Examiners on each section of the division for three months only is intended to involve a change in their headquarter also? If so, will Government please state whether there is any other staff on the North Western railway whose headquarter stations are changed after every three months? If not, why are such orders issued for the Special Ticket Examiners alone?

(b) Are Government aware that Special Ticket Examiners like all other persons have got to look to the education of their children, etc.? If so, are not Government aware that change of station after every three months involves great-hardship to the Special Ticket Examiners?

(c) Are Government aware that the Special Ticket Examiners are not considered eligible for Railway quarters? If so, are not Government aware that changing their headquarters every three months involves their renting private houses for such short periods?

(d) Are Government aware that some of the divisional authorities, order transfers of Special Ticket Examiners by telegram giving them three days' joining time within the division? If so, are Government aware that the three days' notice is too short for a man to settle his accounts, etc., at the place from where he is transferred?

(e) Are Government aware that it entails a pecuniary loss to the Special Ticket Examining staff concerned in the shape of payment of rent for the remaining days of the month, as the house proprietors would charge rent for the whole month in absence of a month's notice?

(f) Do Government propose to consider the desirability of issuing orders to the Agent, North Western Railway, to withdraw the orders regarding quarterly change of Special Ticket Examiners headquarters and to give a month's notice on transfer?

HOUSE RENT ALLOWANCE OF THE TRAVELLING TICKET EXAMINERS.

362. **Sardar Sant Singh:** (a) Are Government aware that house rent in lieu of free quarters was and is being paid to the ticket checking staff at stations?

(b) Was this allowance being withheld from the ticket checking staff on trains, designated as Travelling Ticket Examiners before the 1st August, 1928?

(c) Will Government please state on what grounds it was withheld?

(d) Are Government aware that since the withdrawal of mileage allowance from the 1st June, 1931, the house rent allowance is not being paid to the Special Ticket Examiners, transferred from Travelling Ticket

†For answer to this question, see answer to question No. 359.

Examiners' cadre and that it is being paid to the Special Ticket Examiners recruited from among the station staff?

(e) If so, will Government please state why the house rent allowance is not being paid to the Special Ticket Examiners of the old Travelling Ticket Examiners cadre from the time their mileage allowance was withdrawn?

(f) If there is any difference between the duties of both these sets of Special Ticket Examiners will Government please state the same?

(g) Are Government aware that withholding the house rent allowance after the withdrawal of mileage allowance is another hardship on the staff whose emoluments have been reduced so heavily?

Mr. P. R. Rau: I invite the Honourable Member's attention to the reply given to the very similar question No. 310, asked on the 14th December, 1933, by Shaikh Sadiq Hasan.

INSUFFICIENT EARNINGS DUE TO ILLICIT TRAVELLING ON THE NORTH-WESTERN RAILWAY.

363. **Sardar Sant Singh:** (a) With reference to their reply to question No. 1866, dated the 11th December, 1933, are Government aware that there are certain divisions of the North Western Railway, where the divisional authorities are taking up the matter of so-called insufficient earnings with the Special Ticket Examiners by circulating the results of each Special Ticket Examiner and insisting on their increasing the earnings so as to cover their pay and travelling allowance?

(b) Will Government please state whether this is in accord with their reply that the policy of the administration is to endeavour to prevent travelling without tickets and that the so-called earnings of the Special Ticket Examiners do not furnish true measure of their efficiency?

(c) Are Government aware that an insistence on the part of the Railway Officers that Special Ticket Examiners must make recoveries from travelling public to cover their pay and travelling allowance is calculated to lead to harassment of the public by the Special Ticket Examiners? If not, will Government be pleased to place on the table a copy of circular No. 1490/10, dated the 24th March, 1934, issued by the Divisional Transportation Officer, Ferozapore, for the information of this House?

Mr. P. R. Rau: Government have no information that on any divisions of the North Western Railway the divisional authorities are taking up the matter of so called insufficient earnings with the Special Ticket Examiners and insisting on their increasing the earnings so as to cover their pay and allowances. If the Honourable Member will give me specific information as to such instances I will ask the Agent for a report on the matter.

PROMOTIONS OF SPECIAL TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

364. **Sardar Sant Singh:** (a) Is a common seniority list of Special Ticket Examiners maintained on the North Western Railway in order that promotions to posts as they fall vacant may be filled by their senior employees instead of by promotion being confined to subordinates in any one particular division on which the vacancy occurs?

(b) Is it a rule that vacancies in any one division must be filled by employees in that division to the exclusion of other suitable employees working on other divisions?

(c) Is it true that senior men of grade II, 66—4—90, are working as Special Ticket Examiners in several divisions of the North Western Railway, whereas their juniors are promoted to work as Group-in-charge in Class III, 105—5—140 grade, in other divisions?

(d) Is it also a fact that Ticket Collectors whose substantive pay is Rs. 60 only are allowed to work as Group-in-charge in grade 105—5—140 while permanent old Special Ticket Examiners in receipt of substantive pay of Rs. 95 per mensem. are working as Special Ticket Examiners only, for instance:

Mr. Tara Chand getting Rs. 60 plus Rs. 70 is working as Group-in-charge while Mr. Payne getting Rs. 95 is working under him in Karachi division of the North Western Railway?

(e) Is it also a fact that Ticket Collectors in receipt of substantive pay of Rs. 48 and below having four or five years service at their credit are promoted to the Special Ticket Examiners grade II 66—4—90, and the claims of senior Ticket Collectors drawing Rs. 60 for years and years together and having more than 20 years service at their credit and qualified in Walton Training School of the North Western Railway are ignored?

(f) Is it a fact that all class promotions in the new Special Ticket Examiners scale are considered temporary, and will Government please state whether it is economical to promote a man from Rs. 60 to Rs. 105 and grant him an allowance of Rs. 45 per mensem as against promoting a man from 95 to Rs. 105 and grant him Rs. 10 only or promote a man from Rs. 45 to 66 and give him an allowance of Rs. 21 and to promote a ticket collector of Rs. 60 to Rs. 66 only? If not, are Government prepared to issue orders to the Agent, North Western Railway, to rectify all such inequalities wherever found?

Mr. P. R. Rau: Government have no information regarding the matters referred to in the question, but they are entirely within the competence of the Agent, North Western Railway, to decide and Government are not prepared to interfere.

APPEALS BY RAILWAY EMPLOYEES.

365. Sardar Sant Singh: Will Government please state whether it is an offence for a Railway employee to address a petition to his Divisional Superintendent by name by submitting it through the proper channel and forwarding a copy thereof direct to the Divisional Superintendent appealed to?

Mr. P. R. Rau: No. The Honourable Member's attention is invited to the reply to question No. 566 of Dr. Ziauddin Ahmad on the 28th March, 1934.

PROMOTION OF THIRD DIVISION CLERKS IN THE ARMY HEADQUARTERS.

366. Mr. Bhuput Singh: (a) Will Government kindly state whether clerks in the Army Headquarters qualified for third division, are required to pass a test for promotion to second division? Will they also kindly state the number of the clerks working in Army Headquarters who are only qualified for third division but have been confirmed in the second and first divisions

without passing the necessary test? If such confirmations have taken place, what is the reason therefor?

(b) Is it a fact that under the existing orders of the Public Service Commission those second division clerks are to be stopped at the efficiency bar of the second division and reverted to the third division? If so, how many men have since been stopped at the efficiency bar and reverted and how many have been allowed to continue in the second division contrary to these orders and why?

(c) Do Government propose to consider the case of the affected men for promotion to the second division in the first available vacancy in the Army Headquarters and refer all cases of these second division men to the Public Service Commission for scrutiny?

(d) Under 20 per cent concession for departmental promotions, how many third division qualified and confirmed clerks in the M.G.O. Branch have so far been promoted to the second division? If none, is it a fact that there will be no chance of promotion for third division men during their service?

(e) Will Government kindly state why orders that half of the vacancies in the second division should be given to the third division departmental men and half to the second division qualified men according to seniority, have been ignored in the M.G.O. Branch and why the officiating vacancies are not regulated accordingly, and solely given to junior qualified men invited from outside from time to time, depriving the third division men?

Mr. G. R. F. Tottenham: (a) to (e). The information is being obtained and will be laid on the table of the House, in due course.

STOPPAGE OF INCREMENTS OF CERTAIN CLERKS IN THE ACCOUNTS DEPARTMENT, EAST INDIAN RAILWAY.

367. Mr. Bhuput Sing: (a) With reference to the reply to my unstarred question No. 205, dated the 21st November, 1933, will Government please state the date and manner of the original fixation of pay of the clerks in the Accounts Department, East Indian Railway, mentioned in my above question?

(b) Will Government be pleased to state the reasons for which the fixation from 1st October, 1926, was later on considered to be incorrect?

(c) Is it a fact that some men other than those mentioned in the previous question were fitted into this new scale from 1st January, 1926, before its introduction?

(d) Is it a fact that some of the affected staff were confirmed in 1924, and that they duly executed an agreement with the late East Indian Railway Company and this confirmation was cancelled in 1933? If so, will Government be pleased to state under what rules this was done?

(e) Is it a fact that not only the increments of the clerks concerned were held up, but also their pay was reduced to Rs. 48 per month from 1st September, 1933, irrespective of the length of their services? If so, will Government be pleased to state the reasons for the issue of such an order, and who is responsible for its issue? Do Government propose to take any action for remedying the grievances? If not, why not?

(f) With reference to the reply to my unstarred question No. 205, dated the 21st November, 1933, will Government be pleased to state why another order has again been issued after the clerks under reference were once before fixed into the new scale as stated in reply to part (c) of the question referred to above?

(g) Is it a fact that the present order has been given effect to from 1st September, 1933, instead of from the dates of increments in individual cases? If so, will Government be pleased to state the reasons therefor? Are Government aware that the staff concerned has been subjected to monetary loss? If so, why?

(h) Is it a fact that the construction staff, though appointed against temporary cadre when brought on to the "Open Line", were allowed to count the whole service rendered by them for the purpose of fixation of pay into the new scale (Grade III)? If so, why was not the same privilege extended to the Open Line staff? Do Government propose to allow the same privilege to these men? If not, why not?

(i) Is it a fact that under Fundamental Rule 24 an officer is entitled to get his increment as a matter of course except in cases of misbehaviour or inefficiency? If so, will Government be pleased to state whether the grievances of the persons concerned were thoroughly gone into?

(j) Are Government prepared to verify from the service books of the affected staff how many of them have been deprived of their increments in their old scales of pay? Do Government propose to sanction their increments in their old scales now, and then fix them into the new scale in terms of Fundamental Rule 28? If not, why not?

Mr. P. R. Rau: (a) At this distance of time it is not possible to say exactly in respect of each of the clerks in question how his pay was originally fixed at the time of his original appointment. During the period 1st October, 1926, to 31st December, 1928, the Chief Accounts Officer, East Indian Railway, was himself competent to determine the number and rate of the temporary staff to be engaged within certain limits.

(b) The fixation of pay of the clerks on their original appointment was not held to be incorrect. The revision in 1932, by the Chief Accounts Officer with retrospective effect from 1st October, 1926, was incorrect as re-fixation was not within his competence.

(c) I am afraid I must ask the Honourable Member to put the question more clearly.

(d) I am informed that in one case the entry in the service book regarding confirmation was held to be incorrect and was subsequently put right.

(e) The Chief Accounts Officer fixed their pay from 1st September, 1933, at rates strictly admissible under rules. As stated in my reply to question No. 205 mentioned by the Honourable Member, orders have already been issued under which the pay has been refixed on a more favourable basis, according to which their pay is required to be regulated with reference to what they were drawing previous to being brought on the regular scale as from 1st January, 1929, with increments thereafter.

(f) I would refer to my reply to parts (b) and (c) above.

(g) I do not quite follow the question. I am informed the dates of their increments remain unaffected.

(h) The reply to the first part of the question is in the affirmative, but I may add that in each case the construction staff was fixed in the regular establishment on a much lower rate of pay than they were drawing before.

In view of the reply given to part (e) of the question, the latter part of this clause does not arise.

(i) The reply to both questions is in the affirmative.

(j) As explained in my reply to clause (a) above, the number and pay of certain temporary staff was fixed from time to time within certain limits at the discretion of the Chief Accounts Officer. The question of the grant of any increments under F. R. 24 does not arise unless the posts were sanctioned on incremental scales. If there are any cases in which such scales were sanctioned by the Chief Accounts Officer for the temporary staff in question and increments in those scales were not allowed the staff concerned can make representations through the usual channel and these will receive most careful attention.

PAUCITY OF HINDU POSTMEN IN THE PESHAWAR SUB-DIVISION.

368. Seth Lilladhar Chaudhury: Is it not the declared policy of Government to prevent the preponderance of any single community in any cadre? If so, will Government please state the reasons for the disregard of this policy in respect of postmen and village postmen in Peshawar Sub Division? Is it a fact that only three posts out of eighty-six, are held by Hindus?

The Honourable Sir Frank Noyce: The policy is as stated by the Honourable Member, but I may point out that it does not contemplate any sudden change but only that, in making direct recruitment in future, the third vacancy should be reserved for the adjustment of communal inequalities if necessary. This policy was originally adopted in the Posts and Telegraphs Department in November, 1927, for application to the clerical cadre, but it has since been gradually made applicable also to other cadres in the Department.

Government have no precise information regarding the number of Hindus and non-Hindus in the present cadre of postmen and village postmen in the Peshawar Sub-Division but even if the communal composition be as stated by the Honourable Member, it does not necessarily mean that the policy as explained above has been disregarded, as has been assumed by him, since the present communal composition is the result of recruitment and promotions extending over a great many years.

POSTING OF A HINDU AS AN INFERIOR SERVANT IN THE OFFICE OF THE SUPERINTENDENT OF POST OFFICES, PESHAWAR DIVISION.

369. Seth Lilladhar Chaudhury: (a) Is it a fact that the Superintendent of Post Offices, Peshawar Division, who is a Muslim, has not employed any Hindu inferior servant in his office?

(b) Are Government aware that this has caused great inconvenience to the Hindu employees in the said office? If so, are Government prepared to post one Hindu to one of the posts?

The Honourable Sir Frank Noyce: (a) and (b). Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North-West Frontier, to whom a copy of the question is being sent.

ALLEGED FICTITIOUS ENTRIES IN THE SAVINGS BANK PASS BOOKS BY THE SUB-POSTMASTER, OGHI IN ABBOTTABAD.

370. Seth Liladhar Chaudhury: (a) Is it a fact that Mr. Mohd. Ali Shah, Sub-Postmaster, Oghi (Abbottabad), made some fictitious entries in the Savings Bank Pass Books of his minor sons?

(b) Were the said entries in both the Pass Books challenged by Abbottabad Head Office on receipt of these Pass Books for entry of interest? If so, will Government please state if such cases come within the purview of crime, and whether they propose to take suitable action for the prosecution of the said individual?

The Honourable Sir Frank Noyce: (a) The fact is that the Sub-Postmaster Oghi (Abbottabad) inadvertently made some entries in the pass book relating to the Savings Bank account of one of his sons in the pass book relating to the Savings Bank account of his other son.

(b) The reply to the first part of the question is in the affirmative, and to the remainder in the negative.

REVERSION OF CERTAIN POSTMEN AS PACKERS IN THE AMRITSAR POST OFFICE.

371. Seth Liladhar Chaudhury: (a) Is it a fact that the Postmaster, Amritsar, reverted Messrs. Harcharan Dass and Amar Nath as packers during the retrenchment of personnel, from the postmen's grade in contravention of the group orders regarding maintenance of communal proportion existing before and after retrenchment?

(b) If the reply to part (a) be in the affirmative, will Government kindly state the reasons for so heavily disturbing the communal proportion of Hindus?

The Honourable Sir Frank Noyce: (a) and (b). Information has been called for and a reply will be placed on the table of the House, in due course.

MISAPPROPRIATION BY THE SUB-POSTMASTER, HINDU SABHA COLLEGE SUB-POST OFFICE, AMRITSAR.

372. Seth Liladhar Chaudhury: (a) Is it a fact:

- (i) that the sub-postmaster, Hindu Sabha College Sub-Office at Amritsar, misappropriated a sum of Rs. 80, the value of a cash certificate issued by him on the 30th May, 1938;
- (ii) that no action was taken against the sub-postmaster by the then postmaster but he was allowed to hold charge of the Hindu Sabha College Sub-Office;
- (iii) that the Deputy Postmaster requested the succeeding postmaster, in the interest of service, to transfer the sub-postmaster from the charge of the office but the postmaster instead of doing the needful warned his deputy; and
- (iv) that over a dozen more complaints were received against the sub-postmaster for misappropriation of amounts from Savings Bank deposits, when he was prosecuted, convicted and sentenced to one and a half years' imprisonment?

(b) If the replies to parts (a) (i) to (iv) above, be in the affirmative, will Government kindly state what action they propose to take against the postmasters?

The Honourable Sir Frank Noyce: (a) and (b). Government have no information. The matter is within the competence of the Postmaster-General to whom a copy of the question is being sent.

STAFF IN THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

373. Rai Bahadur Kunwar Baghubir Singh: (a) Is it a fact that the staff of the Imperial Council of Agricultural Research at the headquarters of the Government of India is composed of two sections, namely, the staff on the research side (paid from the funds of the Society) and the staff on the administration side (paid from the General Revenues)? If so, what are the functions of each class of staff?

(b) Is it a fact that all the staff on the research side at the headquarters is not employed on research work, and that most of the staff is doing clerical work in connection with the administration of the grant given for research work or schemes sanctioned by the Imperial Council of Agricultural Research?

(c) If the reply to part (b) is in the affirmative, will Government please state what functional difference there is between the staff on the administration side and the staff on the research side?

(d) Is it a fact that Government decided that the staff, establishment, etc., employed for the administration of the research grants given, and the schemes sanctioned, by the Imperial Council of Agricultural Research should be in the same position as a Department of the Government of India Secretariat?

(e) Was it the intention that the ministerial staff, establishment, etc., referred to above, would constitute the Imperial Council of Agricultural Research Department, and that it would all be paid from the Government Revenues just in the same way as the staff, establishment etc. in the other Departments of the Government of India Secretariat? Was it also the intention that there would be no other staff or establishment employed at the headquarters for the work referred to above except the staff and establishment paid from Government funds?

(f) If the reply to part (e) above, be in the affirmative, will Government please state whether the Imperial Council of Agricultural Research is competent to maintain any staff, establishment, etc., out of the funds of the Society at the headquarters for the work referred to above?

(g) If the staff on the research side has been maintained in connection with the administration of particular research schemes or sub-committees of the Imperial Council, will Government please state the other work for which they have maintained the staff on the administration side of the Imperial Council of Agricultural Research Department?

Mr. G. S. Bajpai: (a) and (b). Apart from the permanent staff which is paid from general revenues, some temporary staff, technical, ministerial and inferior, paid from research funds, is employed from time to time in connection with special committees, such as the Sugar, Locust, Dairying and other Committees, and research schemes.

(c) and (g). The permanent staff of the Imperial Council of Agricultural Research Department is meant for the regular day to day work connected with the meetings of the two wings of the Council, namely, the Advisory Board and the Governing Body, detailed administration of the grants for research schemes sanctioned by the Council, etc., while the additional temporary staff on the research side is engaged for the purposes mentioned in reply to parts (a) and (b) of the question.

(d) Yes.

(e) The answer to the first part of the question is in the affirmative. As regards the second part, please see reply to part (c) above. It was never intended that no temporary staff on the research side should be employed.

(f) The Governing Body of the Council is competent to sanction temporary staff.

STAFF IN THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

374. **Rai Bahadur Kunwar Raghubir Singh:** (a) Is it a fact that the schemes sanctioned and the grants given by the Imperial Council of Agricultural Research are all of temporary nature, spread over a definite number of years?

(b) Is it a fact that this only results in the temporary increase in the work of administering the grants or schemes?

(c) Is it a fact that Government sanctioned in some past year the augmentation, as a permanent measure, of the staff and establishment of the Imperial Council of Agricultural Research Department?

(d) If the replies to parts (b) and (c) above, be in the affirmative, will Government please state what justification there is to increase the staff permanently?

(e) Will Government please state whether they have considered the question of sanctioning the extra staff at the headquarters as a temporary measure for such period only as that particular scheme or grant continues?

Mr. G. S. Bajpai: (a) Yes.

(b) As new schemes must keep coming up for consideration, there is a constant volume of work for which a permanent staff is required.

(c) Yes.

(d) The Honourable Member's attention is invited to the reply to part (b).

(e) The extra staff was not entertained to deal with any particular scheme sanctioned for a definite period. It was sanctioned to cope with the permanent increase in the work of the Department.

APPOINTMENT OF LILLOOAH APPRENTICES AS ELECTRICIANS AND TRAIN EXAMINERS.

375. **Pandit Satyendra Nath Sen:** (a) Are Government aware that the answer given in reply to the second part of starred question No. 1580(a) on the 5th December, 1932, relating to the appointment of Lillooah apprentices as Electricians and Train Examiners, is not correct

and that it is not a fact that the said Anglo-Indian passed in Technical school? Is it also a fact that he neither passed the Matriculation nor Junior Cambridge Examination?

(b) With reference to the statements made in reply to the starred question No. 1530(a) of the 5th December, 1932, and the unstarred questions Nos. 19 and 22(b) of the 5th September, 1932, are Government aware:

- (i) that the Anglo-Indian had no training even in one shop as required by Government [as stated in answer to starred question No. 631(a) of the 4th March, 1932], for the post of Train Examiner;
- (ii) that all the Indians of his batch obtained higher marks in the Technical School; and
- (iii) that many Indians of his batch had training in one or more shops as required by Government [as stated by Government in reply to starred question No. 631(a) of the 4th March, 1932] for the post of Train Examiner?

(c) Are Government aware that one European or Anglo-Indian ex-apprentice of Lillooah workshop, who completed his training on the 18th September, 1930, and who had passed in the second division and who had also no training even in one shop has been appointed as Train Examiner under the Chief Operating Superintendent, East Indian Railway, in Howrah Division, in August, 1933, and that the claims of many better qualified (in all respects) Indians of his batch have been ignored?

(d) If the answers to parts (a), (b) and (c) above, be in the affirmative, will Government please state why in spite of the assurance given in reply to the starred question No. 291(a) of the 10th September, 1929, racial discrimination was made in appointing those two European or Anglo-Indian ex-apprentices, ignoring the claims of the two Indians who worked in Train Examining section (under I. K. R. Howrah) throughout the last strike (one of them was returned to shops a few days after the strike was over) and who passed in higher divisions and who had also training in one or more shops?

(e) Are Government prepared to take immediate steps in the matter? If so, when and in what way? If not, why not?

(f) Are Government prepared to appoint those two Indian ex-apprentices of 1930, whose cases have been overlooked, in suitable posts under the Chief Operating Superintendent when next vacancies occur, and issue necessary orders to the officer concerned to this effect without further delay? If not, why not?

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

SELECTION OF LILLOOAH EX-APPRENTICES FOR THE POSTS OF TRAIN EXAMINERS.

376. Pandit Satyendra Nath Sen: (a) Will Government be pleased to state:

- (i) how the selection of ex-apprentices of the East Indian Railway Workshop, Lillooah, for the posts of Train Examiners under the Chief Operating Superintendent, in Howrah Division, on the 14th August, 1933, was made; and
- (ii) who made the selection and what were their qualifications?

(b) Is it a fact that the candidates were not selected on the result of the interview? Is it also a fact that the selection board had selected some candidates with lower qualifications?

(c) Will Government please state how many ex-apprentices were granted interviews before the appointment of the Anglo-Indian as referred to in answer to the starred question No. 681 (b) of the 4th March, 1932?

(d) If the answer to part (b) above be in the negative, will Government please state:

(i) why one Anglo-Indian or European ex-apprentice of 1933, was appointed, although none of the ex-apprentices of 1933, were called for interviews, and

(ii) why Messrs. T. A. H. Cahoon, N. C. Chatterji, A. N. Mitra and G. Allnut were appointed in preference to many senior ex-apprentices of 1930, who also passed in the first division? Is it a fact that the latter had better training?

(e) Are Government prepared to take steps to replace them by their seniors, or to appoint the latter in suitable posts when next vacancies arise? If not, why not?

(f) Will Government please state whether they are prepared to put a stop to the appointment of junior ex-apprentices in preference to seniors and to appoint in all future cases ex-apprentices strictly according to seniority, and issue necessary orders to the Railway Administration to this effect? If not, why not?

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

SELECTION OF LILLOOH EX-APPRENTICES FOR THE POSTS OF TRAIN EXAMINERS.

377. Pandit Satyendra Nath Sen: (a) Is it a fact that a few posts of Train Examiners under the Chief Operating Superintendent, East Indian Railway, in Howrah Division, have fallen vacant?

(b) If the answer to part (a) above be in the affirmative, are Government prepared to take steps to appoint the senior ex-apprentices of the East Indian Railway Workshop, Lillooh, of 1930, and issue necessary orders to the East Indian Railway administration to this effect without further delay? If not, why not?

Mr. P. B. Rau: (a) and (b). I have sent a copy of the question to the Agent, East Indian Railway, for consideration. These appointments are within his competence to fill and Government are not prepared to intervene.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to unstarred question No. 245 asked by Mr. M. Maswood Ahmad on the 28th March, 1934.

PROMOTION OF CERTAIN RESERVE CLERKS IN THE ROHILKHAND POSTAL DIVISION.

245. (a) A reserve clerk is of the same status as other clerks and, therefore, no question of appointing him again as a clerk really arises. If, however, the Honourable Member refers to the appointment of leave reserve clerks as operative clerks,

there were five such cases in the Rohilkhand Division during the period mentioned by him. I may, however, explain that such appointments mean no fresh appointment or promotion and do not affect in any way the pay, seniority and other general conditions of service of the officials concerned, and that it is open to the Controlling Officer to employ a clerk either as an operative, or as a leave reserve hand, according to administrative convenience.

(b) The reply to the first part, is in the affirmative. The second part of the question does not arise, in view of the reply given to part (a).

(c) There were 15 reserve clerks and the first four and the last amongst them have been appointed as operative clerks. I may point out that the positions of these five reserve clerks in the gradation list have not been altered in any way on account of their appointment as operative clerks, and that such transfers from reserve clerkships to operative clerkships or *vice versa* do not involve any promotion or supersession, as the Honourable Member will also see from the reply given to part (a).

(d) The reply is in the negative.

(e) Does not arise.

(f) Does not arise in view of the reply to parts (a), (c) and (d) above.

Mr. G. B. F. Tottenham (Army Secretary): Sir, I lay on the table:

- (i) the information promised in reply to unstarred question No. 79 asked by Mr. S. G. Jog on the 21st February, 1934; and
- (ii) the information promised in reply to unstarred question No. 284 asked by Mr. S. G. Jog on the 3rd April, 1934.

RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE.

79. (a) and (b). No. The Deputy Controller of Military Pensions merely stated that in their orders on recommendation No. VII Government had conceded no right of appeal in cases where they themselves had already fixed the amount of arrears.

This is correct in that there can be no appeal against the decision of the highest appellate authority. But recommendation VII must be read together with recommendation XXI. When any new facts are advanced in support of any case which the Government of India have already decided it is being made clear to the subordinate authorities that they should not hesitate to forward the case for reconsideration.

INTERPRETATION OF THE ARMY PENSION REGULATIONS.

284. (a) Government do not understand what is meant by asking whether one interpretation includes another. The words seem to them to be meaningless. As indicated in my reply to which the Honourable Member refers the final decision is the decision of Government.

(b) All regulations are interpreted with reference to the objects with which they were originally framed. If the rules no longer represent the intention of Government or of the Secretary of State, they are amended.

(c) The functions of the Appeal Tribunals and of the Ministry of Pensions in Great Britain are all performed in India by Government who are satisfied that no special appeal tribunals are necessary.

(d) Government are aware of the provisions of paragraph 44, of the Financial Regulations, India, Part I and of their orders on Recommendation VII of the War Pensions Committee. Their practice, and, so far as they are aware, the practice of the local sanctioning authorities, in cases in which those orders are applicable, have been in accordance with them. The fact that full arrears may be given in certain circumstances does not mean that they shall be given invariably.

(e) No.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 186 asked by Sardar Sant Singh on the 21st February, 1934;
- (ii) the information promised in reply to starred question No. 255 asked by Mr. S. G. Jog on the 24th February, 1934; and
- (iii) the information promised in reply to starred question No. 640 asked by Mr. K. P. Thampan on the 7th April, 1934.

SUPPLY OF RULES, RELATING TO THEIR DUTIES, TO THE RAILWAY EMPLOYEES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

*186. (a) The Agent, East Indian Railway reports as follows:

"Under Rule 175 of the General Rules", Every Railway servant whether supplied or not with a copy of translation of the rules relating to his duties, shall make himself acquainted with such rules, and the Railway Administration shall ensure that he does so". A copy of translation of the Rules is applied to the literate staff and in the case of illiterate staff, the following rules are applied.

Sub Rule 178 to General Rule 178 which reads:—

"Station Masters shall be responsible for explaining to Signalmen and other staff concerned at their stations the rules for working Fixed Signals, permanent or temporary and the use of Hand Signals and detonators". Also Rule 187 of the General Rules which is quoted below:—

- (i) "*Responsibility of Station Master for working.*—The Station Master shall be responsible for efficient discharge of the duties devolving upon the several members of the staff employed, either permanently or temporarily, under his orders at the station or within station limits and such staff shall be subject to his authority and directions in the working of the station."
- (ii) The Station Master shall also be responsible that the general working of the station is carried out in strict accordance with the rules for the time being in force.
- (iii) Whenever there is a change of staff at a station either temporary or permanent, the Head Station Master shall be responsible for seeing that all rules relating to the working of the station are understood by such staff. In the case of a man who is literate he shall submit to the Head Station Master a declaration in writing that he has read and understood such rules.

Rule 193 of the General Rules:

"*Obedience to orders and keeping of books and returns.*—The Station Master shall see that all orders and instructions are duly conveyed to the staff concerned and are properly carried out and that all books and returns are regularly written up and neatly kept". In addition to the above, the following instructions have been issued in Station Working Rules:

- (i) In a separate register to be opened for the purpose, all staff who can read English must sign their written declaration that they have read and thoroughly understood these rules, and the Station Master will be held responsible for seeing that they do so. Also that all relieving hands sent to work at the station do likewise. Please see General Rule 187 (i) and (iii) above.
- (ii) The Station Master is also responsible for seeing that the staff who cannot read English, are acquainted with the rules which they are required to observe particularly as regards the passing of trains and will certify in the register to this effect.
- (iii) This register must be kept in the custody of the Head Station Master under lock and key. In the case of illiterate staff, the Station Master will certify that he has personally explained the rules".

(b) No.

(c) and (d). Do not arise.

NON-PAYMENT OF SALARIES OF THE DEMOTED STAFF AT THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

*255. The Agent, East Indian Railway reports as follows :

There has been only one case of demotion at the Railway School of Transportation, Chandausi, due to reduction of establishment. The post of head mali on Rs. 25 was abolished from the 1st April, 1933, and the incumbent of the post at the time who was in receipt of Rs. 25 per mensem was offered Rs. 15 per mensem as a mali, which he accepted. Subsequently when the revised scales on this railway were applied to the school staff at Chandausi, this man's pay was fixed at Rs. 19 in the grade Rs. 14—1—19 applicable to malis with effect from the 1st August, 1933. He accepted payment of his salary for August September and October, 1933, but refused to accept his pay from November, 1933, on the grounds that he should be paid at the rate of Rs. 25 per mensem, his former pay. There was no vacancy in the grade of head Mali in any other division on the railway in which he could be absorbed and he, therefore, had to be absorbed in a lower grade as a mali on demotion, this being the only alternative to discharge.

ORDER FOR TEAK SCANTLING PLACED BY THE AGENT, MADRAS AND SOUTHERN MAHRATTA RAILWAY.

*640. (a) An order for teak scantlings was placed by the Madras and Southern Mahratta Railway, but not a large one, with the Anamallais Timber Trust Ltd.

(b) A sawmill has recently been erected at Perambur.

(c) The estimated cost of the Saw Mill is Rs. 14,39,000. As the accounts have not been closed, the exact cost is not yet available.

(d) The following are the special reasons for purchasing teak scantlings. Owing to the restriction of the Building Programmes in recent years it became evident that the Programme for 1934-35, must be started in June, about 5 months earlier in the year than has been customary, if a stoppage of work was to be avoided. There was not sufficient seasoned timber in stock from which to cut the scantlings and there was not sufficient time to obtain logs, slab them down and allow sufficient time for seasoning before cutting them up into scantling. Scantlings for part of the programme were, therefore, obtained by direct purchase.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

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

"That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of six Members to serve on the Standing Committee for Roads, which will be constituted to advise the Governor General in Council in the administration of the Road Account during the financial year 1934-35."

Sir, I think a word of explanation is due to this House for my moving this motion at this stage before the House has had an opportunity to discuss the Resolution in regard to the continuation of the Road Development account which will be placed before it in the course of this week. It would have been preferable to move this motion after the House had come to a decision on that Resolution, but unfortunately the state of official business has not rendered this possible. I should, however, explain to the House that by moving this motion I am not anticipating its decision on the Road Resolution. Even if that Resolution were not accepted by this House—I need hardly say that I earnestly trust it will be—we shall still want a Standing Advisory Committee for Roads to wind up the business arising out of the present account. As the House is probably aware, the amount in the Road Development Account does not lapse at the end of the year; it is carried on from year to year, and we still have funds and schemes to administer. Therefore, in any case, the continuance of the Advisory Committee is necessary. Sir, I move.

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

"That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of six members to serve on the Standing Committee for Roads, which will be constituted to advise the Governor General in Council in the administration of the Road Account during the financial year 1934-35."

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I would like two assurances from the Honourable the Industries Member. I would like to know whether they will put on the agenda at the Simla Session during the first few days of the official business the Resolution which my Honourable friend, Sir Frank Noyce, has tabled, and then I would like an assurance that no meeting of the Road Committee will be held until that Resolution is taken into consideration.

The Honourable Sir Frank Noyce: Sir, I can give my Honourable friend the assurance he requires on both the points he has raised. The Resolution will be placed before the House this week, and I trust that the House will accept it. No meeting of the Standing Advisory Committee will, therefore, be held until the House has arrived at a decision on the Resolution.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): May I suggest that in the interest, both of ourselves and of the Council of State, both being adjourned on the 21st, the Resolution may be moved on any date before the 20th or 19th and that the discussion may take place on the 21st, because I understand the Council of State cannot discuss this Resolution unless it is moved in this House. Is that a fact or not? If it is a fact, then I would like that the Resolution may be introduced and the discussion may be taken up on the last day.

The Honourable Sir Frank Noyce: Sir, there is, as I understand the position, no bar whatever to the Council of State discussing this Resolution before this House has done so, but it is desirable, I think, that this House should have the first opportunity for discussion, and it is the Government's intention that it should have that opportunity.

Mr. B. Das: I now find that the Road Resolution will be taken up before the Assembly Session is adjourned. There is the other most important Resolution relating to the question of disposal of surplus silver and it was put

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order: that does not arise out of this.

The question is:

"That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of six Members to serve on the Standing Committee for Roads, which will be constituted to advise the Governor General in Council in the administration of the Road Account during the financial year 1934-35."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of Members to the Standing Committee for Roads, the Assembly Office will be open to receive nominations up to 12 noon on Tuesday, the 17th April, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Thursday, the 19th April, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Indian Tariff (Textile Protection) Amendment Bill.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 1580, for the figures '12' the figure '9' be substituted, and after the words 'per pound' the following be inserted:

'for goods weighing upto 3 pounds per dozen and an additional 6 annas per each successive pound beyond 3 pounds for goods weighing more than 3 pounds per dozen.'"

Sir, the Honourable the Commerce Member said last Saturday that I had waived in this House little children's vests and that I had made a grievance of Rs. 1-8-0 a dozen. That is true. I did so. But my grievance was for not introducing a graded tariff. It was Rs. 1-8-0 a dozen for children's vests and it was also Rs. 1-8-0 a dozen for men's vests, for fat men's vests and for everybody's vests. So, my grievance was that it was not a graded tariff. My Honourable friend said that he felt that there was something in my grievance as the duty was Rs. 1-8-0 a dozen for all kinds of vests whether they were of 20 inches or 36 inches or 6 inches. Then he said that the basis of levying the duty has now been changed to so much per pound. Even by doing that, he has not removed my grievance at all. It is identically the same thing. He has removed my grievance, so far as the children are concerned, but he has not removed my grievance, so far as the fat men are concerned. For instance, what would happen to my esteemed and Honourable friend, Mr. Kabeer-ud-Din Ahmed, or to myself. A dozen vests, which will weigh more than nine pounds, according to my Honourable friend, the Commerce Member, which will be charged a duty of nine annas a pound will be liable to an increased duty of 125 per cent.

Sir, we have been hearing a lot about folk tales and folk lore. With your permission, I will also tell you a folk tale in this connection. We have a fat Member from Malda who talks of tigers. Every time he is called to order, he shows a dislocated limb. He says: "This is a tiger of Malda and is a ferocious beast; it caught passengers and made a ferocious feast". Up rises the Commerce Member in anger and says: "Bring me the tiger and the man, and the Railway Authorities will do what they can". This puts the fat Member into rage and he says: "I will bring the tiger and you provide the cage".

Then, Sir, I have got another grievance. Apart from the fat man's garments, you are putting the duty on a thing which is not manufactured in India, such as fleecy shirts. Now, what is the result? The result is that you are depriving the poor masses from using the only garment that he can afford to buy. He cannot afford to buy a woollen garment to protect himself from the cold and you are depriving him even to buy fleecy garments. Therefore, my amendment comes to this: keep it as you like up to three pounds; but, thereafter, reduce the rate per pound, so that the fat man's vests at least may be had at a reasonable price.

Sir, I move,

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

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 1580, for the figures '12' the figure '9' be substituted, and after the words 'per pound' the following be inserted:

'for goods weighing upto 3 pounds per dozen and an additional 6 annas per each successive pound beyond 3 pounds for goods weighing more than 3 pounds per dozen.' "

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I rise on a point of order. Will I be allowed to move amendment No. 82?

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment No. 82 has been disposed of.

Dr. Ziauddin Ahmad: Then, I would like to make a speech on this amendment. We have been making a great confusion in our calculations from a dozen basis to a weight basis of which this motion and the other motions were the necessary consequence. I wanted to develop that point on my amendment No. 82, but I was not allowed to make a speech. I thought that the best way of calculation was to find out how much *ad valorem* it would work up to if we accepted the recommendation of the Tariff Board for Rs. 1-8-0 a dozen. I admit that my data are not complete, and probably the Government data would be complete, and they will be able to calculate the figure. But from the data which are available to me, I have calculated that it would work up to 69 per cent *ad valorem*. Therefore, if they agree to it that 69 per cent *ad valorem* is the right duty, then I think we ought to transfer it in terms of pounds in the same manner. I also calculated in terms of pounds on the data which is available to me and the duty of twelve annas per pound would work out approximately to cent per cent. Therefore, I submit we have really increased this *ad valorem* duty from 69 to cent per cent. Never mind these one or two petty phrases of the Tariff Board whether three pounds stuff is equivalent to two pounds eight ounces stuff, and so on. Therefore, the best way by which Government could have arrived at the correct conclusion was to calculate, which they omitted to calculate, the *ad valorem* value of Rs. 1-8-0 per dozen, and then calculate the pound duty also to the *ad valorem* duty. I daresay they have definitely increased the rate recommended by the Tariff Board which works out to 69 per cent and they have increased it to 12 annas, that is cent per cent. Thus, I submit, the Government have been very unfair in their proposals.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I am sorry that I must oppose Mr. Ghuznavi's motion. Apart from any other consideration, I must oppose it on the ground of administrative inconvenience. In practice, it would be, if not impossible, at any rate extremely difficult for the customs administration to deal with consignments of this nature and to apportion the duty if it was decided to apply it on the basis suggested by my Honourable friend in the amendment. I understand that the custom of the trade is for packages to come in consisting of all sizes and all weights of vests. Now, what would happen? Every package would have to be opened and each package would have to be dealt with piecemeal. In these circumstances, though

[Sir Joseph Bhore.]

It may not be an impossible task, it would impose an intolerable burden on the Customs Department, and I am afraid, on that ground, namely, of administrative inconvenience, I must oppose this motion. I pointed out the other day that in adopting a single weight basis for all sizes and all weights of undervests, we were not peculiar. We are merely following, for example, the Japanese method, a reference to which example will, I am sure, appeal to my Honourable friend, Mr. Ghuznavi, who is so staunch a supporter of Japanese goods in this country. Sir, I oppose the amendment.

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

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): I want to refer to a single point

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not mind allowing the Honourable Member just to make one observation, but then it must deprecate this practice. If the Chair allows the Honourable Member, Maulvi Muhammad Shafee Daoodi, to make a speech now, the Honourable Member for Government will also be allowed to make a reply.

Maulvi Muhammad Shafee Daoodi: I just want to explain one circumstance.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): May I enquire, Sir, whether Honourable Members have not got a right—not a concession—to speak after the Government Member has spoken? So far as I understand, under the Standing Orders, the Government Member has a right of reply if new points had been raised by Honourable Members who speak after him. Why should we be curtailed in exercising our right of speaking on an important Bill like this?

Mr. President (The Honourable Sir Shanmukham Chetty): There is no question of curtailing any power at all. No Honourable Member gets up to speak, and then the Chair calls upon the Government Member to reply to the debate, and, after this, it is not proper for another Honourable Member to get up and make a speech.

Maulvi Muhammad Shafee Daoodi: My points arise out of the speech of the Honourable the Commerce Member. The Honourable Member has put before us certain administrative difficulties. That was a thing which was not considered by the House. I was going to submit that administrative difficulties should not stand in the way of doing justice to the poor people in this country. That was my point. I know that administrative difficulties can be met in various ways, but the poor people's difficulties cannot be met by allowing the thing to remain on the Statute-book. We know that once before when there was a motion about something else which took place the other day, there was administrative difficulty put forward in regard to fixing the weight as to whether the size should be the size of a small child, or a grown up boy or an adult and things like that, but no heed was put to that argument. I submit that the Government

should see their way not to raise the question of administrative difficulties while there are so many other ways of removing those difficulties. When there is inherent difficulty in the fact of assessing the valuation of the article, that should be urged. Therefore, I say, this administrative difficulty is not a point which should have been urged.

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

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 1580, for the figures '12' the figure '9' be substituted, and after the words 'per pound' the following be inserted:

'for goods weighing upto 3 pounds per dozen and an additional 6 annas per each successive pound beyond 3 pounds for goods weighing more than 3 pounds per dozen.'"

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The House now comes to the amendment moved on the 14th April, 1934, by Maulvi Muhammad Shafee Daoodi which runs:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 156L, the following be added at the end:

'fleecy undervests.'"

Dr. Ziauddin Ahmad: I beg to support the amendment moved by my Honourable friend, Maulvi Muhammad Shafee Daoodi. Sir, I should like to point out that by changing the incidence of taxation, it is not fair to increase the *ad valorem* duty enormously. Now, the duty on this particular commodity, which we were discussing before the two tariff Bills came up, was 25 per cent. *ad valorem*. Under the first Bill, when we imposed a duty of Rs. 1-8-0, then the duty on the two classes of fleecy stuff, heavier and lighter, was increased from 25 per cent *ad valorem* to 26 per cent *ad valorem* in one case and to 35 per cent. *ad valorem* in the other case. Therefore, by the first Bill, the 25 per cent *ad valorem* was increased to 26 per cent and 35 per cent. Now, we are bringing this new Bill which it has been repeatedly pointed out that what we are imposing is a duty equivalent to Rs. 1-8-0 and if it is Rs. 1-8-0 equivalent, then the *ad valorem* duty must work out to something like the equivalent of 26 per cent and 35 per cent. But what we actually find is that in the one case the duty was raised to 128 per cent from 26 per cent, and, in the other case, it was raised from 35 per cent to 107½ per cent. This will be the increase in the duty in relation to the two classes. I hope it was not the intention of the Government by this new arrangement to increase suddenly the duty from 26 per cent and 35 per cent to 128 per cent and 107½ per cent. If the Government want to give special protection to this particular article, that is a different matter; but so long as they profess—and they have professed on the floor of the House—that the duty which they are now suggesting is practically equivalent to the duty recommended by the Tariff Board and the Tariff Board proposals are just as I have pointed out now, then the Government should not increase the duty by something like four times in the one case and three times in the other. Therefore, I submit this is a thing which is to be looked into. If my Honourable friend, Maulvi Shafee Daoodi's amendment is accepted, then the duty for this stuff will be 50 per cent; that is, under the old Bill, Rs. 1-8-0 has risen to 26 and 35 per cent, and if we accept Mr. Shafee

[Dr. Ziauddin Ahmad.]

Daoodi's amendment, it will rise to 50 per cent. I think a duty of 50 per cent in these days of depression is sufficiently high. It is rather unfair to increase the duty by 125 per cent and 107 per cent. Besides, he says that we want to protect certain articles, but are we going to protect an imaginary article? I understand that some sort of fleecy undervest is made in this country. I was told the other day by a person who can speak with authority that India was not likely to make it for sometime to come. Therefore, if a thing of this kind is not likely to be made in this country of that particular quality for sometime to come, then, under the impression that this will be manufactured in the future, to put a duty of 128 and 107 per cent, is, to say the least, unfair.

Mr. S. O. Mitra: Sir, with your permission, I should like to read a telegram which I have received just now from the Secretary of the Calcutta Hosiery Association:

"We appeal to you reconsider proposals re duty on cotton undervests. This should not exceed Government's proposal of nine annas per pound. Moreover, fleecy undervests being not made in India should not be subject to increase and old duty should be maintained."

Sir, I made it clear that I am for protecting the Indian hosiery industry and giving it sufficient protection, so that the industry may be saved. But, at the same time, I should like to have some categorical reply from the Commerce Member as to the statement that is made here in this telegram that this particular kind of fleecy undervests, of which I personally have no information, are not made in India. And if they are not made in India or there is no prospect of their being manufactured in India, for which the authority of Mr. Mody has been quoted, then it lies heavily on Government to make a case why they should try to impose this heavy duty on this particular kind of hosiery.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): I said they cannot be manufactured here at that price.

Mr. S. O. Mitra: Mr. Mody says that at that price it is impossible for India to expect to manufacture this kind of hosiery. It has been argued by my Honourable friend, Mr. Ghuznavi, with great force that the poorer people use these kind of fleecy undervests. So there will be no case absolutely, if it will not in any way help the Indian industry, for putting such a heavy duty on such a necessary article in life.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur cum Orissa: Mubammadan): Sir, in this connection I agree with the idea that the rate of duty for fleecy undervests should not be the same as has been proposed for hosiery of other kinds. But I cannot understand one thing, and that is this. At present under 1580, the duty proposed is 25 per cent or 12 annas per pound, whichever is higher. But now I find that the amendment proposes to bring this item under Item No. 158L and the result will be the *ad valorem* rates of duty applicable to the fabric of which the article is wholly or mainly made. So it will be placed under Item 158L, under Item 158D and other items, and the result will be that from 25 per cent it will go up to 50 per cent, because in 158D you will find that on articles of non-British manufacture the duty will be 50 per cent or four annas per square yard, if it is of artificial silk. And for cotton fabrics of non-British

manufacture, as you find in 158C, the duty is 50 per cent or 5½ annas per pound, whichever is higher. I want to know what is the idea. If the idea be to raise the duty from 25 per cent to 50 per cent, I cannot agree to that, because, by this amendment, the article will be charged according to the stuff of which it has been made. Suppose that these fleecy under-vests are made of silk in which case the duty will be 50 per cent *plus* in some cases, two rupees per pound and in some cases. . . .

Mr. B. Das (Orissa Division: Non-Muhammadan): How can fleecy underwear be of silk?

Mr. M. Maswood Ahmad: They mix silk in that stuff. Even if it is of cotton, I find that this duty will be raised from 25 per cent to 50 per cent and I cannot agree to this increase. But I will suggest to Government that there must be some rate of duty on fleecy under-vests, and there cannot be two opinions in this matter, because fleecy under-vests are heavy articles and for that reason this proposed duty is very high.

Mr. A. H. Ghuznavi: Sir, I support this amendment. We have the authority of Mr. Mody that this cannot be made in this country even at that price.

Mr. H. P. Mody: Sir, may I explain that all that I said in the course of a private conversation yesterday, after seeing the article, was that it was quite impossible for India, or, for the matter of that, for any other country in the world except Japan, to manufacture it at that *c.i.f.* price which was quoted to me.

Mr. A.H. Ghuznavi: That is the reason why there should not be a duty at all. You cannot manufacture that here, and that is what I have been saying all the time. This only adds force to my argument that there should be no duty at all.

The Honourable Sir Joseph Bore: Sir, I think my Honourable friend, Mr. Maswood Ahmad, was on the right track when he raised the objection, but I do not think he pursued his objection quite far enough. As far as I can appreciate the proposed amendment, the entry of the item "Fleecy Vests" in 158L would be inoperative, because all the items under 158C to 158K are fabrics which are woven. A vest is not a woven fabric, it is a knitted fabric. It will come under 158M and not under the preceding items, and hence the duty applicable would be 50 per cent or 12 annas per pound, whichever is higher. However, that is a technical matter, and it is not necessary for me to go further into that point.

Some play has been made of the opinion expressed that this article which has been termed "fleecy vest" cannot be manufactured in this country. I take some exception to an opinion being so deliberately distorted as that of my Honourable friend, Mr. Mody. What I understand he did say was that this country could not possibly manufacture it at that price; and it is for that very reason that we are asking for protection. As a matter of fact, I may say that, to the best of my recollection, articles were brought in at the time of the Select Committee's deliberations which were manufactured in this country. They were to some extent "fleecy

[Sir Joseph Bhore:]

vests". They may not have been exactly of the type which my Honourable friend, Mr. Shafee Daoodi, was good enough to show me, but they certainly were "fleecy vests". So that, if there is any doubt in the minds of Honourable Members here, I can, I think, definitely set it at rest by saying that we certainly were shown in the Select Committee articles which were manufactured in this country and which would undoubtedly come under the descriptive term "fleecy undervests".

Now, Sir, so far as this amendment is concerned, there are other serious difficulties. Take the term "fleecy undervests". As far as I know, it is not a trade term generally understood or admitted by anybody, I think it was originally invented by a Member of this Assembly and I am quite certain that if we put a term like that into our tariff schedule, Customs House officers would find difficulty in interpreting it on any uniform basis. I must, therefore, oppose this amendment. But, Sir, I should like to tell my Honourable friend, Mr. Shafee Daoodi, that I do not want to turn down every suggestion that is made by the opposite side in this connection. I am, therefore, quite prepared to give an assurance that we will make a very careful inquiry into the case of this particular article to see whether any strong reason does exist to justify making it a separate class and treating it differently from other cotton undervests. Unless we are in possession of evidence which shows conclusively that there is justification for creating a separate class and that it is possible to do so, then, Sir, we shall not be justified in treating it otherwise than as falling under Item 1580. I hope my Honourable friend will accept my assurance and withdraw his motion.

Dr. Ziauddin Ahmad: May I just ask whether the Government have got any information about the quantity of fleecy stuff now made in India?

12 Noon.

The Honourable Sir Joseph Bhore: No, Sir. I have no information as to the quantity of fleecy stuff made in India. I do not know what fleecy stuff is.

Mr. J. Ramsay Scott(United Provinces: European): Sir, it is quite possible for every undervest, that is brought into India, to be turned into a fleecy vest. All that is required is to give it a slight raising on the inner side that costs practically nothing. It is also by rubbing with a wire gilet on a brush hard and rubbing it against the material. Any undervest in India can be turned into a fleecy undervest at any time with practically very little cost.

Maulvi Muhammad Shafee Daoodi: Sir, in view of the assurance given by the Honourable the Commerce Member that he will make an inquiry into the matter and see if this can be brought under a separate item or a separate category, I ask leave of the House to withdraw my amendment.

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

Mr. President (The Honourable Sir Shanmukham Chetty): Are the amendments of Dr. Ziauddin Ahmad and Mr. Maswood Ahmad consequential upon 1580? That is what the Honourable Member said when

be asked the Chair to hold it over: it goes much beyond 1580. Why the Chair is asking this is because on that ground he asked the Chair to take up 1580 first and whether this amendment is to be moved or not depended upon that. 1580 has been disposed of—and, in view of that, will this amendment be moved?

Dr. Ziauddin Ahmad: May I just point out that there are two parts of it? One is by weight, and that has been disposed of; but, in this particular case, they have increased the *ad valorem* duty from 25 to 50 per cent, which is not the same as 1580, and that is the only point that I wish to draw attention to.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can move it if he wants.

Dr. Ziauddin Ahmad: Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158M, for the figures '12' the figure '9' be substituted."

My object in moving this motion is to draw attention to one important point, that in the original Bill the duty provided was 25 per cent. Now, in the Select Committee, we also put the same duty on this fabric as they put on hosiery on the supposition that perhaps this particular stuff might be brought at cheaper value and afterwards it might be sewn in this country. So if you put any duty on this particular stuff, it is natural that the duty on this ought not to be more than the duty on the hosiery itself; because, after all, you will have to spend some more money in order to make it into hosiery. So if there be any change in the duty on this and the duty on hosiery itself, it should be a tendency on the lower side, not on the upper side; but we find that the duty on hosiery is 25 per cent *ad valorem*, while here the duty *ad valorem* is 50 per cent; and the weight basis remains the same. This is what I would like to draw attention to.

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

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158M, for the figures '12' the figure '9' be substituted."

Mr. B. Das: Sir, I oppose the motion moved by Dr. Ziauddin Ahmad. It was pointed out in the Select Committee by the Government spokesman that at present the import of this commodity (knitted fabrics) into India is nil. But we know what importers are and they will try to make money out of it if they can. Formerly, they used to bring fents in nine yard pieces; now, to avoid the heavy duty imposed on Japanese piecegoods, they cut these pieces and bring them in four yard lengths. In the same way, although there is no import into India of knitted fabrics, the importers will take advantage of it and bring in large quantities to manufacture undervests if they can. My Honourable friends, Dr. Ziauddin and Mr. Ghuznavi, all agreed that if we were to give protection, we must give adequate protection to the hosiery industry. In fact, Mr. Ghuznavi, while he was speaking on the Safeguarding of Industries Bill, said, as one of the founders of the hosiery industry in Bengal, that he would like to see adequate protection given to the hosiery in-

[Mr. B. Das.]

dustry; it is he who demanded adequate protection; and though I accepted 12 annas in the Select Committee, I did so under protest, because speaking there on behalf of the various Chambers of Commerce, particularly the South India Chamber of Commerce and the Ramnad and Madura Chambers, they all demanded one rupee per pound duty; and I had to accept 12 annas under protest. I did not put it down in my minute of dissent, because I thought the protest I recorded in that Select Committee was enough; but when the Select Committee agreed to 12 annas to be put on knitted fabrics, they put this prohibitive duty for the first time in the fiscal policy of the Government of India, to safeguard against future calamity that might happen to the hosiery industry. I congratulate Government on having agreed to put this prohibitive duty on an article the import of which is nil now, but which might increase, so that certain importers might bring it in. These are the reasons that led us to put on 12 annas duty per pound of hosiery.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): Sir, this was really a consequential amendment made in the Select Committee. It follows the increase of duty on cotton hosiery. These knitted fabrics merely mean the cloth out of which hosiery, under-vests and other things are made. If there is a difference between the knitted fabric and the hosiery, what would happen is that, instead of sending ready made hosiery, under-vests, banians, and so on, the importers will merely get knitted fabrics, and it will cost very little to turn them into under-vests and other things: it will be merely adding the cost of tailoring charges which will be nominal if you take a dozen, and, therefore, the amount of competition would be just as severe. All that would happen is that instead of ready made hosiery coming in, knitted fabrics will come to be made into under-vests here. As a matter of fact, it is not quite correct to say that no knitted fabrics come in at present: a certain amount does come in, but it is a very small quantity; it has so far not been worth their while to send it in larger quantities, but the moment there is a disparity between these two, one may rest assured, without much imagination, that the whole import will turn into knitted fabrics; and that is why more or less as a sort of consequential amendment the amount of specific duty was raised to keep parity with the under-vests, etc. As regards the 50 per cent, that merely followed the *ad valorem* rates for cotton fabrics. You will find that in 158C and in 158D cotton fabrics not otherwise specified pay an *ad valorem* duty of 50 per cent on non-British manufacture. As this was in line with that, it was considered proper that the same amount of *ad valorem* duty should be applied to this also. But really the effective duty will be the specific duty of twelve annas, and not the 50 per cent *ad valorem* duty. That was the reason why the Select Committee made the change as a matter of consequential change.

The Honourable Sir Joseph Bhoré: Sir, I have nothing further to add to the explanations given by my friends, Mr. B. Das and Diwan Bahadur Mudaliar. I would only point out that from this amendment I do not see that Dr. Ziauddin Ahmad objects to the 50 per cent *ad valorem* duty. All that he is trying to do is to reduce. . . .

Dr. Ziauddin Ahmad: That is my chief aim, and that is why I am objecting to the 50 per cent.

The Honourable Sir Joseph Bore: Why is it that you did not change it then? In these circumstances, Sir, I oppose the amendment.

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

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158M, for the figures '12' the figure '9' be substituted."

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): Does Mr. Maswood Ahmad want to move his next amendment?

Mr. M. Maswood Ahmad: No, Sir. I want to move only Amendment No. 8 in the late List No. III.

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

Mr. M. Maswood Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158M, the following be substituted:

'158M. Cotton Knitted fabric. *Ad valorem* 25 per cent or 12 annas per pound whichever is higher.'

I think, Sir, my friend, Dr. Ziauddin Ahmad, has actually supported me in this. The troubles for the cotton knitted fabric have actually increased, because the duty for this cotton knitted fabric was 25 per cent and now it has been raised to 50 per cent or 12 annas per pound, or whichever is higher. Now, let us consider for a moment what quantity of cotton knitted fabric comes into India. I should like to quote a passage from the Report of the Select Committee, because I find that no Member has dissented from it, and those Honourable Members, who have not dissented from the views of the Select Committee, are not, I think, justified in challenging that portion of the Select Committee. They say:

"In Item No. 158M, we have increased the duty on cotton fabrics to 50 per cent. *ad valorem* or 12 annas per pound, whichever is higher. We understand that at the moment there is practically no import of such goods, but we consider that the import should be definitely discouraged."

So, Sir, the Select Committee have come to the conclusion that the import of cotton knitted fabric is very limited in extent. Further, I want to point out that there are two kinds of articles imported into this country, one article is imported into India in a completely finished form, while another kind of article which comes into this country is in a half finished state. Now, it is for my Honourable friends to consider and say which kind of article they would prefer to come to this country, whether the completely finished article or the half finished article on which we shall be able to employ some labour to complete it in India. Now, what do we find? The Select Committee has fixed 25 per cent for the completely finished articles which come into this country, while they have fixed 50 per cent *ad valorem* duty for the half finished or semi-finished articles. That shows that they want to encourage the import into India of completely finished articles and discourage the import of semi-finished or half finished articles. There are two

[Mr. M. Maswood Ahmad.]

alternatives, and we have to choose between the two, and I do not think there will be much difference of opinion if I say that we should prefer the semi-finished article. That principle has been admitted by the Government themselves when the question of cigarette and tobacco was being considered, and I don't think they can adduce sufficient arguments to bring about a change in their policy in connection with cotton knitted fabrics and hosiery. Further, they have relied on the Report of the Tariff Board for the cotton knitted fabrics, because the Tariff Board at page 196 of their Report say: "All other kinds, not specified above, including fabrics of all descriptions", and so they propose that knitted fabrics should not be treated in the same manner as hosiery. They keep it under a separate heading, and they say that six annas per pound or the *ad valorem* rate of revenue duty, whichever is higher, should be imposed. And what was the *ad valorem* duty? It was 25 per cent. Therefore, the Tariff Board have recommended that the duty should be either 25 per cent or six annas per pound, whichever is higher. I don't say that my friend should accept this duty of six annas per pound, and I have given notice of an amendment to that effect, but I thought that when we have fixed a duty on hosiery, we should have the same rate of duty on knitted fabrics as well.

Then, Sir, at page 198 of their Report, the Tariff Board say "All other kinds not specified above, *ad valorem* rate of revenue duty". Therefore, they have recommended only these two rates, but Government have not accepted their recommendation in this regard, and so when they have not accepted the recommendation of the Tariff Board, Government have no right, I think, to come before this House and ask our help to put a higher duty on unfinished or semi-finished articles than on the finished stuff which comes into this country, and I hope the Honourable the Commerce Member will consider this point carefully. If Government say that practically the duty will be 12 annas per pound, then I suggest that there is absolutely no harm if they change 50 per cent to 25 per cent, because the words "or twelve annas per pound or whichever is higher" are already there. All I say is that Government should not encourage the import of completely finished hosiery articles into this country, rather they should encourage the import of knitted fabrics and discourage the import of hosiery. I hope, in view of the importance of the points I have raised, the Honourable Member in charge will be good enough to accept my amendment.

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

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158M, the following be substituted:

'158M. Cotton Knitted fabric. *Ad valorem*. 25 per cent or 12 annas per pound whichever is higher.'

The Honourable Sir Joseph Bhoré: Sir, I am afraid I must oppose the amendment. I do not wish to encourage either the finished article or the unfinished article. We want to keep both out as far as this is possible, and, so far as the effective duty is concerned, that will be provided by the specific duty of twelve annas per pound and 50 per cent will probably not be operative. In those circumstances, nothing would be gained by changing the 50 per cent to 25 per cent.

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

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158M, the following be substituted:

'158M. Cotton Knitted fabric. *Ad valorem*. 25 per cent or 12 annas per pound whichever is higher.'

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): Dr. Ziauddin Ahmad, No. 33*.

Dr. Ziauddin Ahmad: Sir, I don't want to move it, as we have already discussed it in detail.

Mr. President (The Honourable Sir Shanmukham Chetty): So that disposes of all the amendments in the Schedule.

The question is:

"That the Schedule, as amended, stand part of the Bill."

The motion was adopted.

The Schedule, as amended, was added to the Bill.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

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

"That clause 4 stand part of the Bill."

Dr. Ziauddin Ahmad: I beg to move:

"That in clause 4 of the Bill, for the figures '1939' the figures '1937' be substituted."

My amendment is to the effect that the life of this Bill should be three years instead of five years. The agreement with Japan on the basis of which this Bill has been drafted is not for five years, and three years are quite sufficient for us to justify whether our assumptions which are made here are correct. After three years, the Government can come forward and extend the life of this measure if they choose to do so for another period by moving a short Bill or by notification in the Government Gazette. Again, we are passing through a period of depression, and I hope that, after three years, the depression may be over, and, as soon as the depression is over, we will be in a better position to review the whole position. It is rather unfair to suppose that the existing condition will go on for another five years. I think that three years is quite sufficient, and, after that, the Government may continue it, or may revise it in the light of experience gained in the interval.

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

"That in clause 4 of the Bill, for the figures '1939' the figures '1937' be substituted."

*"That in the Schedule to the Bill, to the proposed Amendment No. 9, the following be added at the end:

'Yarn and Fabrics made wholly or partly of artificial silk shall be deemed as if they are made wholly or partly of cotton.' "

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): I do not want to make a long speech. I would, in a few words, support the amendment moved by my Honourable friend, Dr. Ziauddin Ahmad. Besides the reasons which the learned Doctor has given, I would submit that it is admitted also by the Government that some of the duties which have been imposed by this Bill would hit the consumer very hard. If that is so, we must not make the life of this Bill very long, that is, five years. Let us see its working for three years and find out the result of levying these duties on the consumers in the country,—whether the consumers are hit hard or whether they are able to purchase things all right. Another point is this. During the next three years, we will be in a position to judge whether the indigenous trade of the country is getting an impetus and is increasing or not. I think three years are quite sufficient to give protection to the indigenous industry if it really needs to be protected, and, within these three years, we will be able to see whether the industry is such as it requires further protection. For these reasons, I support the amendment.

Mr. A. H. Ghuznavi: I support this amendment. My first reason is that the Japanese Agreement is for three years, that is, up till 31st March, 1937, and, therefore, the period of this Bill should not go beyond that date. The whole of the Japanese question will have to be reconsidered after 1937. This duty, which we are imposing, although you say it is not a discriminating duty, is a discriminating duty, because the cheap class of goods comes from Japan and from no other country, though you do not mention it by name. All the Agreement which you have made with Japan about buying our cotton and their exporting a certain quota of piecegoods—all that will have to be reconsidered after 31st March, 1937. So, the period of this Bill should not go beyond that date. That will give us sufficient time to judge for ourselves whether this high protection is justified. Then, again, I submit that this high protection is not justified from the Government figures which we have got in our possession. The figures show that the imports are decreasing and the Indian manufactures are increasing. The figures for 1932 and 1933 show that the imports have decreased to 36,47,000 dozens and the Indian manufactures have increased to 7,46,000 dozens, and, in the face of these figures we are giving high protection and burdening the masses and the consumers with this heavy taxation. My next point is that, in the Indian Fiscal Commission Report, they lay very great stress on the duration. They say:

“From the point of view of the duration of the burden also, it is clear that discrimination is of the first importance. If protection is extended to unsuitable industries, they will never reach the stage at which the shield of protection can be discarded, and will remain a permanent burden on the community. The duration of the burden will also be extended if protection operates to prolong inefficient methods of production.”

Therefore, I support this amendment.

Maulvi Muhammad Shafee Daqodi: Again we have got to consider as to whether we are going to give a long rope to these indigenous industries. True they should get protection, but they should not be given a long rope, so that, feeling secure in their position, just as they have done so far, they may not try to make the best use of the sacrifice that is being made by the consumers and improve their condition. The protection has now been going

on for some years past, and still, as we were told the other day by the Commerce Member, the competition is so hard that indigenous industries are going to suffer a great deal if prompt measures were not taken. The Government have got an additional power in their hands, that is, the Safeguarding of Industries Act. That gives them power to give relief immediately which the Government have done.

Now, with such powers in their hands, and having given, as I am told, many crores of rupees to the industrialists from the pocket of the consumers, we should not extend the time to five years. The life of the Assembly itself is not going to be so long as that, and I do not think we shall be justified in extending the period of protection to 1989. The Government will have no difficulty in their way to extend the period at the end of 1987 if they felt that the factories had done sufficiently well but still time was against them, and, therefore, they should be given some more extension. As I said, there are so many ways in the hands of the Government after the passing of the Safeguarding Act. Even a notification will do for extending the period of protection. For these reasons, I should think that the Government should not insist on prolonging this period of protection to 1989. For these reasons, I support the amendment limiting it to 1987.

Diwan Bahadur A. Ramaswami Mudaliar: I regret I am unable to accept this amendment. When we are giving protection to an industry, it seems to me that we shall be doing no service either to the consumer or to the industry concerned if we are constantly plucking up the roots and examining whether the plant is growing or not. In the interests of the consumer himself, the industry should have an assured protection for a definite time, so that it may organise itself, so that, by internal competition, the better organised and the more well established industries may thrive and that capital may flow into such industries, so that the less efficient industries may go out of existence. Three years is too short a period. One would have thought that five years is not long enough. As a matter of fact, the Tariff Board recommended a period of ten years, and I should like to quote to the House a paragraph from the Report of the Tariff Board where they strongly and strenuously recommend that a period of at least ten years is necessary for reorganising the industry. This is what they say:

"We propose that the period of protection should be fixed at ten years. In the case of a large industry, like the cotton textile industry a longer period than we have ordinarily allowed will be required for full development and reorganisation. We rather think as we have already indicated, that the ultimate salvation of the industry will come as the result of a strenuous internal competition stimulated by protection under which the more efficient mills in the country will so develop their output and improve their methods as to replace completely a large number of the existing mills. Sufficient time must be given for this process to work itself out. In view of the difficulties which face the industry at present and equally of the important national interests which are involved in it, we do not think that ten years can be regarded as too long a period. Unless protection is assured for a period of ten years, the capital required for the better class of mills for further development will not be forthcoming."

An Honourable Member: This is only for piecegoods.

Diwan Bahadur A. Ramaswami Mudaliar: This Bill deals with all sorts of things.

[Diwan Bahadur A. Ramaswami Mudaliar.]

Then, the Report goes on to say

"It is rather the stability than the rate of protection which encourages the investment of capital in a protected industry. The Indian cotton textile industry, especially in Bombay, has been recently the subject of many public inquiries. Such inquiries repeated at frequent intervals must militate against healthy development. We think that the industry should now be allowed a period of rest from these harassing inquiries."

In view of that fact, I think that a period of five years given in the Bill is rather short. To cut down the period to three years must mean that the industry will be continuously in a state of excitement and no large development can really take place and ultimately the consumer will be the sufferer on account of this period of anxiety which the industry has had to face. My Honourable friend referred to the Indo-Japanese Agreement. What will be the effect of it? Supposing in 1937, the Indo-Japanese Agreement comes to an end, and that this basis of reciprocity, whereby they buy a certain amount of raw cotton from us is not renewed, then, what will happen? In fact, if a case is to be made out at all, it will be made out for a higher duty of protection rather than a lower duty of protection. We have given a lesser rate of protection. We have reduced the tariff duties because of the consideration that Japan is purchasing from us a certain amount of raw cotton. If that Agreement comes to an end and if that raw cotton is not to be bought from us, then the consideration that we have shown for lowering the duty will not be there. Nothing else will happen than that. Therefore, if there is any revision at all on the ground that the Japanese Agreement is not continued, it will be only a case for increasing the duty and not lowering the duty.

Mr. A. H. Ghuznavi: Supposing the Bombay mills go into liquidation in three years?

Diwan Bahadur A. Ramaswami Mudaliar: Then there are other mills which will crop up. They are growing up elsewhere. I am not pleading for Bombay. We are not here for the Bombay mills only. There are mills growing up in all parts of the country. As I hope to show in the third reading stage, there is very little chance of the mills developing unless their methods are radically altered, and the less efficient mills go out of existence. When the time comes when by internal competition they are able to adjust their production at such prices as will not fall heavily on the consumer, then we will realise the good that has been done out of a policy of protection. On the other hand, if you give a short period of protection, then the mills can never develop. The prices will be always the same, and the same kind of protection will have to be incurred, so that I suggest that, in the interests of the consumer himself, it is better to give a specific time for this industry to develop properly and to develop internal competition, so that prices may go down and ultimately the consumer will get the benefit under this scheme. I think five years proposed in the Bill is not at all too long. It is only half the time suggested by the Tariff Board, and, therefore, I am unable to accept the amendment proposed by my friend.

Raja Bahadur G. Krishnamachariar: (Tanjore cum Trichinopoly: Non-Muhammadian Rural): I support this amendment. The Tariff Board, after laying down all those philosophic maxims as to the necessity of continuing this protection, lay it down to a period of ten years. Assuming that argument to be correct, assuming that it takes a period of ten years for the industry to develop, then, cutting it down to five years does not stand to reason. If it can be cut down to five years, then why not cut it down to three years, with a provision, if you like, that without even coming to this Legislature the Government may extend the operation of this Act for another two years, so that the industry might get its five years' protection. The reason why I am not satisfied with even the proposition laid down by the Tariff Board is that the cotton textile industry in India has been in existence for a long time. If, during all this period, they have not been able to develop themselves in such a manner that they do not require any further protection, then I submit that that industry, however national may be its character, does not deserve any consideration whatsoever. Time after time they have been told that this industry has not set its house in order. They have not made any attempt to do it, and if I understood my Honourable friend, the Diwan Bahadur, aright, I hope I am not misrepresenting him, he says—leave the Bombay mill industry alone. Industries in other places will start. They must develop. They will develop only in consideration of the internal competition that would come into existence. Allow sufficient time for this competition to adjust itself and then cease to give protection and then reconsider your position. It seems to me that that argument implies that, after a certain period, the industrialists are going to say—thus far we shall go and no farther. That is not a correct position to take. So long as there is scope, so long the industry will develop and every time new concerns come into existence, the same argument that my friend put forward will again be put forward, with the result that we will be moving in a vicious circle and we shall never be able to come to any conclusion. The question of the ten-year period not having been accepted by the Government, and the Japanese Agreement only lasting for three years after which if we do not agree, we are entitled to raise the protection to the existing rate from which we are now reducing it, I do not see any reason why the Government should not make this a co-eval with the duration of the Japanese Trade Agreement, taking to themselves the power to extend it if they find it necessary to do so.

There is only one point I will mention. The last period of protection was only for three years. Now, nobody suffered by it. I do not know to what sort of inquiries the Tariff Board refers as harassing inquiries. If it is the inquiries which they were making, I am very sorry to hear of the way they characterise their own inquiries. I should have thought that of all persons the Members of the Tariff Board would be the last to make any harassing inquiries,—but harassing to whom? How long is the consumer to be put under this agony, so that a portion of these people, admittedly inefficient, should go on and continue in their inefficiency and wallow in the mud so that by some miracle, some day, they may wake up and put their affairs in good order and then say—“now we shall no more want protection”. I, therefore, submit, Sir, that this amendment deserves support.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadian): Sir, considering the part played by my Honourable friend, Mr.

[Mr. Gaya Prasad Singh.]

Mody, in this somewhat shady transaction with Lancashire, I would have been unwilling to grant any period of protection beyond that recommended by my Honourable friend, Dr. Ziauddin Ahmad, in his amendment, but the interests of a national industry of this country must override all other considerations.

Mr. F. E. James (Madras: European): What does my Honourable friend mean by "shady transaction"?

Mr. Gaya Prasad Singh: The shady transaction to which I refer is this. I am of opinion that the way in which my Honourable friend, Mr. Mody, went out to England and conducted this negotiation with the Lancashire people, aided by the moral support of the members of the European Group, is open to some suspicion, and the way in which my Honourable friend, Sir Joseph Bhowe, seeks to implement the agreement arrived at between two private parties—I mean representatives of Lancashire and the representatives of only a section of the cotton textile industry of this country—is one which does not command my wholehearted support; but, Sir, the interests of the textile industry of this country must over-ride all considerations which may be based on personal or other grounds. Therefore, I am of opinion that a sufficiently long period should be given for protection within which the industry might find itself able to adjust itself to world conditions of trade, and so on. Of course, during the period of protection we must carefully watch and see that we are giving no premium to the inefficient organisation of the textile industry of this country. I am quite in favour of the policy of protection, as recommended under the conditions mentioned in the Fiscal Commission's Report, but I should be unwilling to grant protection to any industry which does not improve its method of production and does not come to the standard which ought to obtain in such industries. I do not want the representatives of these industries to carry away the impression that this House will be willing always to grant them the luxury of protection without looking closely into the interests of all concerned (Hear, hear) whenever such an occasion arises, but a period of three years, as suggested in this amendment, is, I think, too short a period, because as has been pointed out by my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, a period of three years is an inconveniently short period within which one should not reasonably expect the industry to adjust itself.

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): What about salt?

Mr. Gaya Prasad Singh: My Honourable friend refers to salt. The question of salt stands on a different footing. I am not going to be side-tracked into discussing the question of salt but the textile industry of this country has to pass through a very complicated sort of organization, and sufficient time must elapse within which one may reasonably expect this industry to gain its own footing, and introduce improved method of production. But I would very strongly impress upon the representatives of the textile industry to try and put their house in order and to see that no encouragement is given to inefficient methods of production. I would in this connection suggest to the industry, if possible, to send their representatives to foreign countries—to Japan, for instance, or Manchester

and other places—and learn improved methods of production on cheap and efficient lines. This House also should be jealous of watching the interests of the consumers; but, in giving protection to a national industry, the interests of consumers must suffer to some extent, because I am of opinion that, even at a sacrifice, we should try to cultivate our national industry in this country.

Now, my Honourable friend has just referred to the question of salt. I am of opinion that even if, by reason of imposing the additional duty on salt, the price of salt has risen to some extent, I should think our countrymen should be cheerfully prepared to bear a little burden in the interest of developing the sources of salt supply in this country.

Mr. S. C. Mitra: Prices have gone down.

Mr. Gaya Prasad Singh: In the same way, even if the imposition of this duty casts upon the consumer a slightly higher burden with regard to prices, I should think that this price should be cheerfully paid in the interest of the development of the national industry of our country. By "national industry" I do not confine myself to the industry represented by my Honourable friend, Mr. Mody, because, as I have already said, their methods of production have not been quite satisfactory in the past, and this House would be well advised in laying down suitable conditions to that industry, so that, if it does not put its house in order and learn better methods of production, this House will be very unwilling to extend the period of protection. I do not want my Honourable friend, Mr. Mody, to come to the House with a beggar's bowl at the end of the three years which has been suggested by my Honourable friend, Dr. Ziauddin Ahmad, but I would give them a sufficiently long rope. (Laughter.) The Tariff Board has suggested a minimum period of ten years. This Bill proposes to give only a period of five years. I think five years is a reasonable compromise between the two proposals. I think it would not be to the interest of the industry if, after a period of two or three years of uncertainty, they have again to come up to solicit our protection. They must have some period of rest, and we must also have some period of rest from their importunate solicitations with regard to the continuance of this policy of protection. Therefore, I agree with the provision made in the Bill that the period of protection should be up to 1939.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan, Urban): Sir, I support this amendment. Many of us on this side of the House have agreed to allow protection to the textile industry not without some hesitation, and the Report of the Tariff Board itself, we find, is not altogether convincing that a very clear case was made out. What some of us felt on this side of the House—and I certainly expressed my difficulty in very clear language—was that, having regard to all the facts, we did not think that it would be advisable suddenly to withdraw the protection which has been given to this industry.

The Tariff Board has made it clear that at least in Bombay the industry is not conducted as efficiently as it ought to be. They have also said that the managing system, for instance, is answerable for a great deal of the difficulties which are being encountered by that industry in Bombay. The impression which most of us have formed on reading the Tariff Board Report is that it is really in order to save the Bombay mills

[Sir Abdur Rahim.]

that the Board has recommended the protection that it has in its report. Bombay seems to be at present the weak point of the entire industry of India. And even my friend, Diwan Bahadur Ramaswami Mudaliar, has admitted that it will be very difficult to foresee that the Bombay mill industry is going to develop on healthy lines. He has pleaded, in fact, for the other mills. The Tariff Board Report makes it clear that there are efficient mills and inefficient mills. I think it was said on the floor of the House that the Ahmedabad mills, which is the next largest group after Bombay or perhaps equally large, has been making a profit of 30 per cent. and that statement has not been challenged so far as I remember. There are other mills outside the Bombay Presidency which are carried on on very efficient lines and according to up-to-date methods and really there is no proof that the mills so conducted have suffered owing to Japanese or any other competition. But we do not want even the Bombay mills, which is the largest group and in which a very large capital has been invested, to suffer or collapse if we can help it. And that is why we have agreed to a reasonable measure of protection being given. But as I ventured to point out at an earlier stage of the Bill, protection must be given on proper conditions and only for a reasonable period.

The Select Committee had to consider the question of period for which protection should be given and there was a division of opinion on that point. I have not yet heard any good argument why three years should not be considered sufficient at this stage and why should we contemplate or why the Tariff Board have contemplated that there must be a further period of protection. I protest against that. I see no reason why a period of three years should not be considered sufficient for the textile industry of India. After all, it is not a new industry in India. It has existed for a long time and at one time—at any rate, before the power mills came into existence—it was a very flourishing industry and catered for the whole world in respect of certain classes of textile goods. Sir, similes are always dangerous. My Honourable friend, Mr. Ramaswami Mudaliar, used a simile that you do not dig up a plant by the root and examine it every time. But why should you dig up a plant after five years? If we can safely dig it up after five years, why can't we do it after three years? That is no argument.

Now, Sir, there are certain methods which the Tariff Board itself has pointed out are wrong and lead to inefficiency and which stand in the way of industries at certain places competing fairly and on reasonable terms with the outside world. Sir, it has become the fashion to say that all this misfortune is due to Japanese competition, and, therefore, we must shut out Japanese goods and then everything will be safe. But let me tell the House that everything will not be safe even if we do shut out Japanese goods. There will be other competitors: Lancashire, for instance. Are not they very solicitous about their Indian market? At a later stage, I shall have to deal with this question at some length. They are now using, for instance, Indian cotton. I do not object to that, but what I say is this. India has got many facilities which neither Japan nor Britain possess. For instance, India grows her own cotton. India has very cheap labour, perhaps as cheap as if not cheaper than Japan. I believe it is cheaper than Japan. Therefore, if we cannot compete with Lancashire and Japan, it is our own fault. I say, therefore, that three years is quite sufficient. If they want to instal up-to-date machinery,

surely they can do that. If the methods have to be improved, they can do that within that period. If labour conditions have to be improved, they must take steps at once. If labour has to be trained, why should they not train it? They have not made even a beginning in that direction. If we give a long period of protection, I am afraid, it will be an incentive to lack of initiative. It is the lack of initiative that is standing in the way. We really, earnestly and honestly wish that the industry should be improved. I, for one, would be glad if India is made absolutely self-contained in most of the things that are needed by us, such as, textiles and other commodities that can be produced in India. But we shall never reach that stage if you put a premium on what I may call negligence or inefficiency. That is absolutely clear. I want to give them this protection, but at the same time, I would lay down conditions and lay down a period of time within which those conditions must be fulfilled, so that the industry may be able to stand on its own legs. That will be in the interests of the industry itself. I think it will be a wrong policy to make the period too long. I should, therefore, strongly support the amendment that has been moved that the period should be limited to three years and if any abnormal conditions arise or for any unexpected reasons the industry is not able to defend itself against outside competition after the lapse of three years, then I have not the slightest doubt that this House will seriously consider if that period cannot be extended. But, at present, I do suggest to the Government that three years is quite a sufficient time, and it ought not to be five years.

Mr. N. M. Joshi (Nominated Non-Official): I would only make one remark on this subject, and that is that I have got some sympathy with the amendment which has been moved and which is being discussed. My Honourable friend, Diwan Bahadur Mudaliar, stated that if protection is not given for five years, or a longer period, those who are to invest money in this industry will not have security. I do not know whether this Legislature and the Government of India have given any grounds so far for any industrialist to believe that the Legislature does not do a reasonable thing by the industry. I think the Legislature and the Government of India have so far treated the industries very generously and very leniently too. If the industry does not behave reasonably and is not run efficiently and does not do what the Tariff Board has asked the industry to do, the Legislature and the Government will certainly not continue the protection. If the industry has got no confidence in the Legislature and the Government, may I ask, why the Legislature should place confidence in the industrialist and give them a longer period when they know that whatever recommendations were made by the previous Tariff Board were not given effect to and when they know that some of the recommendations made by the present Tariff Board will not be given effect to by the industrialists.

Mr. H. P. Mody: Will my Honourable friend say how many of the recommendations of the last Tariff Board have not been given effect to? We want something more than these general, vague and utterly unfounded statements.

Mr. N. M. Joshi: I shall not allow myself to be diverted from the course of my speech. I am going to make another speech during the course of the day, and I shall deal with many of the recommendations which the Tariff Board made. There is another amendment which stands in the name of my Honourable friend, Mr. Thanpan, which will give me another opportunity of dealing with the subject. I promise my Honourable friend, Mr. Mody, that I shall tell him what recommendations made by the Tariff Board were not given effect to.

Mr. Gaya Prasad Singh: In the summary of the recommendations at page 202, it is said, "little advance has been made in the housing of labour or in the organisation of welfare work".

Mr. N. M. Joshi: The Tariff Board have made many recommendations. I shall not deal with the recommendation referred to by Sir Abdur Rahim about the agency system. This agency system is being criticised for a long time, and let us know what has been done. I shall not deal with that question at all, because there is another opportunity for me to do so. My point is this. If the industrialist will not have confidence in the reasonable behaviour of the Legislature, how can the Legislature put its confidence in the industrialists? (Hear, hear.) I should like to have a straight reply to that question.

Mr. H. P. Mody: You shall have it.

Mr. N. M. Joshi. My Honourable friend, Diwan Bahadur Mudaliar, said that protection was not needed only for Bombay, but for outside factories too. I am not well aware of that fact, but I am aware of the one fact which the Tariff Board has said in its Report that there are many mills in this country which refuse to give information to the Tariff Board and these mills are outside Bombay. I am not against the industry being developed outside Bombay at all. If the Bombay industry has a right to live, I think the industry outside has also a right to live, but at the same time if these mills outside are not willing even to give information to the Tariff Board, and that information cannot be made available to the Legislature, I want to know why the Legislature should go out of its way and give a longer period to the industry, so that there need not be even a discussion of the position of the industry in this Legislature. I feel, Sir, that if the Government of India have given protection to the industry, the Government of India and the Legislature have a right to see that the industry is run efficiently. Has any provision been made in the Bill itself to see that the industry is run efficiently, and, if so, I shall certainly extend the period not only to five years, but to ten years. Are the Government of India taking power to appoint inspectors to see that the industry is run efficiently? They have got no power. Are the Government making any provision to see that the industry will be run efficiently from this period and that, after five years, the industry will not come back to us and say "we are in the same condition". What is, therefore, the justification to tell the House that the industry will be run efficiently from this period and if there is no justification, is it not better to have a shorter period and there should be another enquiry and another opportunity for this Legislature to see that the industry is run efficiently. Considering that we are not making any provision to see that the industry is run efficiently and that it will fulfil all the conditions laid down by the Tariff Board, I ask, whether it would not be better

that the period should be shorter and the Legislature and the Government of India should have an earlier opportunity of examining the condition of the industry, so that, if the industry is behaving well, protection may be continued, if not protection will be discontinued. I, therefore, hope the amendment will be accepted.

Mr. S. C. Mitra: Sir, the Tariff Board have proposed a period of ten years for protection, and I am ready to support that proposal unless the Government can convince us why on every occasion they, particularly in this Bill and some other Bills, give no attention and pay any heed to the Report of the Tariff Board, which in earlier times was considered sacrosanct. It has now become a fashion very lightly to go against the recommendations of the Tariff Board. I have said once and I repeat again that if the Government have no confidence in the present Tariff Board, they should by all means scrap that body and depend upon the Central Board of Revenue for their facts and figures. When I say that I shall be agreeable to support a ten year period, I base my argument on this that the industry should be properly protected. The consumers are ready to undergo sacrifices, because we expect a time will come when the consumers will get the benefit out of this protection. But as I gather from the Report of the Select Committee, there is nothing which the consumer will get any benefit of, within any reasonable time. In this connection, I repeat the request of Mr. Das that you, Sir, should consider some way by which we can record the views of the Select Committee in the Assembly Debates, because, after some time, the whole thing is forgotten and it is difficult to pick out the views as expressed in the Select Committee Report, published only in the Gazette of India. I should like to read a few passages from the dissenting minute of Mr. Sitaramaraju, Mr. B. Das and Dr. Ziauddin Ahmad :

"The Tariff Board is unable to say when the industry will be able to dispense with protection. In view of what was stated in the earlier part of this note, on the non-availability of information regarding the state of the industry in the country as a whole, we are not convinced that the mill industry as a whole in the country has enabled us to know the extent to which protection, if any, is necessary for the industry."

This point has also been emphasised by my Honourable friend, Mr. Joshi, that the industry that requires protection is unwilling to supply facts and figures to the Tariff Board.

They go on :

"Having regard to the fact that continued protection means continued transfer of wealth of the comparatively poorer rural classes to the relatively richer industrialised groups of interests, we would like to lay great stress on the need for having more accurate information on the condition of the industry and some amount of control on the industry itself. The Indian Mill Industry is domineered by managing agency system of firms. The Tariff Board on the cotton textile industry had come to the conclusion that this managing agency system should be statutorily controlled. The revision of the Indian Companies Act is long overdue.

The Government members of the Committee assured us that the Government propose to take steps in making changes in the Indian Companies Act."

[Mr. S. C. Mitra.]

Sir, up till now, the Commerce Member has not assured us in the House itself that he is going to take steps in this matter, and in what way:

"We regret to have to note that we are not given any indication of the nature of the steps they propose to take. We desire to express our opinion that unless the Government take effective measures to deal with inter-mill finance and check the system of finances, block capital, expenditure and the system of commissions, and other evils associated with the managing agency system, and control the other factors arising out of the financial interests of managing agents in subsidiary services, the claim for protection and the extent to which it is necessary cannot be justified. When the industry asks the country to share its troubles, the country must have the right to share in those rights which otherwise would be respected as purely private rights."

Sir, I want a reply from Government on all the points that have been raised in this note of dissent. My Honourable friend, Mr. Thampan, has tabled an amendment subsequently about terms and conditions on which protection should be granted. We demand that when we agree to put heavy burdens on the consumers in this country, we must impose conditions on the industry, and, on securing those conditions, we can ask our people to bear the additional duty cheerfully. We want a reply from the Commerce Member when he comes every time with these Tariff Bills about the conditions of protection. We should look at it, not only from the standpoint of the industry, but also from the consumers' standpoint. What is the guarantee that in future we shall have not to complain? If the legally constituted Board, after careful examination, thinks that it should be ten years, why should Government unnecessarily compromise for five years or for any shorter period? Compromises may be effected, so that the interest of both parties may, to a certain extent, be served; but what is the purpose of compromising on matters which means that it will neither serve the purpose of the millowners nor the purpose of the consumers? If we can have the assurance that, after the end of these ten years, this industry will be able to stand on its own legs and Government will not come again before the representatives of the people for further periods of protection, then, by all means, have it for the period that your experts advise you. If that be not your consideration, then you should agree to this amendment. This Bill is based primarily on the agreement with Japan; and, at the end of three years, this Agreement with Japan ceases. Then, there will be certainly time for this House to consider whether this duty should continue. After the end of this Agreement it may be necessary in the interest of the industry itself to raise the duty. If so, why should not the industry get that advantage if it is really necessary from other considerations to give greater protection? I think the industry should have confidence in the representatives of the people if they want to thrive. There is nothing specially bad in the representatives of the people that they will vote against every protective measure. We made it clear repeatedly by voting for these protective duties that we are most anxious to support our industries, but, at the same time, the time has come when we should clearly lay down conditions which must be satisfied if we are to save our poorer consumers as well. On these considerations, it is necessary that the period should be an early period, and the industrialists should not be nervous that the House will do injustice to them. Sir, I support this amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Before the House is adjourned for Lunch, the Chair would remind the Honourable Members that if there is no chance of the third reading being finished by about 5-30 P.M., the House will adjourn at 5-30 and will meet again after dinner at 9 P.M. to finish this Bill.

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.

The Honourable Sir Joseph Bhoré: Sir, in my opening speech some days ago, I pointed out that while in no way belittling the considerations set out by the Board in favour of granting a longer period of protection, namely, ten years, we felt that we would not be justified in mortgaging the future of the consumer and of the public for a period longer than five years, despite the admitted fact of intense internal competition. But it seems to me that those considerations which were set out by the Board in favour of the longer term recommended by it are absolutely conclusive as against a further curtailment of that period. Let me read to the House the reasons given by the Board, for no words of mine can put them more forcibly:

"The problems which face the industry as a whole are unusually difficult and many-sided; and unless sufficient time is given, it will be unreasonable to expect any tangible results from the policy of protection. Even if conditions are normal, the task of reorganisation and of adjustment to new factors would involve a great deal of thinking and planning ahead. The renovation of a long-established and old industry cannot be expected to take place in strict accordance with a pre-arranged time table. It is idle to blame the industry if the time table is not followed for the process of development takes time and involves many uncertain factors. To take one aspect of the industry as an illustration, the important problem of reorganising the conditions of labour with a view to reducing the cost of labour per unit of output involves not merely co-ordinated action on the part of the employers, but patient negotiation with labour and a concerted attack upon those social conditions which lower the efficiency of labour in India. Similarly the task of reviewing the system of management and control, though easily described by facile phrases such as rationalisation and amalgamation involves stupendous difficulties, as has been well illustrated by the experience of the Lancashire Cotton Corporation."

These are the reasons and it seems to me that argument in regard to them is needless. If the House is not prepared to accept those reasons, then, by all means, let it vote for the amendment. So far as we are concerned, we think that the Tariff Board has fairly stated the case for a reasonably long period of protection. It is no question of not having confidence in the Legislature or the Government as suggested by my Honourable friend, Mr. Joshi. The businessman must have certainty in regard to conditions which are to prevail in the industry before you can expect him to invest capital on reorganisation and readjustment; and unless he has that certainty, you cannot expect progress. We believe that a period of five years affords a reasonably long period of certainty to enable the industry to invest both effort and money in reorganisation and readjustment. Any shorter period, I submit, would entirely defeat the object of protection which we have in view. I oppose the amendment.

Mr. B. Sitaramaraju (Ganiam cum Vizagapatam: Non-Muhammadian Rural): May I just ask a question of the Honourable Member, whether, in view of the fact that the Japanese Agreement is going to be only for three years, there is any justification to extend the period for more than three years?

The Honourable Sir Joseph Bhoré: As far as I can see, the Japanese Agreement has really nothing to do with the question of substantive protection. Substantive protection is a different thing, and what we are asking the House to do is to commit itself to the principle of substantive protection for a period of five years.

Mr. B. Sitaramaraju: Does the Honourable Member feel that after the period of three years of the Japanese Agreement is over, new questions would not arise? Would the same conditions continue after the period of the Japanese Agreement?

The Honourable Sir Joseph Bhoré: What conditions does my Honourable friend refer to?

Mr. B. Sitaramaraju: To answer the Honourable Member I would just mention the point raised by Diwan Bahadur Ramaswami Mudaliar: supposing the Japanese Agreement falls through or they refuse to have any more of our cotton: supposing, again, people want more protection. Take, again, the other case also: there may be considerations after three years either to increase or reduce the protection.

The Honourable Sir Joseph Bhoré: My Honourable friend has evidently not done me the honour either of listening to the speech that I made on the last occasion or of reading it. I there definitely stated that, after the lapse of the Agreement between the Millowners' Association, Bombay and Lancashire, on the one hand, and the Agreement with Japan on the other, Government would have to review the position and then decide, in the light of circumstances then prevailing, what the further protection should be.

Mr. B. Sitaramaraju: Supposing there is no case for further protection?

The Honourable Sir Joseph Bhoré: I do not think I can answer a set of supplementary questions like this.

Mr. President (The Honourable Sir Shanmukham Chetty): The House is asked by this clause to commit itself to substantive protection for the textile industry for a period of five years: that is the simple question raised in this clause, so far as the House is concerned, on this motion.

Mr. B. Sitaramaraju: The amendment wants to limit it to three years.

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

"That in clause 4 of the Bill, for the figures '1939' the figures '1937' be substituted."

The Assembly divided:

AYES—19.

Abdur Rahim, Sir.
Anklesaria, Mr. N. N.
Anwar-ul-Azim, Mr. Muhammad.
Dutt, Mr. Amar Nath.
Ismail Ali Khan, Kunwar Hajee.
Ismail Khan, Haji Chaudhury,
Muhammad.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Lahiri Chaudhury, Mr. D. K.
Mahapatra, Mr. Sitakanta.

Maswood Ahmad, Mr. M.
Mitra, Mr. S. C.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Parma Nand, Bhai.
Shafee Daoodi, Maulvi Muhammad.
Sitaramaraju, Mr. B.
Uppi Saheb Bahadur, Mr.
Wajihuddin, Khan Bahadur Haji.
Ziauddin Ahmad, Dr.

NOES—43.

Abdul Aziz, Khan Bahadur Mian,
Ahmad Nawaz Khan, Major Nawab.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Bajpai, Mr. G. S.
Bhore, The Honourable Sir Joseph.
Brij Kishore, Rai Bahadur Lala.
Chatarji, Mr. J. M.
Clow, Mr. A. G.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Hardy, Mr. G. S.
Hezlett, Mr. J.
Hudson, Sir Leslie.
Irwin, Mr. C. J.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Lindsay, Sir Darcy.
Macmillan, Mr. A. M.
Metcalf, Mr. H. A. F.
Millar, Mr. E. S.
Mitchell, Mr. K. G.

Mitter, The Honourable Sir
Brojendra.
Mody, Mr. H. P.
Morgan, Mr. G.
Mudaliar, Diwan Bahadur A.
Ramaswami.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Noyce, The Honourable Sir Frank.
O'Sullivan, Mr. D. N.
Pandit, Rao Bahadur S. R.
Rajah, Rao Bahadur M. C.
Rastogi, Mr. Badri Lal.
Rau, Mr. P. R.
Sarma, Mr. G. K. S.
Schuster, The Honourable Sir
George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.
Singh, Mr. Gaya Prasad.
Singh, Mr. Pradyumna Prasad.
Sloan, Mr. T.
Tottenham, Mr. G. B. F.

The motion was negatived.

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

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): Sir, I beg to move:

"That after clause 4 of the Bill, the following new clause be added:

5. (1) From such date as may be fixed by the Governor General in Council by notification in the Gazette of India in this behalf, no joint stock company or other limited liability company or factory shall employ themselves in the manufacture of the articles for which protection is given under the provisions of this Act except under and in accordance with a license to manufacture issued under this Act.

(2) Whoever, being the Managing Director of a Joint Stock Company or other limited Liability Company or proprietor of a factory, fails to comply with the provisions of this section shall be punishable with imprisonment which may extend to two years or with fine which may extend to rupees ten thousand.

[Mr. K. P. Thampan.]

(3) The Governor General in Council may by notification in the Gazette of India make rules to prescribe—

- (a) any fee or equivalent sum to be paid to the directors and managing agents;
- (b) the annual dividend to be paid to the shareholders and other participants with limited liability;
- (c) the manner in which any further surplus shall be employed for consolidating the position of the undertaking;
- (d) the returns to be submitted periodically;
- (e) the form and conditions of the licences and the fees to be charged therefor; and
- (f) such other things as are required to carry into effect the purposes and objects of this section.

Mr. F. E. James: May I rise to a point of order, Sir. I wish to place before you the suggestion that this clause is not in order under this Bill

.

An Honourable Member: Why?

Mr. F. E. James: and I shall endeavour to give my reasons. First of all, this Bill is a Bill which amends the Indian Tariff Act, and, therefore, it is an Amending Bill to the Indian Tariff Act. It is not a purely protective Bill in the sense, for example, that the Match Protection Bill was a Protective Bill or that the Sugar Protection Bill was a Protective Bill. Those Bills dealt with one class of articles and were designed purely to give protection to that particular class. This Bill undoubtedly is designed by amending the Tariff Act to give protection, but it is designed for other purposes as well. Not only designed to give protection to the textile and sericultural industry, it is also designed to put into operation certain agreements which have been arrived at on the one hand, by private bodies, and, on the other hand, by two important Governments.

Mr. K. P. Thampan: Is there any reference to those two agreements in the Bill?

Mr. F. E. James: Perhaps my Honourable friend will allow me to follow my argument, and then he is at perfect liberty to reply. That fact is shown by reason of certain provisions in the Bill which do not raise the duties, but which lower the duties, and there are certain articles which do not come under the protective Schedules. It may be argued that in actual fact this is a Bill which gives substantive protection, as the Honourable the Commerce Member has just stated, to the textile industry. That may be so, as a matter of fact, but the Bill still remains a Tariff Amending Bill and seeks to amend the Indian Tariff Act of 1894. It may be argued that it would have been better to have introduced it as a straight Protection Bill, but the method that has been chosen for good or for ill is the method of amending the existing Tariff Act. Sir, I would draw your attention to one part of the amendment of my Honourable friend, Mr. Thampan, in which he says:

"No joint stock company or other limited company or factory shall employ themselves in the manufacture of the articles for which protection is given under the provisions of this Act except under and in accordance with a license to manufacture issued under this Act."

I am not sure whether that Act refers to the Tariff Act or only to this Tariff Amending Bill. In the former case, it would refer to a very large number of articles if this particular Bill becomes part of the Tariff Act of 1894. I submit that all these things which would come in here might operate in regard to a large number of articles which might not come in under this particular form of legislation. I am not raising this objection to be obstructive in any way, but I feel it my duty to do so, because of the fact that these proposals have been introduced in this form. Honourable Members, who were on the Select Committee, are aware of the fact that this matter was discussed in the Select Committee. I am quite aware that any ruling in that Committee has absolutely nothing whatever to do with whatever ruling you, Sir, may be pleased to give in this House. But inasmuch as a ruling was given in the Select Committee, I felt it my duty to raise this matter on the floor of the House and secure your ruling in regard to this matter, so that in future we might be under no ambiguity as to the course which should be adopted.

The Honourable Sir Brojendra Mitter (Leader of the House): I have looked into this question. As Mr. James has said, this matter was raised in the Select Committee. There are two ways of looking at it, one to take a strict view of it, and the other, to take a liberal view of it. On a strict view, if you take this Bill to be a pure Tariff Bill, the amendment is out of order; but, on a liberal view, if it be taken, although it is a Tariff Bill in form, but in substance it is a protective measure—then a condition to be imposed upon the parties to be protected would be in order. There are thus these two possible ways of looking at it. In Committee, I took the strict view and I ruled the amendment out of order. But the matter, as I say, is doubtful, and we shall be glad to have your ruling.

Sir Abdur Rahim: I think if my Honourable friend will look at the Preamble of the Bill, it is this:

“Whereas it is expedient further to amend the Indian Tariff Act, 1894, for the purpose of affording protection to the sericultural industry and to the cotton and silk textile industries in British India and for certain other purposes. . . .”

That seems to settle this question. The very object of the Bill is to afford protection to these very industries. Supposing a separate Bill was introduced for the purpose of protection of these industries instead of amending the Tariff Act, they would have to repeat these provisions in that separate Bill. Therefore, this is, not only in substance, but in the very language of the Preamble, a protective measure, and, therefore, I do not see how the amendment can be said to be out of order.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): As my Honourable friend, Sir Abdur Rahim, has pointed out, the object of this Bill is to be gathered from the Preamble, and, as has been stated by him, the object is clearly to afford protection to certain well defined industries. Not merely that, look at clause 1, the name of the Act. It says:

“This Act may be called the Indian Tariff (Textile Protection) Amendment Act, 1934.”

[Mr. K. C. Neogy.]

It is not a normal and ordinary amendment of the Tariff Act which is sought to be made in this Bill. Mr. James asked, what is the meaning of the words "This Act" in the amendment of my Honourable friend, Mr. Thampan. "This Act" means this Act, and the Honourable Member will find that clause 1 says, "This Act may be called the Indian Tariff Act". Protection can be given either by way of bounties or by way of a tariff wall. When it is by bounties, an amendment of the Tariff Act is not needed, but when it is given by raising a tariff wall, the Tariff Act has to be amended. That is only a manner of giving protection. That has nothing to do with the question as to whether we are or we are not entitled to attach certain conditions to the protection that may be given. That is all I have to submit.

The Honourable Sir Brojendra Mitter: May I say one word in regard to what Mr. Neogy has just now said? Without for a moment contesting the fact that this is in substance a protective Bill,—I said that in my previous submission to you—I want to say this that neither the Preamble nor the marginal note is a part of an Act. Therefore, when it is said that the Preamble concludes the matter, my submission is that the Preamble does not conclude the matter.

Mr. K. C. Neogy: What about the title: "This Act may be called the Indian Tariff (Textile Protection) Amendment Act, 1934"?

The Honourable Sir Brojendra Mitter: The operative portion of the Bill is really the law. Neither the title, nor the Preamble, nor any marginal note is the operative portion of any enactment. That is what I want to point out; but, at the same time, as I say, I do not contest the fact that it is in substance a protective measure.

Mr. H. P. Mody: There is only one point which I wish to raise in this connection. If this amendment is held to be in order, whenever an industry comes up to this House for protection the whole of the Indian Companies Act, so far as that particular industry is concerned, can be altered out of recognition. We may have in the case of cement industry one Indian Companies Act, we may have in the case of the textile industry another Indian Companies Act, and so on. What this amendment seeks to do is to alter the whole object of the Indian Companies Act which is to regulate the conditions in which companies shall work. These clauses in the amendment of my Honourable friend are far too sweeping and I am wondering whether they can be held to be in order when the whole object of it is to blot out the Indian Companies Act from the Statute-book.

Mr. President (The Honourable Sir Shanmukham Chetty): In deciding the admissibility or otherwise of Mr. Thampan's amendment, the Chair has first to decide the scope and purpose of the Bill. The Chair agrees with the Leader of the Opposition that this Bill must be construed as being primarily intended for affording protection to certain industries. The amendment of the Indian Tariff Act is the means by which that object is achieved. Therefore, the primary scope and purpose of the Bill is to afford protection for certain industries. That being the scope and purpose of the Bill, the Chair has now to decide whether, in

view of that, the amendment is in order. The opinion of the Chair is that when the Indian Legislature agrees to give protection to a certain industry, it is entitled to say that the industry shall enjoy that protection only if it satisfies certain conditions laid down by the House. Viewed from that point of view, the Chair has no hesitation in holding that the amendment is in order. This ruling is supported also by a previous ruling given by the Chair. On the 4th June, 1924, when the Steel (Protection) Bill was being discussed, Mr. V. J. Patel wanted to move a clause to this effect:

"Provided that nothing in this section shall apply to any company, firm or other person who starts the business of manufacturing steel after the passing of this Act, except to the extent and in the manner to be determined by a Resolution of the Legislative Assembly in that behalf."

and the Chair ruled on that occasion:

"I have heard sufficiently on the point of order. In the light of the discussion that has taken place, I have now come to the conclusion that, as pointed out by Pandit Motilal Nehru, this amendment really circumscribes the scope of the Bill and limits it to companies of a particular kind, and, that being the case, I am now of the view that it is not out of order."

The Chair, therefore, holds that the amendment of Mr. Thampan is in order.

Mr. K. P. Thampan: Sir, we, on this side, are very grateful to you for your ruling.

The Honourable Sir Brojendra Mitter: We are all grateful for a clear ruling, either on this side or that side.

Mr. H. P. Mody: We can be grateful, but we can be unhappy also.

Mr. K. P. Thampan: I shall be very brief in my speech; but I expect my friends, who are more competent to do so, to develop it. It has been said by the Fiscal Commission that unless an industry is in a position to stand on its own legs by the time the period of protection is over, no protection ought to be given. The Tariff Board in their Report say that many textile factories in India cannot realise any return on their capital under the present circumstances, and, not only that, they could not even forecast at what time the industry will be in a position to sustain itself.

Sir, in connection with the Safeguarding Bill, I had to invite the attention of the House regarding the comparative inefficiency of the Bombay mills in particular as compared with the mills and factories in Japan and Great Britain. The industry has had some kind of protection already for a long time and they seem to have not availed themselves of that opportunity and done anything to strengthen itself. I am afraid that, even if it can, the industry will not do anything during the five years of protection that we are going to extend to it under the provisions of this Bill. I would like to ask the Government whom they propose to protect. Is it the capitalist, or the shareholders, the managing agents or the industry itself? Sir, any one, out of philanthropic motive, desiring to give milk to poor or orphan children, must see that it is the children that get it and not the guardians who are in charge of them. He can ask the

[Mr. K. P. Thampan.]

children to be brought to them and the milk given to them in their presence. It would not be the right thing to do if, during the period of protection, the shareholders are helped to get 50 or 60 per cent dividend, or the managing agents to get their commission on sales, purchases, insurance, etc., etc. *ad infinitum*. The Tariff Board recommend legislation regarding the restriction or the rights of the managing agents. I do not propose to read their recommendations. They are mentioned in paragraphs 81 and 82 of the Report. There are also other suggestions made in paragraphs 51 and 53 of the summary of their proposals. The Bill does not provide for any such control. I had occasion to state in this House that during the boom period I myself got more than 50 per cent dividend for my shares in one or two mills. The Managing Directors did not care to reserve any money for the rainy day. I was perfectly glad to have my 50 per cent dividend, but that was not a judicious way of managing the industry. If the industry expects any protection from the Legislature, the Legislature has got the right to lay down certain conditions under which alone that protection might be given to the industry. So long as we cannot be certain that the benefits of protection will not be used, to strengthen and consolidate the industry, we have no right to tax the consumer, and if we tax the consumer, we have every right to see that the money is judiciously spent. If the Government accept this amendment, I have no objection to extend the period of protection to ten years, as recommended by the Tariff Board. There is no harm in doing that. I am aware that, being a layman, the amendment, I have drawn up, might not be quite correct in form. My friend, Mr. Joshi, has given notice of further amendments. The idea is to issue licenses to factories that satisfy the rules laid down for the purpose and penalise illicit manufacture. If the principle of my amendment is accepted, I have no objection to accepting any alteration in the wording. I only want the money taken from the consumer is reduced to what I may call a robbery, because it will be tantamount to it if the money is not properly used. We have no right to rob Peter in order to pay Paul. With these words, I commend my amendment to the House.

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

“That after clause 4 of the Bill, the following new clause be added:

5. (7) From such date as may be fixed by the Governor General in Council by notification in the Gazette of India in this behalf, no joint stock company or other limited liability company or factory shall employ themselves in the manufacture of the articles for which protection is given under the provisions of this Act except under and in accordance with a license to manufacture issued under this Act.

(8) Whoever, being the Managing Director of a Joint Stock Company or other limited Liability Company or proprietor of a factory, fails to comply with the provisions of this section shall be punishable with imprisonment which may extend to two years or with fine which may extend to rupees ten thousand.

(9) The Governor General in Council may by notification in the Gazette of India make rules to prescribe—

- (a) any fee or equivalent sum to be paid to the directors and managing agents;
- (b) the annual dividend to be paid to the Shareholders and other participants with limited liability;
- (c) the manner in which any further surplus shall be employed for consolidating the position of the undertaking;

- (d) the returns to be submitted periodically;
- (e) the form and conditions of the licences and the fees to be charged therefor; and
- (f) such other things as are required to carry into effect the purposes and objects of this section."

Mr. N. M. Joshi: Sir, I move:

"That in new clause 5 of the proposed amendment....."

Sir Lancelot Graham (Secretary, Legislative Department): On a point of order. We have been looking up the proceedings of 1924. On that occasion, Mr. Patel moved an amendment which was in the interests of the protection of labour. On that occasion, the Chair ruled that an amendment, which was frankly in the interests of the protection of labour and not for the protection of the industry, was outside the scope of the Bill. I am referring to Vol. IV, Part IV, 27th May to 11th June, page 2564.

Dr. Ziauddin Ahmad: What is the point of order?

Sir Lancelot Graham: The point of order is that this amendment for the protection of labour is outside the scope of the Bill.

Mr. S. C. Mitra: The Honourable Member has not moved his amendment.

Sir Lancelot Graham: The amendment is on the order paper. If the Honourable Member has not read it, it is not my fault. The quotation is from page 2564, at the foot of it:

"Subject to such conditions as regards the treatment of labour as he may from time to time by rules prescribe."

That seems to me to be in the same category as Mr. Joshi's amendment which relates to "the conditions of life and work that should be provided for the workers employed". I cannot find it possible to distinguish those two. The President said on that occasion (Legislative Assembly Debates, Vol. IV, Part IV, page 2566):

"I have on a previous occasion indicated that in my view that is outside the scope of the Bill; and Honourable Members will see that the Select Committee have made a certain recommendation on that point."

My Honourable friend, Mr. Joshi, on that occasion had an argument with the Chair—not for the first time, and the President then said:

"I am perfectly aware that the Honourable Member has been a Member of the Legislative Assembly for many years; so have other Members; but, as I have said, I can only allow Members who have given notice of amendments to speak on points of order arising with regard to them.....I have no doubt that Mr. Patel's amendment is out of order, because it deals with a different and foreign subject altogether."

Sir, I find it very difficult to distinguish Mr. Joshi's present amendment and the one which formed the subject of the President's ruling to which I have now called attention. The subject which my friend wants to introduce is "protection of labour", but this Bill is not for that purpose at all. It is for the protection of a particular industry, and not for

[Sir Lancelot Graham.]

the protection of labour. The protection of labour is a wide subject by itself and must be dealt with on its own merits on a separate occasion. I think, Sir, that that ruling fully covers Mr. Joshi's amendment. That is, as regards "the conditions of life and work that should be provided for the workers employed", I am not quite sure what is the purpose of my friend's further amendment. He talks of "the prices to be charged for the articles produced", and, knowing Mr. Joshi, I have my suspicions that that is also in the interest of workers; and then my friend goes on:

"(f) Such other conditions as the Governor General in Council may lay down in the interest of the country and of the industry."

Sir, I do not quite know what Mr. Joshi has in mind,—perhaps you, Sir, will ascertain,—but I am quite certain that in so far as he proposes to introduce the subject of "the conditions of life and work that should be provided for the workers employed", that part of the amendment does come within the ruling given by the Honourable the President on the 4th June, 1924.

Mr. N. M. Joshi: May I say a word about the point of order, Sir? I was a Member when this question was discussed. I was present in the House and I shall give a history of that question. I had given notice myself of a similar amendment and the Chair had ruled that amendment out of order; but, afterwards, on an important issue concerning the capitalists, the "conditions" again came before the Chair, and if you will mark the words there, you will find that the Chair ruled that "now I decide that that question is in order"—that is, at first the Chair was intending to give a different ruling, but the Chair changed the ruling. What happened at that time is this. The Chair had ruled one of my amendments out of order. The Chair changed the ruling afterwards on another similar amendment when the Chair heard the whole discussion. The Chair could not at that very meeting change its decision on my amendment, but I would draw your attention to the 1928 Debates (Simla Session), Vol. IV, page 976, on the Match Protection Bill. I shall read one clause of my amendment:

"to produce a certificate that the labour conditions in the undertaking are satisfactory from a committee of three persons appointed by the Government of India for the purpose."

That amendment was not only discussed, but voted upon, and I do not see that my amendment is in any way different from that amendment which was discussed in this Legislature and voted upon. I, therefore, feel that my amendment is entirely in order. Moreover, there is one consideration. Is it right that we should accept such conditions as regards capital as, for instance, that "the capital should be Indian", "it should be rupee capital", but we should refuse to put down a condition about labour? I cannot understand how we can accept one class of conditions, but rule out another. Sir, Government have always been putting up an obstructionist attitude every time, and I hope that the question will now once for all be decided. This is not the first time that obstructionist tactics have been employed by Government.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The ruling pointed out by the Honourable the Legislative Secretary certainly makes the position difficult, because, according to that ruling, the Chair definitely ruled out of order amendments trying to regulate labour conditions in an industry; but the Chair now finds that the President on that occasion—perhaps at a later stage—gave the ruling to which the Chair drew the attention of the House just now. From this the Chair has to conclude that the President changed his mind; and in the opinion of the Chair his later ruling is more equitable than the first ruling (Hear, hear), especially in view of the fact that Mr. Joshi has drawn attention to a ruling in 1928 on a similar amendment. The Chair must, therefore, hold that the amendment of Mr. Joshi is in order. (Applause.) At the same time, the Chair would point out that while it holds that Mr. Joshi's amendment is in order, an elaborate discussion on labour conditions will be out of place on this amendment.

Mr. N. M. Joshi: Sir, I have been moving similar amendments for a number of years, and this struggle has been carried on for ten years. Is it not time, I ask, that Government should, with a good grace, accept the position that during the discussion of the Tariff Bills, there will be a discussion of the conditions on which protection should be granted. I hope that hereafter there will be no obstruction from the Government or their friends.

Sir, I move:

"That in new clause 5 of the proposed amendment by Mr. K. P. Thampan, after part (c) of sub-clause (2), the following be inserted and the subsequent parts be re-lettered accordingly:

(d) The conditions of life and work that should be provided for the workers employed;

(e) The prices to be charged for the articles produced;

(f) Such other conditions as the Governor General in Council may lay down in the interest of the country and of the industry."

Sir, in supporting the amendment of my Honourable friend, Mr. Thampan, as amended by my amendment, let me, in the first place, say that I have always pleaded for the protection of the industries and for the development of industries in this country, not only in the interests of the capitalists, but in the interests of labour also. When the question of protection is discussed and I put before the Legislature certain conditions and proposals, I do so because, whatever the people here may say, I am interested in the industry as much as any other section of this Legislature. If we are to talk personally in this matter, I have been interested in the industry much longer than my Honourable friend, Mr. Mody, or even the Honourable the Commerce Member. Sir, my interest is a life-long one. The interests of the Honourable the Commerce Member lasts for five years, and my Honourable friend, Mr. Mody, has already changed his industry. I, therefore, feel that when I make these proposals, the House should accept my proposals as intended in the interests of the industry itself.

When I spoke on the motion for referring the Bill to the Select Committee, I first stated that before protection was given or at least during the period of protection, we should take steps to see that the industry was conducted efficiently, and if the industry required re-organisation, that

[Mr. N. M. Joshi.]

re-organisation should be enforced. The Honourable the Commerce Member at that time stated that my proposals were the proposals of a man who was eagle-eyed. I am an ordinary man interested in the industry, especially the cotton textile industry, and I assure the Honourable the Commerce Member that the ideas which I place before the Legislature are not chimerical nor even original. I generally borrow my proposals and my ideas from our English masters. Sir, in England, there is a growing feeling in the country that if an industry is to be protected, the country and the nation has a right to insist that the industry will re-organise itself. It is not the feeling of a man who has the eyes of an eagle. I would, therefore, draw the attention of the Honourable the Commerce Member to certain proposals which are made in Great Britain itself when the iron and steel industry wanted protection. The Government insisted first that if the protection was to be continued, the industry within a certain time must organise itself, and they did not give five years to the industry to organise itself. Nobody likes re-organisation. The Honourable the Commerce Member said that these talks of re-organisation and amalgamation are facile. Well, Sir, if you take the view that all these talks of improvements and new ideas are facile, you are entitled to that view.

The Honourable Sir Joseph Bhoré: I was quoting the Report of the Tariff Board.

Mr. N. M. Joshi: I did not understand that my Honourable friend, the Commerce Member, disagreed with the views of the Tariff Board. If he had disagreed, he should have stated that he disagreed with the views of the Tariff Board. I will tell you now what happened in England. I will read a statement that appeared in the newspapers.

"Further opposition in England to the scheme of the National Federation of Iron and Steel Manufacturers for the reorganisation of the iron and steel industry, as now drafted, is reported."

There was first opposition. Whenever any proposal for reorganisation is brought forward, the industry opposes. The industry is opposed on individualistic principles. Take Lancashire. It is absolutely opposed to any scheme of reorganisation. That is a natural feeling of the industrialists. But, Sir, let us see what happened when Government insisted that the protection will not be continued unless the industry reorganised itself. I shall tell you what appeared in this morning's *Statesman*:

"The biggest attempt at industrial reorganisation yet launched in Britain is contained in the draft of a five-year plan to reorganise the iron and steel industry, giving the British Iron and Steel Federation ample control of the industry throughout the Empire.

It is understood that the scheme has been approved by the Treasury and therefore, the present duty of 33½ per cent on imported iron and steel, at present due to expire in October and imposed on the condition that the industry reorganise itself, will continue."

Sir, it did not take five years for the iron and steel industry of Great Britain to reorganise itself, because the Government insisted that if the protection was to be continued the industry must reorganise itself. I,

therefore, feel that if we ask that the industry should reorganise itself, we are not merely talking in a facile manner. We are making proposals which have succeeded in Great Britain.

Mr. H. P. Mody: Where?

Mr. N. M. Joshi: I have given you the quotation. The iron industry has now agreed to reorganise itself and it has agreed to do so, because the Government insisted that, if this was not done, the protection would not be continued. Sir, it is natural that there should be, in the beginning, opposition from the industrialists, but it is for the Government to insist upon the reform. If the Government are going to protect the industry, then the industry must organise itself. I stated in the speech which I made some days ago that in Bombay itself a scheme of amalgamation was proposed and some people did not approve of it. Now, Sir, that scheme itself would have been adopted if Government had made a condition that some scheme of amalgamation was absolutely necessary before protection was given. As a matter of fact, Government in Great Britain have used their power to compel the industry to reorganise itself, not only in iron and steel trade, but they are forcing the coal industry to reorganise itself under the powers given to the Government by an Act of Parliament. I, therefore, suggest that the Government of India should insist that if the industry is to receive protection, that protection can only be conditional. The first proposal that I would make to the Government in this connection is that they should insist that the whole industry in the country shall organise itself into one organisation. It may be argued that if you organise the whole industry into one big amalgamation, that big amalgamation may get the monopoly of the industry in the country and a monopoly in private hands is not a good thing. I agree with that proposition, but it is not necessary that the industry should entirely remain in private hands. It is in the hands of the Government to control a monopoly if Government find that the monopoly is wrongly used. I am not afraid of the whole industry in the country organising itself and even creating a monopoly, because I feel that, even if a monopoly is created, it will be much easier for the Government of India to control that industry when it is organised than it would be possible for them to control the industry when it is not organised. Sir, my second proposal is that, after the industry is organised, the Government of India should lay down certain conditions. I fully agree to the conditions which are proposed by my Honourable friend, Mr. Thampan, in his amendment, namely, that there must be a limit to the dividends which a protected industry will distribute to its shareholders. It will be agreed that when we decide to give protection to an industry by restricting the imports from other countries, we ask the consumers in this country to make sacrifices. If that is so, should not the shareholders make some sacrifices? It may be said that if all the shareholders of any industry are getting good dividends, the Tariff Board will not recommend protection for that industry. But, Sir, that is not what is happening. I myself suggested in one of my previous speeches a few days ago that protection should be given to an industry which, as a whole, is making a loss. Unfortunately the Tariff Board does not take out a balance sheet of the industries as a whole. The Tariff Board tests a few mills here and there and if it comes to the conclusion on the basis of the knowledge which it gets, that protection is necessary, the Board recommends protection.

[Mr. N. M. Joshi.]

Under these circumstances, it is quite possible that some mills in Bombay may be making losses, but the mills in other places may be making profits. If an industry, where a large number of mills are making already good profits, gets protection, they will make further profits and distribute larger dividends. Is it not necessary in those circumstances to see that those larger dividends are not squandered away? What is the guarantee under this Bill, at it is, that those mills which are making profits will not squander away those profits by distributing larger dividends? What may happen is this. Today some mills may be doing very badly, and therefore, you give the industry protection. Now, under the present circumstances, when you are giving protection, there are some mills which are doing very badly indeed. What may happen in the future is that those mills, which are doing badly today, and, on the basis of which protection is given, may prosper after some days and those mills which are prosperous today may be doing badly after five years. Now, the people in Bombay may organise themselves and may become prosperous after five years. After five years the people in Cawnpore and Madras may be in bad condition and they will say that Bombay is prosperous, but we want protection for Madras and Cawnpore. Is it not, therefore, necessary to see that those companies which are doing well at present should not be allowed to fritter away their resources in distributing dividends when they are making profits? I feel that a condition of this kind is absolutely necessary in the interests, not only of the consumers, but of the industry itself.

I would also suggest that besides laying down these conditions we can insist that the industry should give effect, within a certain period, to the other conditions which have been proposed by the Tariff Board itself. The Tariff Board complains that the proposal of the Committee presided over by Sir Frank Noyce recommended that the Millowners Association—I am giving one of the conditions which they did not fulfil—should have mutual insurance organisation and the Tariff Board complains that the millowners have not done this. There are several other things which the Tariff Board suggest and the millowners did not do. How can you enforce these conditions unless you have a general clause like the one suggested? The Tariff Board has been suggesting that not only in the matter of insurance the millowners should patronise Indian undertakings, but the Indian industry should also try its very best to patronise Indian stores. Is it not open to us to ask the industry why, when the industry has been conducted for more than fifty years, all the stores required for the textile industry are not manufactured in this country. Sir, it is a very pertinent question to ask that if the country is going to give protection to the textile industry, should not the textile industry itself give some kind of protection and encouragement to the other industries the goods of which are required by the textile industry? One word about the labour conditions, and I assure you that I shall not raise a very long debate on that point.

When I mentioned some of the things which the Tariff Board of 1927 had recommended for the millowners of Bombay and other places to be given effect to, the Honourable the Commerce Member said that these labour questions were not fit subjects of conditions for protection. He said if certain improvements in the conditions of labour are necessary, well, they should be made without any consideration of the fact that we are protecting that industry—I always have fought for improving the conditions of

labour even in industries which are not protected. But I hope the Commerce Member will admit that when the Government, at the cost of the consumers of the country, protect an industry, does not that very fact give a greater and an additional right to the Government to impose certain conditions regarding the life and work of labour on an industry? I hope the point is clear that when an industry asks for protection for itself and over the capital invested in that industry, it should receive the profits and dividends, is not a measure of that kind a fit opportunity to insist that if you ask that your money should be safe, or that your money should receive a good reward by way of dividends, it is necessary that we should insist that those people who are working in the industry should be treated properly. Whatever he may have said last time, I hope the Honourable the Commerce Member will not plead again that the fact of our giving protection to that industry does not give us a claim to insist that the industry shall treat its labour fairly. May I go a step further and say that ordinarily the Government enforce certain standards as regards labour matters in all industries. The Government are supposed to restrict hours of work in an industry. Government legislate on certain other well known matters, but there are sundry other matters which Government are not supposed to control; not that I agree with that view—I would control an industry even in small particulars. I know what view the Government and the Legislature hold. The Government will not ordinarily like to control an industry in all matters, but when a Government protect an industry, on that occasion the Government have a special right to insist that although in certain industries Government will not interfere as regards certain small matters in this particular industry on account of the protection given to that industry, the Government have a right to interfere.

Sir, I wish only to mention a few points which are not necessarily fit subjects of legislation by Government but which Government can insist upon the industry when they give protection to that industry. Sir, the Committee, presided over by my honourable friend, Sir Frank Noyce, insisted that the textile industry in the country should make provision for what is known in Government service as leave reserve. There are always some workers absent from work, and, therefore, the proposal of that Committee was that the millowners generally should appoint 10 or 15 per cent more people than are necessary. This condition may not be enforced on all industries which are not protected by legislation, but when an industry is protected and a Tariff Board makes that suggestion, is it not open to us to lay down a condition in the Bill itself giving power to Government to see that these recommendations are given effect to? Sir, I shall give another instance, standardisation of wages. That was the suggestion of the Noyce Committee. What has been done by the industry itself?

The Honourable Sir Frank Noyce (Member for Industries and Labour).
What has labour done to help?

Mr. N. M. Joshi: I shall come to that argument later on. Sir, there are other suggestions made as regards the removal of abuses of recruitment. It is quite possible that abuses regarding recruitment of labour cannot be controlled by legislation, but it is quite possible for Government, when they are giving protection to an industry, to insist that these evils regarding recruitment are removed. Sir, I shall not take up more time

[Mr. N. M. Joshi.]

of the House in dealing with the details of this question. My Honourable friend, Sir Frank Noyce, asked me what labour has done, and the same question in another form was asked by my Honourable friend, Mr. Mody.

Mr. H. P. Mody: A very inconvenient question.

Mr. N. M. Joshi: The question is not inconvenient at all. If there is any fault in labour, is labour in India in such a position that it should be held responsible for not improving itself? Sir, I should like this House to remember one thing which has been stated by the Tariff Board. The Tariff Board states that the prosperity of the Japanese industry and the efficiency of the Japanese industry is due to the compulsory system of education in Japan. May I ask, what the Governments and the industry have done as regards the education of the working classes of this country? Did they ever bring forward a Bill insisting that compulsory education shall be given to the working classes in this country?

Mr. H. P. Mody: In Bombay, in the mill area, there is compulsory education.

Mr. N. M. Joshi: In Bombay, in the mill area, there has been compulsory education for a few years. That compulsory system of education could not have educated the people who are already working there. Sir, we did not educate our people. We denied education to the working classes in this country, and when the working classes have no means of improving themselves open to them, there comes the Honourable Member in charge of Industries and Labour to ask what did the workers do. He failed in his duty as Member for Labour

The Honourable Sir Frank Noyce: I was not asking so much what the workers have done, but what the labour leaders have done.

Mr. N. M. Joshi: I shall come to that also. Sir, the Honourable Member in charge of Industries and Labour cannot say that his Government have given education to the working classes in this country. On the other hand, the Government of India opposed Mr. Gokhale's Education Bill tooth and nail. They denied education to the working classes in this country and then they say: "What did labour do?" They now change their ground and say: "What did labour leaders do?" Well, Sir, I am quite prepared to admit that the labour leaders in this country are the worst lot of people, but are they the only people who should be held responsible for improving the condition of the working classes in this country? Have not the Government of India, with all their resources, any responsibility in that matter? Have not the employers any responsibility in that matter? I shall not say what we have done. I am quite prepared to have my conduct judged by the public. It is open, there is nothing secret about it. But I would ask the Honourable Member in charge of the Department of Industries and Labour to scrutinise his own conduct as a Member of Government, as to what they have done to educate the working classes in this country. I should like my Honourable friend, Mr. Mody, to examine his own conduct and say what he has done. Sir, my Honourable friend,

Mr. Mody, the other day, made fun of the fact, and the Honourable Member in charge of the Department of Industries and Labour also some days ago made fun of the fact, that I go to Europe, I go to Delhi and Simla, etc.

Mr. H. P. Mody: Everywhere else except in the mill area.

Mr. N. M. Joshi: Sir, I do that. What is their objection? Is it their objection that no labour representative should go to the conferences at Geneva? Is it their objection that no representative of labour should attend the Round Table Conferences? Is it their objection that there should be nobody in this House to speak in this Legislature on behalf of labour? If they do not object to all that, may I ask, whether they object to me personally? If they do that, may I tell them that my presence in this House is due to the nomination by the Governor General? The way to the Government House is better known to my Honourable friend, Mr. Mody, than to me. I hope, Sir, that my Honourable friend, Mr. Mody, should, in the interest of the industry itself, himself insist that not only should labour be represented at the Round Table Conferences, at the conferences held at Geneva and in this Legislature, but he should also insist that labour should be represented at every conference where industrial questions are being discussed. Sir, you yourself attended the conference at Ottawa and you know that with the British Delegation there went a representative of the British Trade Union Congress. Sir, when the Government of India discussed the question of trade, specially the textile trade, with the Japanese, my Honourable friend, Mr. Mody, should have himself insisted that a labour representative should be present during the discussions. I ask him, when the British Trade Union Congress is represented in all such discussions, why did he not ask some one from labour to sit with him in discussing his pact with Lancashire?

Mr. H. P. Mody: If my Honourable friend will allow me to interrupt him, I did not object to my Honourable friend, Mr. Joshi, joy-riding from one place to another. All that I said was that occasionally he might get into the mill area and see things for himself.

Mr. N. M. Joshi: I shall not ask my Honourable friend, Mr. Mody, what amount of time he has spent in the mill area, but I shall say one thing. I am quite prepared to have the time spent in the mill area of Bombay by my Honourable friend, Mr. Mody, and the time spent by me to be examined by an impartial tribunal, and I assure him that the decision of the tribunal will go in my favour. It is wrong for any one, either for the Honourable Member in charge of the Department of Industries and Labour, or for my Honourable friend, Mr. Mody, to make fun of these facts

The Honourable Sir Frank Noyce: I can assure my Honourable friend that any remarks I have made on the subject were meant in all seriousness: I am not in the habit of making fun of labour leaders or, for that matter, of capitalists either.

Mr. N. M. Joshi: It is a great pity that the Honourable Member should really have an objection to any labour representatives attending conferences where the interests of labour have to be represented

Sir Leslie Hudson (Bombay: European): May I ask whether this is relevant to the amendment before the House?

Mr. N. M. Joshi: If it is relevant for other people to refer to these matters in the discussion, it is relevant for me too: it may not be pleasant to my Honourable friend, Sir Leslie Hudson, to hear that

Sir Leslie Hudson: So far as I know, the only person who has made reference to this is the Honourable Member himself.

Mr. N. M. Joshi: The Honourable Member perhaps did not hear the speech of my Honourable friend, Mr. Mody, when he spoke on the motion to refer the Bill to Select Committee.

Sir Leslie Hudson: I thought we were talking on the amendment before the House.

Mr. N. M. Joshi: I do not know much of parliamentary privileges; but I know this, that when a Member speaks and he is attacked after he speaks and when the Member gets another opportunity of replying where he can really reply to the charges which have been made against him, it is his privilege to utilise that opportunity. I am quite prepared to learn parliamentary manners from my Honourable friend, Sir Leslie Hudson

Sir Leslie Hudson: I can assure my Honourable friend that I was not talking about the Honourable gentleman's manners. I was merely talking about the question of relevancy to the amendment before the House.

Mr. N. M. Joshi: I hope that it is much better if my Honourable friend, Mr. Mody, will look at Indian labour a little more kindly than he has been doing. I, therefore, hold that when we are protecting an industry, we should insist upon certain conditions being observed by that industry. We should insist that the industry should reorganise itself; we should insist that the industry shall not squander away its resources in distributing dividends; we should also insist that the industry will treat labour engaged in that industry fairly and justly. I hope the amendment will be accepted.

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

"That in new clause 5 of the proposed amendment by Mr. K. P. Thampan, after part (c) of sub-clause (2), the following be inserted and the subsequent parts be re-lettered accordingly:

(d) The conditions of life and work that should be provided for the workers employed;

(e) The prices to be charged for the articles produced;

(f) Such other conditions as the Governor General in Council may lay down in the interest of the country and of the industry.' "

Mr. A. G. Olow: Sir, my Honourable friend, Mr. Joshi, has been endeavouring to convince the House that it is a sound principle—I think he said that the principle to him was abundantly clear—that when you are protecting an industry, you should endeavour to secure some special protection for labour. At first sight, that is, particularly to any one who like myself is anxious to secure the betterment of labour, a very attractive

proposition. You say "Here you are protecting capital. Why not hold the scales even and protect labour too?" It is a question that has come up on several occasions in the past, and I would like to say that, so far as I have been able to study it, I am firmly convinced that if the House gave an assent to a proposition of that kind, they would be standing on extremely dangerous ground. After all, protection, I think Mr. Joshi said, is a form of taxing the consumer, taxing the people for certain interests. Let us accept that. You are taxing the people in order to encourage industries which you believe will be useful to the country. If you are giving the right amount of benefit, Mr. Joshi's belief really means this: that when an industry comes for protection, you must tax the people a little further, in order that the labour in that industry may also benefit. There is a good deal to be said for and against taxing the community in favour of industrial labour. But I do suggest that if taxation is going to be imposed for that purpose, the results should be directed to those industries in which labour needs it most and they should not be diverted to those industries which, on account of circumstances entirely unconnected with labour, have to come to this House for protection. I oppose the amendment.

Mr. B. Das: Sir, I rise to support the amendment moved by my friend, Mr. Thampan. The history of protection for ten long years we all are aware of. During this period, my friend, Mr. Joshi, has fought representatives of capital like my friend, Mr. Mody. We, as representatives of the people, have tried to hold the balance between capital and labour, between the aggressiveness of capital and the soft pleadings of labour, and at the same time we have tried to safeguard the interests, not only of consumers, but of the State and the country at large. In 1924, Mr. Joshi, with the temerity of labour, came to a House full of capitalists and big guns, and, whenever Mr. Joshi raised any plea on behalf of labour, it was drowned by the loud noises that emanated from the big guns. The lip sympathy which my Honourable friend, Mr. Clow, just now showed to my friend, Mr. Joshi, is just a reflection of that old tradition to which, not only the Government of India, but this House is accustomed. Things went on in that way till we came to the period 1931. I am sorry to see that you are not here with us today, Sir, fighting the Treasury Benches. At that time, the Government of India wanted more money; so, under the pretext of giving slightly more protection to the galvanised steel industry, they wanted to collect a crore of rupees; and, even at that time, the House rightly felt—at least the Members on this side of the House felt that Government were, doing an injustice in wanting to collect money under the guise of protection; and you, Sir, took part in it. I moved an amendment that protection should be extended only for a period of one year until the Government examined the balance sheet of the Tata Steel Company, until they examined their cost of production, and whether the industry needed that protection. In your speech on that occasion, you said—I will take the liberty to quote one or two lines:

"If, as a result of the fall in the prices of commodities in the world, the Indian consumer can get certain articles cheaper, there is no reason why, either by executive action or by the action of this legislature, the Indian consumer should be deprived of the benefit of a fall in prices."

Sir George Rainy, the predecessor of my Honourable friend, Sir Joseph Bore, was very much interested in this, and he said:

"In my speech I made it clear that financial considerations had great weight with the Government of India in arriving at their decision."

[Mr. B. Das.]

This is a clear confession of the fact that at times the Commerce Member is more influenced by the Finance Member of the Government of India than by the schemes of protection he brings in occasionally on the floor of this House.

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

"At the same time, I have been much impressed by what has been said in this House by several speakers about their desire to see that the protection which an industry needs should be given in the manner which imposes the smallest possible burden on the consumer. Considerations of that kind, especially when advanced from non-official Benches, will, I hope, always have great weight with the Government of the day, however that Government may be constituted. What I am prepared to do is this, if it will in any way meet the wishes of my Honourable friends. I am prepared to agree to amend my Resolution, so that instead of reading that protection 'be continued for the remainder of the period of protection covered by the Steel Industry (Protection) Act', etc., it may read 'continued up to 31st March, 1932, and that before that date Government should make inquiries in order to ascertain whether a system of bounties might not be substituted wholly or in part for the increased duty.'"

Mr. R. K. Shanmukham Chetty at last moved that amendment, and it was accepted. And what did the Government do? They sent a gentleman of the Finance Department to Jamshedpur. There was an inquiry about the heavy cost of production, and by the time that inquiry was finished, the Tatas were compelled to reduce their overhead cost, particularly when the complaint on this side was that there were too many Europeans, Germans, Americans and Britishers employed, not so much for the good of that industry as to maintain the balance between the three types of European experts that were employed by the Tatas at the time. That was the first occasion when the Government of India accepted this principle and gave effect to it.

Then, Sir, in my minute I have appended to the Sugar Protection Bill, I have pointed out that both the Government Members and we, non-officials, in the Select Committee felt that the time had come for introducing a system of licensing. I have quoted it *in extenso*, and the draft was prepared by the then Secretary in the Commerce Department, Mr. Drake,—I do not recollect if Dr. Meek was present,—and it was also approved by the then Commerce Member. That Committee was presided over by the present President, and the President was then Deputy President, and my friend, Mr. Mody, cannot quarrel with me that the then Deputy President was not the protagonist of capitalism. Mr. R. K. Shanmukham Chetty, as he then was, was a capitalist and a thorough capitalist, but, as Chairman of the Sugar Protection Bill, he agreed that when the industries were to be protected, the Government of India should introduce a system of licensing so as to exercise a certain amount of control over those industries. I will again take the House back to what happened after the Steel (Protection) Bill was passed. The Government of India appointed the External Capital Committee, and that Committee's Report was written and published, though they never gave effect to it, and it was just now referred to by my friend, Mr. Joshi,—yet it is a curious fact that the Secretary of State, when giving evidence before the Joint Parliamentary Committee, laid particular stress on the External Capital Committee. Sir Abdur Rahim and Sir Hari Singh Gour are present here,

and they will recollect that, when discussing about commercial discrimination and other affairs, the Secretary of State laid particular stress on the External Capital Committee Report and said that it had been accepted by the Government of India and given effect to, but, so far, Sir, I have never heard it from Sir Basil Blackett or Sir George Schuster or Sir George Rainy or Sir Joseph Bore that they ever accepted and have given effect to any of the recommendations of the External Capital Committee. We brought it out in the Match Industry (Protection) Bill, we brought it out in the Paper (Protection) Bill; while the implication of the charges of Non-Official Members of this House was that Government should accept it. Government felt difficulties, because they were awaiting the decision of the Round Table Conference, and now the Secretary of State has accepted it to a certain extent. The Honourable the Commerce Member has been too busy,—what with the Indo-Japanese Agreements, what with the Mody-Lees Pact, what with the whole nation demanding more protection, probably he had not had sufficient time to read the evidence of Sir Samuel Hoare, I do not want to read it, nor have I had the evidence with me now

Mr. Chairman (Mr. K. C. Neogy): The Honourable Member will not be very relevant if he were to read that evidence. The Chair does not think it has a practical bearing upon the issues raised by this amendment.

Mr. B. Das: Sir, I was going to show only the difference in the policy of the Secretary of State and the Government of India adopted in regard to this matter. Then, it implies that, in every scheme of protection, there should be certain conditions laid down for the control of these industries. Therefore, in 1932, after the Sugar (Protection) Bill, the then Commerce Member would not accept,—because he was afraid to discriminate against the Javanese or Dutch manufacturers. In the present case there is no case of Dutch or Javanese manufacturers, this is an entirely different question where the Indian industrialists are concerned, who built up their industries with rupee capital, almost 90 per cent of the capital belong to India; a moiety may be in the hand of Europeans who are or were here on business,—some of us believe, that if proper control had been exercised by the Government, the textile industry might not have come for further protection now. This is not a new policy with the Government. The Member for Industries and Labour controls the department of electricity. When Government want to give a concession for electricity for electric supply, whether it is a hydro-electric scheme or a city lighting scheme, the Indian Electricity Act lays down certain conditions, certain licensing agreement under which the balance sheets and certain other informations and statistics have to be produced before the Industries Member. In the same way, the Railway Member, when he gives license to a private railway company, expects certain obligations from that private company, its balance sheet and other statements have to be produced, but here the textile manufacturers had the audacity not to produce before the Tariff Board figures as regards cost of production when they were asked for such figures. Once protection is given to these people, they think that they have no obligation to the State, and when, again, a question comes up for protection, then much lobbying goes on, whether the lobbying is in the room of the Commerce Member or in our houses at Ferozshah Road or at Windsor Place, but the lobbying goes on. Our patriotism is doubted, and our patriotism is challenged. There has been a plethora of protective schemes this

[Mr. B. Das.]

Session. I am, of course, excluding the Indian States (Protection) Act, which was a different kind of protection. I have in mind the Sugar Protection and the Match Protection. We are being told that we have not the common sense to understand the implications of the Finance Member's scheme or the Commerce Member's scheme. The Government were hesitating these ten years, but, on the eve of the new Constitution, they must face facts and they must also stand up against the indignity and insult that have been hurled at them by certain industrialists. When industrialists insult them and do not produce statistics and facts, because the law does not permit the Government to exercise any control, why should the State give any protection at all to any industry unless certain obligatory conditions are imposed on that industry? I do not think that Mr. Mody will disagree from that particular statement of mine. If I wanted a favour from Mr. Mody, he is entitled to ask me to show him some favour, though not at the very time, at least at some other time. Mr. Mody, who is a business man, will recognise that it is a well known principle of commercial policy, this *bargaining*—he has bargained the Mody-Lees Act, the Government have bargained the Indo-Japanese Agreement, and by bargaining they have got certain advantages from the other side. Here the people and the State give protection, but the very people in return are traduced, they are not being supplied with the information which is required. Government may not care for that, because they are representative of the capitalists. Government may think that they must keep silent before these mighty potentates and commercial magnates of Bombay, Madras or Calcutta, but I think this Legislature must record its emphatic verdict. This Legislature should not bow to any retaliation of industrialists who want to evade even submitting statements of fact before the Tariff Board or even before the Commerce Secretary when the Commerce Secretary wanted them to produce these things even confidentially. I want the Commerce Member to respect the language of his predecessor what he spoke on the floor of this House a year before he left India. If Mr. Joshi had no support in 1924, in 1928 he had some support, but in 1931 the opposition did not come from the labour representative, but from those who are more capitalist minded than Mr. Joshi himself. Mr. Joshi has clearly stated that he is as much interested in the prosperity of these industries as the capitalist section of the country. In 1931-32, the Non-Official Members insistently demanded this provision. The Commerce Member need not think of the number of votes on his side. It is not the vote that counts. There are 26 Government Members who vote with one mind, that is one vote. But what the Commerce Member has to note is, how is it that this change has come on—opposition from every section of the House, not that all of us are socialists. In these days, we cannot afford to be socialists. But here all of us feel that certain obligatory conditions must be imposed on the industry to which protection is given.

I must at this stage give a personal explanation. I signed with my Honourable friends, Dr. Ziauddin Ahmad and Mr. Raju, a joint minute of dissent that the life of the Bill should be three years and not five years. Yet, afterwards, when I wrote my minute of dissent to which I have put my signature, I felt that simply giving protection for ten years or for five years would be of no avail unless the State exercised certain control

and did not allow the industries to do anything they liked. That is the reason why I did not vote for that motion of Dr. Ziauddin, because I felt that that would not bring the necessary corrective influence on the industry as this particular amendment of Mr. Thampan. If Government find that the industry does not need any protection, Government ought then to exercise their power, and in fact, that was the suggestion of Mr. (now Sir) R. K. Shanmukham Chetty in 1931, and Mr. Mody will not say that he is not a capitalist. If Government in two years find that all these industries are receiving bumper crops, 50 per cent, then I think, if there is a system of examination, the Government of India will have every right to examine and reduce the scale of protection given. Of course, I do not expect that that will come in three or five years. But here the Tariff Board, in paragraph 189 of their Report, recommended that the Government of India should adopt a certain method of ascertaining prices and whether the industry needs further protection. That is a point in Mr Mody's favour. But if he wants a point in his favour, he must concede a point in favour of the Government or the people of India. If Mr. Mody would like the Government and the Legislature to give them protection, he should concede a point to the Government, it is not we, but the Government—they should have the right to come forward before the Legislature and say that the industry does not need further protection.

Mr. James, in his point of order, raised the question of the Indo-Japanese Agreement. I am not an oracle, I never indulge in
 4 P.M. oracular prophecy, but the way in which the Japanese finances go on being managed and the deflation of the yen is taking place, some day the yen might collapse and the whole structure of Japanese currency and Japanese industry might collapse, and Japan might meet the same fate as Soviet Russia did. In that position there will be no need of 50 per cent duty on Japanese goods, because they will be unable to export any cotton piece-goods to India. Nobody expected that Russian rouble would collapse, or that franc would go up to 125 francs though now it is in the neighbourhood of 78 or 80 francs. For that reason also the Government should have in their hands power of control, so that they can adjust things. And here is power which the Legislature is not asking for itself. We are asking the State to function properly and to take this power adequately for itself. About Mr. Joshi's amendment, I sympathise with him. I sympathised with him in 1924, and I feel that if Mr. Thampan's amendment is accepted by the Government and the House, Mr. Joshi will win 50 per cent of what he wants. India is still in difficulty.

The three things that go to bring success to the industries and commerce of a great nation are money, mind and muscle. Mr. Mody always likes to speak on behalf of "money" that the capitalists and their forefathers invested in the industry. Mr. Mody has yet to explain the attitude of the moneyed classes about the rationalisation of this industry. A gentleman of the reputation of Sir Lalubhai Samaldas,—I am not quoting my friend, Sir Hari Singh Gour, who issued certain statements about the organisation of the Japanese textile industry after his tour in Japan,—Sir Lalubhai Samaldas is a capitalist and a Director of the Tata Concerns to which my friend, Mr. Mody, will be translated within a few days. Sir Lalubhai Samaldas has stated, there is rationalisation of industries in Japan and that requires culture of "mind". It is not often the case that the grandsons of the founder of a particular industry have got the necessary ability,

[Mr. B. Das.]

knowledge and brain to manage that industry. These industrialists must change their attitude. They must engage expert brains, and, today, if the Bombay industry suffers from this disaster, it is because they have no brains. They want to hand over everything from father to son. Then, lastly, as to muscle—the cause for which Mr. Joshi stands—I think labour has got equal share with brain for making success of any industry. The time has come when we should not think in compartment basis and Mr. Mody should not laugh at Mr. Joshi's suggestion. I do hope that when Mr. Mody will reply to Mr. Joshi, he will show a friendly and conciliatory spirit, and I hope that my friend, Mr. Mody, will recognise the specific place which is represented in the industry by my friend, Mr. Joshi. With these words, I support the amendment moved by Mr. Thampan.

Sir Abdus Rahim: The questions which are raised by these two amendments are extremely important, and I do hope that the Honourable the Commerce Member will not brush them aside relying on his majority in this House. I feel almost sure that my Honourable friend himself is not absolutely satisfied with everything connected with this textile industry. There are matters which require considerable investigation yet, even upon the findings of the Tariff Board.

I for one think that protection has come to stay. We have definitely adopted a policy of protection, and, to my mind, there can be no doubt that it is an absolutely necessary policy which the Government and the country must always bear in mind and pursue in order to secure prosperity of our country. If protection has come to stay, I am equally certain the time has arrived when we must lay down, in as clear and lucid terms as possible, the principles upon which protection should be granted. At present I do not find anywhere except in the Fiscal Commission's Report that those principles have been enunciated in order that the country may be guided, in order that the industries concerned may know what are the principles to which they have to conform to secure protection from this House. A mere report, even the Fiscal Commission's Report, however, is not enough. We must have something in the nature of a Statute in which the conditions will be clearly defined. Those conditions, I think, can indeed be very well defined in a Statute. First of all, the Statute can very well lay down the sort of industries which ought to be protected, which ought to receive protection by means of protective duties or by means of bounties. The Fiscal Commission's Report has clearly stated what are the classes of industries which ought to receive protection at the hands of the Legislature. Then, what is the measure and extent of protection? That also can be generally defined. For instance, supposing an industry claims that after meeting the expenses they ought to be able to secure a dividend of, say, 20 per cent, the Legislature is entitled to say that is an unreasonable condition. Then the Legislature ought to be asked what is the extent or limit of profits which the investors in the industries, which are protected, would be entitled to expect. I do not say that it is possible to lay down the exact limits for all times under all conditions, but surely that is one of the points which a Statute can very well indicate as an important matter to be taken into consideration in ascertaining the measure and extent of protection that is needed. Now, in order to secure efficiency, for instance, the aim of protection undoubtedly should be that the industry should within a reasonable time be able to stand

on its own legs and to dispense with protection. Now, the Act can very well say that the Government of the country should have certain powers of control and supervision over an industry which seeks protection. That is, indeed, admitted on all hands and that is a well-known principle which is recognised, I believe, all over the world. You cannot tax the people of the country in order to feed certain industries, without any conditions laid on those industries. I think my Honourable friend, the Commerce Member, himself will recognise that duties of this character are bound to tell heavily on the tax-payers and the consumers, and it is not easy always to ascertain the exact amount of burden that is laid on the consumers by protective duties of this character. Therefore, I think it would be absolutely within the province of the Government to lay down that, if an industry is seeking protection, it must conform to certain regulations which would enable the Government, and through the Government the country, to satisfy themselves that the business is conducted according to modern, up-to-date methods and in a business-like manner. Now, here, for instance, the Tariff Board have dealt at very great length with certain systems that obtain in Bombay and which have been repeatedly alluded to in the course of the debates in this House, I mean, the managing agency systems, for example, and the Board has itself recommended that power should be taken to amend the Companies Act in order to regulate the systems, so that the abuses which are pointed out may not recur. It has also been pointed out that at present the Tariff Board has no Statutory authority to compel production of evidence. Surely that is a serious defect in the law. When we are dealing with a question of this importance and of such significance to the tax-payers and the general public of the country, if an inquiry is held by a body like the Tariff Board, in order to ascertain and find out how far the protection that is sought should be conceded or not, then, in that case, not to endow a committee of inquiry of that character with power to secure whatever evidence they may need in the course of their inquiry is really to frustrate the very object that is in view. Sir, in a Court of justice, if a party refuses to produce evidence, he loses his case at once. The Court will then be called upon to non-suit him on the ground that he has withheld evidence, that he refuses to carry out such a requisition of the Court. Surely, when a body like the Tariff Board is asked to embark upon an inquiry, not to arm it with all these powers that are absolutely necessary is a serious defect in the present law and must be remedied at once.

Sir, I heard with close attention the speeches delivered by my Honourable friend opposite and I was surprised that my Honourable friend not even once told the House that he had noticed all the defects that have been pointed out by the Tariff Board and upon which so much stress had been laid by every speaker on this side of the House. My Honourable friend turned a deaf ear to all the complaints that were made, and, so far as I recollect, he has not yet given any assurance to the House that he is going to take all these matters into consideration; that he is going to see what law can be passed and should be passed in order to set these matters right, in order to improve the efficiency of the industry to which he wants to give protection. Sir, I remember reading in the newspapers, not very long ago, that when the question of Japanese competition and the serious position to which certain industries in Britain was reduced by that competition was considered at a conference at which, I believe, Mr. Bunciman, the President of the Board of Trade, himself was present, even the representatives of the industrialists admitted that there was nothing wrong with the methods of Japan. Japan

[Sir Abdur Rahim.]

has succeeded in competing on more than equal terms with Britain and other countries, because of her superior efficiency. They all admitted that—including Mr. Runciman, and Mr. Runciman impressed it upon them that they must put their own house in order and, that they must increase the efficiency of the methods of production. They all went away from that conference with the resolve that they will take every step to meet Japanese competition by improving their methods of work. Sir, I waited patiently for a very long time to hear from my Honourable friend some words to that effect, but everyone on this side of the House was very greatly disappointed. Sir, I do not by this intend to make the slightest personal reflection upon my Honourable friend, the Commerce Member. All I wish to say is that perhaps he has been hustled so much that he has not had time to think out all the different considerations that arise from the important problem we are now considering. Sir, if he had given us some assurance at the very beginning that he realised that everything was not satisfactory in this industry, that there was a great deal of improvement to be effected before this industry could stand on its legs and stand competition from outside—because the industry cannot indefinitely be spoon-fed at the expense of the tax-payer—if he had given us that assurance, I can assure him that much of the opposition or rather criticism that he has met over this Bill would not have occurred. Sir, it is not too late. I know my Honourable friend can get this Bill passed without giving us any promise or any assurance, but, I am sure, he will consider very seriously that there are matters which have to be set right, and I would suggest to him that it would be necessary, not only for the sake of this Bill, but for the sake of other industries which may seek protection, that there should be some Statute which will guarantee to the public that protection will not be given in a haphazard way, or by way of surrender to clamour of interested persons, but is given, as the result of a deliberate, well thought-out policy, conceived in the interests of the country and of the general public as a whole. (Hear, hear.) I know that in any case of protection some sacrifices have to be undergone and sometimes there may be large sacrifices. We have to bear for some time the burden which protection lays upon us. But surely the public ought to be assured that that burden is for the benefit of the public itself, that is, in the long run, the protected industry will be able to ensure the prosperity of India by making India self-contained in respect to the needs of the population in those classes of goods. I, therefore, ask my Honourable friend to tell us in definite terms and in clear language that whatever be the fate of these amendments—I am not committed to the language of these amendments, and I do not think the Honourable Members who have moved these amendments are themselves committed to the exact provisions and the exact language of the amendments, I think I am right in so interpreting their mind—he is not ignorant of what is needed and that he realises that there is a great need for steps to be taken in order to lay down conditions by which the industry may increase its efficiency, so that the burden on the public may not have to be prolonged beyond the need of the situation. Sir, that is the object of the amendment, and if my Honourable friend is able to give us the assurance, I do not think that these amendments will be pressed. I do ask the Government to consider very seriously whether the time has not arrived when we ought to have something in the nature of an Act for the protection of certain industries, in which certain general principles, which will be applicable to all cases, will be clearly laid down for the information and guidance of the public.

Sir, I should also like to suggest in this connection that Government should consider the feasibility and the advisability of putting the Tariff Board on a Statutory basis. I have already spoken on that subject. The Tariff Board ought to be an authoritative body and it ought to be a Statutory body which should command the confidence of the public, so that, whenever any of its recommendations come before the House, the House will have very little difficulty in accepting them. That will also save the Government much labour. (Applause.)

Bhal Parma Nand (Ambala Division: Non-Muhammadan): Sir, I think we are not quite clear in our views about the principle of protection. My Honourable friend, Sir Abdur Rahim, has tried to make it clear, but I am sorry I am not in full agreement with him. I do not understand the spirit that lies at the bottom of the amendment moved by my Honourable friend, Mr. Thampan. I think the principle of protection can be explained in various ways.

In the first place, we ought to protect an industry if the growth and development of that industry is really for the good of the country and for the ultimate benefit of the consumers. If a certain industry can put forth its claim and can establish it, I think that industry deserves protection for the simple reason that that industry stands for the good of the country. In such a case, I do not understand how we are justified in laying down restrictions upon it or in prescribing certain conditions while it is passing through a stage of growth and development. I cannot really understand the attitude of my Honourable friends on the Opposition Benches who ask for the interference and control of the Government against the industrialists who are working for the growth of industries.

Mr. N. M. Joshi: Why ask for protection at all?

Bhal Parma Nand: I am coming to that point. The main point is that if an industry is for the good of the consumers and for the good of the country, then that industry can claim protection, and, on that ground alone, we should grant protection to that industry. On the other hand, I do not consider that if we have an industry which does not stand for the good of the country or which is injurious to our interests, that industry has a right to come before us or we are not bound in any way to give protection to that industry.

There is another reason besides the one I have just mentioned, that is that if any industry is face to face with the danger of a very unfair competition from any foreign industry, in that case, we, as the protectors of the interests of this country, are bound to give protection to that industry. If we find an industry in a precarious condition on account of foreign competition and if that industry comes before us for protection, it is most unfair for us to lay down conditions and prescribe obstructive rules under which it should get that protection. Our interest is just the same and ought to be as that of the competing country, namely, to support our industry in order to enable it to compete with the enemy industry and crush it. In such a case, our plain duty, therefore, is to protect our industry by every means against the foreign competition.

Sir, protection may be sought for and the Government may again be asked to show favour to a class of capitalists who have invested their money in a particular industry. If such be the case, I would point blank refuse

[Bhai Parma Nand.]

to give protection to such an industry. Every case has to be considered on its own merits. If the Government or we, the Members of this Honourable House, consider that a sort of favour is being shown to certain people and the Government are going to benefit that particular class at the cost of the public in general, then, of course our way is clear. We will oppose that protection to that industry and not care to propose any kind of restrictions or conditions. I do not believe that the Government are in any way obsessed with the idea of showing any favour to the capitalists in this sense and burdening the tax-payer. The Government are clever and wise enough to look to the interests of the public. In cases where the Government propose that certain concessions or certain protection should be given to an industry, I cannot fathom any selfish motive on the part of the Government.

My Honourable friend, the Leader of the Opposition, has told us that this protection has come to stay. I do not quite agree with that view. Don't we see that the protection is given generally for short periods, *i.e.*, two or three years—and I think that the underlying idea in making it a temporary measure is that whenever the Government or we, the Members of this House, find that that industry can stand on its own legs and is in a position to fight against the foreign competitors, then, of course, that protection should be withdrawn. There is no need to give further protection to the industry when it has reached the stage of full growth. But if, as my Honourable friend, Sir Abdur Rahim, has just said, protection has come to stay, it would be our duty, if we are going to protect certain industries for all the time, to lay down certain conditions which he has proposed and by which we should be guided in granting protection to an industry.

As regards the conditions proposed by Mr. Thampan, with regard to managing agents, *i.e.*, the factory owners should be bound by certain conditions and that they should be required to take out licenses, I think these conditions are utterly needless for the purposes of the Bill before us. At present our business is only to see whether the industry needs protection or not. If it needs protection, then we give it; and if it does not need protection, then we refuse, there is no use of prescribing any kind of conditions. As far as these conditions are concerned, it is the duty of the Government to change and reform the Companies Act in such a way that certain classes of people should not profiteer at the expense of the public. Such changes should be made in the Companies Act or other legislation, while this Bill is simply for the purpose of deciding the case of protection for an industry.

Similarly, I have to say the same to the appeal of my Honourable friend, Mr. Joshi. I think he is perfectly justified in asking that the claims of labour should be recognised. But I cannot agree with him in this, that whenever there is the question of protection to be considered, we should take advantage to thrust in the claims of labour at that time and force the hands of Government or the industrialists to agree to particular terms. If these factories, as I have said, have really reached a stage that they do not require any more special protection, it is the duty of the Government to see that the labourers who are working in those factories are treated properly and are given their due share, but that would mean, as I said, amending certain laws or legislating certain other measures for

the protection of labour in those factories. So far as this Bill is concerned, as I understand, it is simply to decide whether we should give protection to the textile industry or not. We cannot presume that the Government have got any interest in showing favour to this or that class. It would be not only a false presumption, but to charge the Government with having prejudices is a thing which we cannot expect from a sensible Government. With these words, I oppose the amendment.

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

Mr. F. E. James: Sir, I desire to intervene for a very few minutes, but I am compelled to say one or two words in response to what my Honourable friend, Sir Abdur Rahim, said just now, and I say what I have to say entirely on my own responsibility and not necessarily as representing the Members of my Group. I am at one with him when he talks about the necessity of strengthening and reorganising the Tariff Board. During the discussion which was held on the floor of the House, we made that point as one of the main points in our programme, and I am delighted to have my Honourable friend, the Leader of the Opposition, supporting that point of view.

We believe that the Tariff Board should be placed on a Statutory basis, that it should be strengthened and that it should be made more flexible and that it should be armed with sufficient powers to compel production of evidence in regard to the matters which come under their purview. My Honourable friend talked about the necessity for the intervention of the State in the matter of control over the industry. I personally am not and branch opposed to any form of State control of the industry, and I hope the Honourable the Commerce Member will not now listen and will never listen to any suggestion that the State should interfere in a controlling way with the governance of any industry in this country. On the other hand, there is undoubtedly a position growing up in which it is unwise for any industry to expect to be permitted to continue in the development of uncontrolled individualism which has existed in the past. Taking a long view of things, it is quite clear that there will come, whether the industries like it or not, some form of State control unless the industries are prepared to organise themselves along rational lines. I believe that the only solution from the industrial point of view and the solution from the general wide economic point of view is for the industries concerned to realise that position and to take necessary steps as early as possible.

It has been stated recently in a book that was recently published that what is really required today is to find some method which will give industry economic freedom within the limits of economic order. I do not suggest for a moment that the Government should take necessarily a controlling hand in this, but I do think that there are occasions on which the Government might usefully give some direction to industry in connection with its own organisation. Now, take the textile industry itself. I understand that there are more than one association representing the textile interests and one is led to contemplate what advantage would have been gained by the industry if there had been in this country one organisation representing the textile industry in all parts of the country. I may perhaps remind my Honourable friend, Mr. Mody, who is particularly interested in

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this way, of the tremendous advantage which, for example, the tea industry has secured by the very fact that in its own organisation it has been able to represent more than 95 per cent of those who have been interested. What has been the result? In the management of its own affairs, it has been able to secure from Government such guidance and assistance as has enabled it to reorganise itself and to put itself on an economic basis. What is required today in regard to the great industries in this country is some form of voluntary self-government subject to the interests of the community, the consumer, labour minorities and the State, and if, in the formation of those voluntary self-governing institutions, Government can give any direction whatsoever, then, I am sure, the Government will be performing a very real service, not only to industry itself, but also to the community at large.

Sir, I hope that the House will have nothing to do with the particular amendment which is before it. I believe that it is unfortunate, it is not convincing and its effect would be mischievous; but I do recognise the spirit which underlies the motive of my Honourable friend, Mr. Thampan, when he makes this motion. (It is extremely difficult to talk against the bells and make myself heard although I am flattered by their attention.) I still repeat that the way to a solution of this difficult problem is not through any form of State control. I, for one, am resolutely opposed to that and that I sincerely trust that the Government will have nothing to do with it. What is really needed here is organisation on vertical lines representing the nation-wide industries. There are far too many commercial organisations in this country.

I see from the paper this morning that there are now going to be Muslim Chambers of Commerce. We have our European Chambers of Commerce, we have our Indian Chambers of Commerce; we have our trade organisations, we have our importing and exporting organisations. All that kind of dissipation of energy is bad for the economic life of the country. But if the great industries of the country can develop themselves and organise themselves on self-governing lines, then I believe that the country itself will be greatly benefited and Government will not find it necessary even to contemplate the possibility of assuming any semblance of control over their industries. But the remedy lies in their hands, in the hands of the industries concerned. If once we can get away from the past generation of racial and other forms of politics and realise this fundamental fact, then we shall bring into these organisations all parts of the community who will be interested in the development of the industries in the country and who will be in a position to determine to a very large extent to what extent they shall be allowed to control themselves, subject always to the over-riding considerations of the State. That, Sir, I suggest, is the way in which the development of the economic interests of this country really lies and I mention that point in order to indicate a very common point of view. I sincerely trust, Sir, that the Honourable the Commerce Member will not listen to the blandishments of the Honourable the Leader of the Opposition.

Mr. B. Sitaramaraju: Sir, I desire to add a few words to this debate. In doing so, it is not my purpose to go over the ground which I had already covered on the first occasion when I offered certain remarks with

regard to the managing agency system. But I should like to point out at this stage that the Tariff Board made a specific recommendation that an inquiry should be held with a view to securing legislative control of the system. The Honourable the Commerce Member gave no indication on the floor of this House as to what steps he intended to take with regard to the recommendation made by the Tariff Board on the managing agency system. But when we were in the Select Committee, we again raised this specific issue, and, with your permission, Sir, I should like to point out . . .

Mr. S. C. Mitra: He will not answer it. I raised that several times.

Mr. B. Sitaramaraju: Here is a specific recommendation by the Tariff Board that certain legislative action should be taken.

Then, we were assured in the Committee that it could only be done by way of amending the Company's Act. In what manner that is going to be taken, I am not just now concerned, but here is a specific answer that the Government do propose to take action by revising the Company's Act. Is it or is it not

The Honourable Sir Joseph Shore: Sir, I think I have made reference to that more than once on the floor of this House. I have stated definitely that Government do intend, at the very earliest opportunity, to revise the Company's Act and that this question of managing agency will come within the purview of such changes as we shall consider.

Mr. B. Sitaramaraju: Then, I am sorry. Evidently the reference escaped my notice, and, if that is so, I apologise, because I have been feeling all along that no specific point had been given to us as to the directions in which and the way in which Government propose either to revise the Company's Act or take suitable action. As the Commerce Member says he is going to do it. I have nothing more to say.

Maulvi Muhammad Shafee Daoodi: Sir, a Government Member has, a few minutes ago, spoken on this amendment of my Honourable friend, Mr. Thampan, as modified by my Honourable friend, Mr. Joshi. That was the occasion when he should have told the House that the intention of Government was to modify the Indian Company's Act in such a way as to suit the purpose of the gentlemen who have moved the amendments. On the other hand, it appears to me that he had opposed the amendments and he advanced one ground for pressing his view of the case. He said that it would tax the people further, and, therefore, the amendment was going to be opposed. I thought, at that very moment, that it was quite irrelevant. The amendment was not going to tax people any further, because, my Honourable friend, Mr. Thampan, made it clear that he was going to press the policy underlying the amendment. He did not say that he would adhere and stick to every word that is found in his amendment. Neither was this position taken up by my Honourable friend, Mr. Joshi. Both of them were amenable to reason and they were pressing for the policy which lay behind the words in which the amendment was couched. So, I submit, Sir, that had this observation been made by the Commerce Member at that moment or had that Member made this observation, I think much of the discussion would have been shortened.

Mr. M. Maswood Ahmad: In this connection, I want to suggest only two points. One is that when the Company's Act is going to be amended, I hope my Honourable friend will consider not only the question of the managing agency system, but he must consider other points also, specially the point about the maximum or minimum price of articles as I have suggested at the time of the general discussion on this Bill. I hope, at the time of revising the Company's Act, the other points raised will also be considered. In connection with this particular item, I want to say that there are many good suggestions, but, at the same time, there are some suggestions to which I cannot agree. Therefore, if this amendment is pressed to a division, it will be very difficult at least for me and for certain other Members to go to any lobby. There are some suggestions which are very nice and should be incorporated in the Company's Act, but there are other suggestions to which I cannot agree. So I wanted to make my position clear that, if I do not vote, it does not mean that I do not support the amendment.

The Honourable Sir Joseph Shore: Sir, I did not know whether my Honourable friend, Mr. Thampan, was really in earnest when he moved this amendment. The amendment contemplates a very large extension of State control over the industry, and I found it a little difficult to reconcile that with the other amendments in his name, the tendency of which is to pile on protection. I could only think of him as a capitalist in the guise of a socialist.

Now, Sir, I do not for one moment deny that in granting protection we may legitimately require that certain conditions must first be fulfilled. If conditions, which are considered essential, are not fulfilled, we may perfectly legitimately deny protection. What those conditions are which are to be held essential are matters for discussion and consideration. If the House considers that there are certain conditions which should be insisted upon and that those conditions have not been fulfilled, it is open to it here and now to refuse protection. But my Honourable friend, Mr. Thampan, would go very much further. He wants actually to control the working of the industry. It would be a rash thing for me or for any one else to say that the kind of control which my Honourable friend, or which Mr. Joshi visualises, will not one day come into existence. There may be something to be said for it; there is a good deal to be said on the other side. But the point which I wish to make at the present moment is this: that conditions being what they are today, the degree of State control over industry which is contemplated by my Honourable friend in this amendment is not justified. In any event, we would have, before embarking on what I consider to be a very far-reaching experiment, to conduct a very careful examination both of the practicability of this suggestion and of its consequences. We could not allow a measure of this magnitude to be brought in, so to speak, through a side door, by way of an amendment. I would bring it to the notice of Honourable Members that, if we hastily accept an amendment of this nature, we may find ourselves in very deep waters indeed, very deep waters unless we have beforehand made exhaustive inquiries as to where it is likely to lead us and what its consequences are likely to be. Take one instance alone. If you introduce conditions of this nature what are you going to do in regard to the industry in Indian States? And if you cannot enforce these conditions on the industry in Indian States, then you may bring disaster upon the industry in British

India; and if disaster overwhelms the industry in British India, it will overtake labour and agriculture as well. It is for this reason that I would ask the House to reject this amendment *in limine*. It is unnecessary for me, I think, to go into the details of the objections to the various matters raised in the amendment, and I would ask the House to reject it on the broad general grounds that I have indicated.

The Honourable the Leader of the Opposition said that I had given no indication of my own views in regard to the future of the industry. I did very definitely state my view in regard to what the industry would have to do. I said:

"The industry has a long way to go yet before it can stand before the bar of Indian public opinion and claim that its house is in perfect order."

I can assure my Honourable friend that Government will most carefully consider how that end is to be secured, and if the industry again comes up for an extension of protection, the fullest justification of this demand will be required of it. I am not in a position to say anything more in regard to details, but I think the industry will be wise to take this as a warning, and of its own accord set its house in order, because it may rest assured that Government will demand a very high standard from it if it comes again and asks for further assistance from us. Sir, I must oppose the amendment of my friend, Mr. Thampan.

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

"That in new clause 5 of the proposed amendment by Mr. K. P. Thampan, after part (c) of sub-clause (3), the following be inserted and the subsequent parts be re-lettered accordingly:

(d) The conditions of life and work that should be provided for the workers employed;

(e) The prices to be charged for the articles produced;

(f) Such other conditions as the Governor General in Council may lay down in the interest of the country and of the industry."

The motion was negatived.

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

"That after clause 4 of the Bill, the following new clause be added:

5. (1) From such date as may be fixed by the Governor General in Council by notification in the Gazette of India in this behalf, no joint stock company or other limited liability company or factory shall employ themselves in the manufacture of the articles for which protection is given under the provisions of this Act except under and in accordance with a license to manufacture issued under this Act.

(2) Whoever, being the Managing Director of a Joint Stock Company or other limited liability company or proprietor of a factory, fails to comply with the provisions of this section shall be punishable with imprisonment which may extend to two years or with fine which may extend to rupees ten thousand. The Governor General in Council may by notification in the Gazette of India make rules to prescribe—

(a) any fee or equivalent sum to be paid to the directors and managing agents;

(b) the annual dividend to be paid to the shareholders and other participants with limited liability;

(c) the manner in which any further surplus shall be employed for consolidating the position of the undertaking;

[Mr. President.]

- (d) the returns to be submitted periodically;
- (e) the form and conditions of the licences and the fees to be charged therefor; and
- (f) such other things as are required to carry into effect the purposes and objects of this section.' "

The Assembly divided :

AYES—30.

Abdur Rahim, Sir.
 Anklesaria, Mr. N. N.
 Bhuput Sing, Mr.
 Das, Mr. B.
 Dutt, Mr. Amar Nath.
 Ghuznavi, Mr. A. H.
 Gunjal, Mr. N. R.
 Harbans Singh Brar, Sirdar.
 Hari Raj Swarup, Lala.
 Ismail Khan, Haji Chaudhury
 Muhammad.
 Jog, Mr. S. G.
 Joshi, Mr. N. M.
 Lahiri Chaudhury, Mr. D. K.
 Lalchand Navalrai, Mr.
 Mahapatra, Mr. Sitakanta.
 Mitra, Mr. S. C.

Mudaliar, Diwan Bahadur A.
 Ramaswami.
 Murtuza Saheb Bahadur, Maulvi
 Sayyid.
 Neogy, Mr. K. C.
 Patil, Rao Bahadur B. L.
 Reddi, Mr. P. G.
 Reddi, Mr. T. N. Ramakrishna.
 Roy, Rai Bahadur Sukhraj.
 Shafee Daoodi, Maulvi Muhammad.
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Talib Mehdi Khan, Nawab Major
 Malik.
 Thampan, Mr. K. P.
 Uppi Saheb Bahadur, Mr.
 Ziauddin Ahmad, Dr.

NOES—57.

Abdul Aziz, Khan Bahadur Mian.
 Ahmad Nawaz Khan, Major Nawab.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Bagta, Lala Rameshwar Prasad.
 Bajpai, Mr. G. S.
 Bhore, The Honourable Sir Joseph.
 Brij Kishore, Rai Bahadur Lala.
 Chatarji, Mr. J. M.
 Chinoy, Mr. Rahimtoola M.
 Clow, Mr. A. G.
 Cox, Mr. A. R.
 Dalal, Dr. R. D.
 Darwin, Mr. J. H.
 DeSouza, Dr. F. X.
 Fazal Haq Piracha, Khan Sahib
 Shaikh.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Haig, The Honourable Sir Harry.
 Hardy, Mr. G. S.
 Hezlett, Mr. J.
 Hudson, Sir Leslie.
 Ibrahim Ali Khan, Lieut. Nawab
 Muhammad.
 Irwin, Mr. C. J.
 Ishwarsingji, Nawab Naharsingji.
 Ismail Ali Khan, Kunwar Hajee.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir.
 Lindsay, Sir Darcy.

Macmillan, Mr. A. M.
 Metcalfe, Mr. H. A. F.
 Millar, Mr. E. S.
 Mitchell, Mr. K. G.
 Mitter, The Honourable Sir
 Broiendra.
 Mody, Mr. H. P.
 Morgan, Mr. G.
 Mujumdar, Sardar G. N.
 Mukharji, Mr. D. N.
 Mukherjee, Rai Bahadur S. C.
 Noyce, The Honourable Sir Frank.
 Pandit, Rao Bahadur S. R.
 Rajah, Rao Bahadur M. C.
 Ramakrishna, Mr. V.
 Rastogi, Mr. Badri Lal.
 Rau, Mr. P. R.
 Sarma, Mr. G. K. S.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar,
 Captain.
 Singh, Kumar Gupteahwar Prasad.
 Singh, Mr. Pradyumna Prasad.
 Sloan, Mr. T.
 Sohan Singh, Sirdar.
 Tottenham, Mr. G. R. F.
 Wajihuddin, Khan Bahadur Haji.
 Wilayatullah, Khan Bahadur H. M.
 Yamin Khan, Mr. Muhammad.

The motion was negatived.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Joseph Bhave: Sir, I beg to move:

"That the Bill, as amended, be passed."

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

"That the Bill, as amended, be passed."

Some Honourable Members: The question may now be put.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders) No, that can't be done now.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair cannot accept the closure now. It should clearly be explained to the House that in the speeches on the Third Reading it will not be open to Honourable Members again to re-open the principle underlying the Bill, namely, that the Cotton Textile Industry and the Sericulture Industry requires protection. That will not be open to discussion. Honourable Members must confine themselves to the application of the principle as enunciated in the clauses of this Bill. That is all the scope of the Third Reading.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadian Rural): On a point of information, Sir. Is it not open to a Member to argue that the principle has not been observed in this Bill?

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair stated that no discussion of the principle of protection would be allowed.

Mr. S. U. Mitra: Is it not permissible to give arguments for the rejection of this Bill, because the amendments have not been accepted?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member cannot say that, because the amendments have not been accepted, the principle of the Bill is unacceptable. He can point out that the clauses of the Bill do not carry out the scope as he conceives it.

Sir Abdur Rahim: Suppose we hold that because the necessary conditions are not laid, therefore the Bill should be opposed?

Mr. President (The Honourable Sir Shanmukham Chetty): That is all right.

Mr. N. N. Anklesaria: That is what I meant.

The Assembly then adjourned for Dinner till a Quarter Past Nine of the Clock at Night.

The Assembly re-assembled after Dinner at a Quarter Past Nine of the Clock at Night, Mr. N. M. Joshi, one of the Panel of Chairmen, in the Chair.

Raja Bahadur G. Krishnamachariar: I congratulate the Commerce Member on his success in piloting through this Bill regarding which I am personally aware he evinced great anxiety. While he wanted to give us all the facilities, he was more anxious that this Bill should pass through, and, therefore, I congratulate him that he has been able to achieve his object. But—there is always a but—I do not want him to run away with the idea that he has pleased us. The fact of the matter is, so far as protection is concerned, the Honourable the President has ruled that we ought not to question that, and so we are not going to question it. We have enough grievances, enough trouble without questioning the necessity of the protection, so that, if you allow us, we can go on talking about our grievances until in the end we find out that we have no redress at all for the grievances and we sit down, the only redress being that we have lost our sleep for the night.

The Bill, in so far as it ensures protection for the cotton industry as a matter of principle, I do not object to. I have no question to suggest regarding the necessity of this protection and the millowners are quite welcome to any protection that the Government have made up their mind to offer. I have nothing to say either against the millowners or against the Government, for in this world every man is for himself and the devil take the hindmost, and I shall immediately show who the hindmost people are. But what I consider to be the more important thing, regarding which, I am sorry, the Government did not pay any heed, is that if you refer to the Tariff Board's Report on Sugar, they tell you that hitherto every protection had been hitting the consumer, and that it was only now that the poorer classes of consumers were not affected and that the richer classes of people were going to contribute for the help of the poor. That is what the Tariff Board said, and, consequently, the contrary follows that, so far as this Textile Protection Bill is concerned, it is the poor that suffer, and it is the rich that get all the benefit. As I said, I do not want to question it, because I believe I have read in some book, probably a holy book, which says: "To him that hath more shall be given and from him that hath not even the little that he hath shall be taken away." That, Sir, is the justice, and this Bill is an example of that.

I do not want to question the necessity of the protection, but are Government aware that there is such a community as the agricultural community at all existing in India? What is it that they did so far as we were concerned? Every time—I do not know what happens, whether the millowners have got some magic or hypnotism in their hands, or whether, as it has been termed in the case of some Indian princes, they are "*fuzunde Arjumand-i-daulat Englishiya*"—whether, on that account, or anything else, what they want, they always get. The Honourable Sir Frank Noyce may write out a report saying that the mill industry is guilty of so many deficiencies. Some other Tariff Board may come and say anything, but somehow or other they are able to succeed. That is their good luck. I do not want to protest against it, but I do strongly protest against this that even one-tenth of what has been given to the millowners has not been given to us, and we are left in the cold,—by "we" I mean the agricultural community, the great community that produces, without whose

production our friends in Bombay especially cannot have built what they are proud to call the national industry. I protest against it and it is as a protest that I say I shall oppose this Bill, although my opposition is absolutely no good. I know that Government are going to win, but the reason why I have stood up is to enter and register my emphatic protest against the policy of the Government which always helps the millowners, which never comes to my aid, although time after time we have been crying for the redress of our grievances and all that we are told is: "We know everything about it, we are going to prepare a scheme, you wait until the thing is all finished, and then you will get the remedy." What happens? I shall repeat what I said on another occasion in connection with a debate here.

*"Te tiryak ac Irak awarda shawad
mar gazecda murda shawad."*

It is supposed that in Iraq there is an antidote for snake poison. A man was bitten by a snake and another man ran up to Iraq in order to bring the *tiryak*, but, before the *tiryak* was brought, the man bitten by the snake had died. That is our position. When the Government give protection to the mill industry I have absolutely no concern,—if you are convinced that they are entitled to protection, by all means give them. I shall show how the whole thing is entirely misplaced and for what reasons they are not entitled to protection. I will not say they are not entitled, but although they are nominally entitled to protection, they are not entitled to what they have got by means of this Bill. That is another matter. I shall only deal with it very superficially, for I have no doubt that others who would follow me would take it up, and I do not want to take the time of the House unnecessarily.

Today I do not see my Honourable friend, Mr. Mody. He is the happiest man in this world. I think one of our friends of the European Group described in very eloquent terms the great trouble that he took in England, how at first everything looked very dark, and slowly by degrees he worked up the Lancashire people to such a state of mind that they all turned into milk and honey; they came here and entered into an agreement with which some at least of the millowners do not agree, and everybody is quite happy. In giving an appreciation about Mr. Mody, they all forgot one thing. I do not know if Honourable Members have observed that Mr. Mody never loses his temper. Why should he? He gets everything that he wants. I should be the biggest fool on the face of this earth if, having got everything I want, I began to lose my temper. Perhaps the man who loses his temper is myself. I do not get anything although I want it, and what is the good? You know it is a matter of psychology, when you get angry, you do not care who it is against whom you apply your anger. The man who stands in front of you is the butt of your anger, and that is the reason why we all talk of Mr. Mody. He does not care six pence. He has got the Lancashire Agreement, and a very obliging Government came to his rescue and have implemented it in this Bill. I asked Mr. Mody,—I am not saying anything which he will not corroborate—if he saw the report of the proceedings in the House of Commons that the British Government flatly declined to follow suit with the Lancashire people and to help them in some way to make large purchases from India. The British Government said: "It is no concern of ours. We are not going to do that." They flatly denied. I asked Mr. Mody whether he noted that proceeding in the House of Commons. He said, "yes".

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"What do you say to that?" He said: "It is no concern of the Government. It is a private agreement between us and the Lancashire people." I close. May I ask respectfully why the Government of India came to the rescue and wanted to implement a private agreement? If it is a private agreement, let them buy or sell whatever they like. Why should the Government of India step in and put on the side of the Mody-Lees Agreement the whole weight of their influence? Why they should have helped him, I do not know. If it is because that while they are making preparations to see how much of our Indian cotton they were going to purchase, there is a statement before the Joint Committee with which you, Sir, are probably more familiar than I am, where one of these persons, who gave evidence on behalf of the Manchester Chamber of Commerce, said, I am quoting from memory, we would particularly advise the Indian Government not to extend the cotton industry in India. It is perfectly true that they entered into this Agreement. I have already said this in an earlier part of the debate. We do know that there is in black and white in the proceedings of the Joint Committee that the Lancashire people actually advised the Government of India that they should not extend the cotton industry any further until, of course, the thing had adjusted itself. Now, some of our friends waxed very eloquent about the political importance of this Agreement and they were simply astonished that there was such a change of heart among the Lancashire people, but that political influence dwindled into nothing when the English Government declined to have anything to do with the Agreement, in order to induce them to make this purchase. Is that the Agreement that our Government should go out of its way to implement? I shall speak more about this when the Sugar-cane Bill comes up, and I say that they ought to have made a provision for cotton in a similar manner long long ago. Did the Government help the cotton growers in any way? I am not talking the language of convention when I say that my Honourable friend, Sir Joseph Blore, is very sympathetic. I know he is quite sincere. From what we have seen of the way in which he was able to get through the most difficult task and of the way in which he has been negotiating with one of the most astute nations in the world, the Japanese, to him it would have been a fleabite if he wanted to give us some relief. That is the reason why I stand up to protest and that is the reason why I formally oppose this motion and I say that this Bill ought not to be passed.

There is one other matter I wish to bring to the notice of the House. If you refer to the debate on the second reading of the Bill, you will find that my friend nicely passed over some of his weak points in his defence. He did not conceal it, because the other side would pounce upon it. It is the highest form of advocacy to just refer to it and speak of it as if it did not matter at all and then to emphasise upon your strong points. That is what my friend, Sir Joseph Blore, did, but the most important thing is that these gentlemen in Bombay would not change their methods of work, nor would they give relief to the persons for whom you, Sir, have been fighting all your life,—to the labourers. I have had some experience of these Bombay mills, because, when the Government of India made a proposal that legislation similar to the Indian Factories Act should be introduced in the Hyderabad State, I had the honour to preside over a Factories Commission, and I was commissioned to go out all over the country and find out the conditions and report to my Government. I had a very sincere welcome from a gentleman of the name of Kaye, Sir

Joseph Kaye now, who was Chairman of the Bombay Millowners Association at that time. I went to Ahmedabad and other places where they have got large factories. I do not want to recite all my experiences here, because it will take time and it is entirely unnecessary, because, say what we will, the Bill is going to be passed and we shall only be depriving ourselves of our sleep. I know a little bit of the conditions prevailing there, and I do not know if it would be Parliamentary language if I begin to describe them. It is no good talking, because hard words never broke any bones. The millowners would not mend their way. They would not enable the labourers to earn a living wage. Go to Bombay and some of these *chawls* where the labourers are huddled together. Can human beings possibly live in worse conditions than that? Yet you see the millowners going to their clubs in their magnificent equipages. That represents the money earned for them by the sweat of the labourers. I say, Sir, that nothing has been done for the labourers.

(Interruption by an Honourable Member.)

I know there is a misapprehension about our profession. The British Government have kindly provided us with certain institutions where they have given us a chance to earn money. Supposing those institutions do not exist, my Honourable friend, Sir Abdur Rahim, myself and everybody would have to stand behind the plough, because that is the only occupation in India, and we are not ashamed of that. From time immemorial, I have been an agriculturist, and I should be very sorry to lose that status and to exchange it for any other profession. I am proud of it. I was born in it and I should like to die in that profession.

Now, my complaint is that no body listens to me. The other day, my friend, Mr. Anklesaria, moved an amendment for circulation of this Bill as a matter of protest. 25 friends were quite willing to sign that motion, but when it came to voting, only six voted, not seven, because mine was the seventh vote, and I did not sign it and yet we all represent rural constituencies. The tragedy is that Government are not coming to our help. We ourselves more than anybody else will not come to our own help and God helps those who help themselves. From time immemorial the Government have been the Ma Bap. They say, we do not know our own interests. They say that they are the best custodians of our interests and this is the way they serve our interests. Consequently, I oppose this motion, and I shall be very glad if this motion is not carried. That, of course, is a forlorn hope.

As a last word, what I would submit is this. So far as the proceedings of the Select Committee are concerned, we have been asking that the proceedings of the Select Committee should form part of the proceedings of the November Session. Those of us who have not been members of the Select Committee have never been supplied with the information that is placed before the Select Committee.

Mr. S. O. Mitra: Under the President's ruling we will get it.

Raja Bahadur G. Krishnamachariar: Well, the President's ruling does not count, nothing counts, if the Government have made up their minds to get through it; and, as Dr. Ziauddin Ahmad said, on the morning they were going to discuss the Bill, some papers were hurled in their face. We admit we have not been trained in this sort of inquiry; we have no secretariat, and even my friend, Dr. Ziauddin, cannot understand all those figures although all his life he is dreaming of his figures and he is always

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arriving at conclusions. Therefore, I would respectfully ask that if the Honourable the President or you should express your view that although the Bill has been referred to the Select Committee, every piece of information that was available to the Select Committee ought to be placed before us, because, Sir, it is my vote that counts and not the vote of the Select Committee. You might have got a Select Committee to agree with you on every matter, but unless we here in this House agree, agreement in the Select Committee is absolutely of no value at all. And upon what materials shall we say that the Select Committee was right or wrong? We have no material, we are left to our own resources; and my Honourable friend, Mr. Mitra, says even the Select Committee had no materials. That is worse. That is why I say these Select Committees are a farce. Our friends here have been saying that they cannot work both in the Select Committee and in this House, and, consequently, you remember the vehement attempts that were made in order to extend the time given for the submission of the Select Committee Report. Now, when there were no materials, why on earth, I ask, should they not have protested? I do not know, I suppose I can visualize the proceedings of such a Committee thus. I have already quoted what the poet said about the Council of War during the campaigns of Alexander the Great:

*"Paye mashaqirat mahafil Ra Arastand
nishistand khurdand wo burkhastand."*

That is, they spread the tables, they make everything ready for attendance, they sit down and begin to eat. Here, of course they do not give the eating. The real thing is *khurdand*, but, as there is no *khurdand*, I should say *griftand*. Everybody is satisfied; my friend, Mr. Mitra, dashes off a three-page minute of dissent which nobody reads, which the House and the Government do not care for and the poor fellow—I beg his pardon, my Honourable friend, Mr. Mitra, writes down all these minutes of dissent! Sir, I do not know if it is unparliamentary to call these proceedings of Select Committees a mere farce—if it is not unparliamentary, I would certainly call it a farce. (Applause.) Do not uphold it, you do not do justice to yourself if you adopt that procedure, and this sort of thing ought to be put a stop to. Fortunately the Government have resiled from the position that once the Select Committee reports, the Select Committee being the agent of the House, we are all bound by it. That was the extent to which the Government were prepared to go, but, with the help of the Honourable the President's ruling, we have been able to know it on the head. The thing, however, remains. Once a set of circumstances gets a firm footing, it is sometimes difficult to shake that, and yet you sit down and you are supposed to make every attempt in order to modify the Bill. I do not remember—I speak subject to correction—that the motion of my Honourable friend was that the Bill, as amended, be passed.

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

Now, was the Bill "amended" at all?

An Honourable Member: There is Sir Cowasji Jehangir's amendment.

Raja Bahadur G. Krishnamachariar: That is just the thing. My friend, Sir Cowasji Jehangir, unfortunately is not here. These gentlemen, as I said, are:

"Forzand arjumand davolat Englishiya".

Therefore, if you want an amendment passed, get the millowners to agree with that amendment and in five minutes everybody will agree. (Hear, hear.) It is for my Honourable friend, Sir Joseph Bhore, to say—Has the Bill been amended in any other manner, except as the millowners wanted? Sir, it is not fair to make the motion that the Bill, as amended, be passed. "That the Bill, as reported by the Select Committee, be passed" is the only proper, correct and logical motion that ought to have been moved.

Sir, I would only refer to one thing before I sit down. In an earlier portion of the debate, my Honourable friend, Sir Cowasji Jehangir, referring to the Mody-Lees Pact, said that all the arguments I advanced regarding the hesitating, halting and nebulous nature of the agreement with Lancashire, so far as their liability to come to our rescue is concerned, were unconvincing. I am not talking of what they are attempting, I am not talking of their special officer, I am not talking of the researches they are making, because what is written remains and they won't go beyond that. But, in answer to all the arguments, my friend referred to clause 1 of this Agreement where it is stated that "it was agreed that the Indian cotton textile industry is entitled for its progressive development to a reasonable measure of protection against the imports of United Kingdom yarns and piecegoods". Now, over this, my friend waxed eloquent and he said—"there is the proof of their sincerity, because they have agreed to allow you to impose a duty even as against them". But that passage in the statement before the Joint Select Committee, to which I have already referred, clearly shows that the Lancashire people have taken very good care to show what their point is, and that is they advise the Government of India that the cotton industry should not be increased hereafter and Government should take every good care that they do now allow expansion. They did agree, because, if they proceeded upon the assumption—"heads I win, tails you lose", they would never get anything in. Consequently, I very respectfully submit that the Government were not right in implementing this Mody-Lees Pact in the shape of legislation, especially when the British Government are not going to do anything to help in the furtherance of this Agreement. I have said it once before in connection with another debate, and I will say it again. Sir, all these two days we have been putting forward amendment after amendment. Is it really the case of the Government that we have all turned into such rank idiots that we cannot speak sense even in one respect—not even my friend, Dr. Ziauddin, who burns his midnight oil to make all the calculations—and he claims to show that the calculations of the Government of India are all wrong, that their percentages are all wrong and their standard is all wrong—and yet not one amendment of ours is passed. I am afraid, then, Sir, that we must have either completely lost our understanding when we once enter this House, or the Government are vested with such superior wisdom that, in their presence, we all pale into insignificance. My friend says "it is intoxication of the fourth type". I do not fully agree with him for this reason. Perhaps my friend, Sir Abdur Rahim, will support me that there is a way of judging evidence according to the principles of the Evidence Act. When you do not believe the evidence, you do not completely throw overboard such evidence, but you treat it with caution; and when you find other corroborating evidence in support of that witness, that witness's statement ought to be accepted. Throughout these proceedings, my Honourable friend, Sir Joseph Bhore, takes up what he considers to be

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the correct position in piloting this Bill; I cannot say that it is really intoxication of the fourth type. Behind the back of it all, there might be something. Sir, I oppose this Bill as a matter of principle.

Mr. Sitakanta Mahapatra: Sir, I oppose the Bill with all the emphasis at my command on behalf of the constituency which I have the honour to represent here. For about ten years, India is passing through a period of giving protection to industries, and, for about four years, on the advent of the world depression, industrial countries of the world have been mad after protecting their industries. Depression in trade leads to protection and protection ends in further depression and there is no knowing when and where this vicious circle will end. Sir, by the inauguration of a policy of discriminating protection in the name of Indian industries, Government revenues have gone up year by year, with the result that the Government have developed a vested interest in this policy of protection by tariffs. It has been a profiteering concern both to the Government and the industrialists, so much so, that not only they do not want to part with the advantage in any way, but the wall of tariffs is being raised up higher and higher every day. The word "discriminating" has sunk into oblivion, and it is now indiscriminate protection.

Sir, I am not an uncompromising enemy of protection, but the way in which decisions were arrived at by the Fiscal Commission and all the Tariff Boards since then—all packed bodies of industrialists and commercialists—the neglect that was meted out to Indian consumers and agriculturists by all these bodies, are sure proof of the fact that, while trying to safeguard industries, the interests of the vast majority of the people, namely, the consumers and the agriculturists have been lost sight of. India should be industrialised only in so far as it would be complementary to her staple productive source, the agriculture. India may also be self-sufficient as regards her own necessaries. But to visualise India, that great agricultural sub-continent, consisting of a population of 350 millions, so highly industrialised as to seek market outside India, and that naturally without success, is unthinkable. Then, a few thousand or a few hundred persons may become millionaires or multi-millionaires, but all others, crores and crores of people, will be reduced to serfdom as hewers of wood and drawers of water. I am not a socialist; far from it. On the contrary, I do not want India to be reduced to that condition when socialism cannot be stopped by any means. I regret very much that, on account of their present policy of indiscriminate protection in their avarice, India, this fair land of Gods, is fast heading towards communism and socialism.

I know the Honourable the Commerce Member won't brook any criticism against his policy of protection so long as it lays golden eggs. But I venture to caution him, so that he may not in his greed kill the hen that is laying the golden eggs. Since the Commerce Member is an Indian and since he has seen in what utter poverty the vast majority of Indians live—absolutely half-fed and half-clothed,—I look upon him to consider his policy from every point of view. Sir, I congratulate the Commerce Member that the second reading of the Bill was so easily passed. But I think the time has come when he should cry halt to the triumphal march of his policy and pause to take stock in what a desperate

situation it has landed Indians today excepting a few capitalists and industrialists. I know the third reading of the Bill will also be passed as easily as the second reading, but the huge burden that the Act will place on the back of the Indian consumers and the agriculturists will, I have the least doubt, break his backbone. I wish the Honourable the Commerce Member all success. But I refuse to be a party to a measure which stabs the poor Indian on the back surreptitiously by imposing a tax on him to an extent of about 100 crores without his knowledge and against his will. I cannot give my support to the Bill conscientiously. Sir, it is a painful duty of ours to play always a losing game. But our responsibility here is that of a sentinel on guard at the post. That responsibility has become doubly onerous when some of my own countrymen look upon the problem of India upon only some abstract theories surmised at from absolutely different set of circumstances and conditions of life. I have to remind my own countrymen that India's politics, society, morals and means of livelihood—I mean economics of wealth and welfare—are not to be judged from the standard and values evolved in Europe. We ought never to forget that the base of political evolution in India is on village community. In India the goddess of wealth is worshipped on the field on the advent of the ripe harvest. The economics of India has yet to grow on that wealth of nature. This fact has never yet been recognised and the result has been a tragi-comedy all through. Swami Vivekananda said. "We construct lavatories adjacent to our bed rooms and suffer from typhoid". Similarly, we impose tariff walls and the poor agriculturists are kept outside at the mercy of the gate-keepers of that wall as untouchables to serve and deliver, but not to grumble at the price paid for his year's labour. Certainly there is a comedy in it, but, at the same time, the tragedy is heart-rending.

Sir, I oppose the Bill.

Mr. B. Sitaramaraju: Sir, in accordance with your ruling this afternoon, I do not propose to go into the larger question of protection, but I would like to confine myself to the extent and the measure of protection necessary for the industry in relation to the provisions of the Bill which is before us. Sir, before doing so, permit me to make one observation. We are thankful that you have released my friend, Mr. Joshi, from the Chair, so that he may come and fight with us on this question. When we consider the extent of the measure of protection necessary for this industry, we must have before us the industry as a whole and the facts necessary for us to judge whether that industry does require the measure of protection that is now laid before us.

My Honourable friend, the Raja Bahadur, did complain that the material which was available to the Select Committee was not available to him, and my Honourable friend, Dr. Ziauddin, remarked that the material available to the Select Committee was no more than was available to him now. Sir, I am not making any complaint against any particular individual or body, but the materials which were available to us were the reports of the Tariff Board. There were the two expert bodies sitting as Tariff Boards who had gone into the question and made their reports of which, I must remark, the evidence on the cotton textile industry, which was taken by the Tariff Board, was not made available to us. Although the Tariff Board held its enquiry a long time ago and although considerable

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time had been taken by the Government before they proposed any action, the Government could not find time to print the evidence even when several months have elapsed. We regret to have to state, therefore, that the evidence which would have been materially helpful to us in coming to conclusions on this measure was not made available to us. Further, the Tariff Board on the textile industry itself said that they were not able to study the conditions of the industry as a whole. They state as follows:

"While the millowners and most of the Chambers of Commerce which have been the chief spokesmen for that industry, particularly the Bombay millowners association has spared no pains to carry out this obligation, the unattached mills and some of the Chambers of Commerce have contributed little or nothing and without the power to compel the production of evidence, the Board is entirely dependent upon the mercy of the industry for the supply of detailed information."

They further on say:

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"that experience of this enquiry suggests that the Board, if it is to discharge its duty must be armed with that power."

Further the Tariff Board in Appendix II state the places they have visited, and Honourable Members, if they turn to Appendix II, will find that they have made their enquiries in Bombay, Ahmedabad and of a few concerns in Calcutta only. They have not made any enquiry outside those places. Considering the fact that a large industry is in the South, it is particularly remarkable that the Tariff Board have not visited South India excepting to draw up their Report in the cool heights of Ootacamund. Under these circumstances, it is idle to contend that we have now been able to study the industry as a whole. No doubt Bombay is important, it is equally true that Ahmedabad is important, and as the Tariff Board themselves say between these two places, it is true; sixty per cent. of the mill industry can be accounted for. Notwithstanding the fact that Bombay and Ahmedabad are, important centres for the purpose, when we in the country do want to know the state of the industry as a whole, mill as well as handloom, it is common courtesy that we should be placed with all the information that could be made available to us with reference to the industry as a whole. There is another significant passage giving the reasons why they could not make an extensive tour, and to this one passage, I should like to invite the attention of the House:

"Pressure of time and financial considerations also rendered it necessary that the Board should, as far as possible, restrict its tour."

Therefore, I am justified in remarking that we, either in the Select Committee or in the House, were not placed in a position to study the industry as a whole, to see at what stage the industry is today and to what extent and what measure of protection is necessary to protect the industry, taken as a whole.

Then comes the question of measure of protection. In considering this question of measure of protection, I should like to confine myself again to making only a few brief remarks. This industry is admittedly faced with competition from two countries, Japan and the United Kingdom. According to the Indo-Japanese Agreement, the competition of Japan with India is now controlled by the quota system, although Great Britain is not

controlled in that way. Therefore, when once you control the competition with Japan by fixing a quota to Japan, I should like to ask the House where is the justification for imposing high duties higher than is required against the United Kingdom when that particular country Japan which was competing unfairly with you is controlled. Here we have got that quota given to Japan, and, so far as Japan is concerned, it is entirely controlled. Therefore, the question of showing any differential treatment between United Kingdom and Japan also vanishes. Where then is the justification to make a difference in the duty between United Kingdom and Japan? Certain colleagues of my Honourable friend, Mr. Mody, who are very much interested in that industry once waxed eloquent that there should be no Imperial Preference. Subsequently, when they realised that they were unable to face the competition with Japan, they were agreeable to accept preference if Japan is checked. Today Japan is controlled by this very quota system. Where is then the justification for you to make a differential treatment between the United Kingdom and Japan now. Therefore, we suggest that there should be no differential treatment between United Kingdom and Japan in the rates of duty, and that it should be at a level required to protect from the United Kingdom competition.

With reference to this higher percentage to Japan, I would like to point out that this Agreement between India and Japan has been acting against our interests and proving detrimental in so far as our relations with certain other foreign countries are concerned, because, here, under the Indo-Japanese Agreement, the "most-favoured-nation" clause treatment was given by which we cannot discriminate Japan as against any other country except, of course, the United Kingdom. That is to say, whether necessary or not, we are compelled to put equally heavy duties all round. The result is, duties found necessary against Japan had to be imposed on Italy and other countries, against our as well as their interests. No wonder our relations with Italy and other countries are not happy. The "most-favoured-nation" clause in this Agreement compels us to impose very heavy duties upon these countries in order to show that we do not discriminate Italy, China and other countries from Japan, although actual conditions do not call for such treatment.

The third point I should like to mention is with regard to the period of protection. This afternoon, the Honourable Sir Joseph Blore read to you the justification for prescribing the period of five years as protection for this Bill. He read the first portion of para. 142 this afternoon and I would like to read the latter half of it. It says:

"We have frankly recognised in our discussion of the claim of the industry to protection that it is impossible to forecast with any precision on the existing data when the industry will be in a position to dispense with protection."

They cannot say when protection will ultimately be possible to be dispensed with:

"We rather think, as we have already indicated, that the ultimate salvation of the industry will come as the result of a strenuous internal competition stimulated by protection under which the more efficient mills in the country will so develop their output and improve their methods as to replace completely a large number of the existing mills."

Here, Sir, I should like to lay particular emphasis on the last words "as to replace completely a large number of the existing mills". What is the future that the Tariff Board would like us to take note of? They

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want to give protection to the richer mills to such a long period as will enable them ultimately to devour the smaller mills in India. They further say:

"Sufficient time must be given for this process to work itself out."

—that is the criterion for the period of protection which they want us to give—

"In view of the difficulties which face the industry at present and equally of the important national interests which are involved in it, we do not think that ten years can be regarded as too long a period. Unless protection is assured for a period of at least ten years, the capital required by the better class of mills for further development will not be forthcoming."

The period is determined by the necessity to accumulate more capital, for what purpose? Just to enable the more efficient mills to have more capital in order that they may replace the other mills in this country:

"The Indian cotton textile industry, especially in Bombay, has been recently the subject of many public enquiries. Such enquiries repeated at frequent intervals must militate against healthy development."

I cannot understand how an enquiry would act against their development:

"We think that the industry should now be allowed a period of rest from these harassing enquiries."

That was the justification for the Tariff Board, a justification which, I am afraid, I cannot approve.

Now, turning to the Honourable the Commerce Member, the Commerce Member was pleased to state this afternoon that he is not prepared to mortgage the consumers' interest for a further period of ten years which the Tariff Board proposed. He would place the period of protection necessary to be only five years. In other words, he would like to say that the minimum necessary for the further development of the industry in the interest of the consumer should be five years. But why the minimum should be five and not three? He did not explain. Sir, we remember that in 1930, when Sir George Rainy proposed a substantial protection to the mill industry with a view to enabling the mill industry to reorganise itself and to be able to compete with foreign countries,—the other countries after the war having been able to organise their industries while our friends neglected to do so,—Sir George Rainy prescribed a period which he thought was reasonable for the industry to reorganise itself. The first substantial portion of protection which was thus given to the industry was in 1930 and the period of protection which was given to the industry at that time was three years. Sir, after that period of three years, year after year we have been giving protection to this industry? Now another dose is wanted. I would like to ask, therefore, when this is only an extension, why the period of extension should be more than the original period prescribed? Why the period proposed today is to be five years when the original period prescribed by Sir George Rainy was only three years? From 1930 to 1989, it would be nine years, thrice the original period. Why so? After all, the Bombay mill industry or any other

cotton textile industry in this country is not an infant industry. It had been receiving protection, Honourable Members will be surprised to know, from the year 1896, from which date in some shape or other it had been receiving protection.

Mr. H. P. Mody: Certainly not.

Mr. B. Sitaramaraju: The Tariff Board themselves say that whether for revenue purposes or for protection pure and simple, since the year 1896 they have been receiving protection. I am not quarrelling as to the extent or the measure of protection that was given at that period, but I see from the records that they have been receiving protection from 1896. There is a further justification for us now to reduce the period from five to three since the two Agreements with Lancashire and Japan, which form the main constituents of this protection of the Commerce Member, are for one and three years, respectively. No doubt, the Commerce Member this afternoon expected with reference to the Japanese Agreement that after three years he would come before the House and the House shall have an opportunity to review that Agreement. I am not quarrelling with that. But, Sir, when we are reviewing this Agreement, why should we also not be able to review this measure also simultaneously? That was my point, Sir. When we give protection, it is with the idea of inviting the consumer to suffer only temporarily in order that a particular industry should prosper with a view ultimately that the consumer would be benefited or the country at large would be benefited by that temporary suffering which the consumer had to put up with. In order to do so, we must amply justify ourselves that the burden which we are casting upon the consumer is temporary, and that he is not asked to unduly bear the burden for long periods without any relief whatsoever for him in prospect or advantage to the country from the industry. Therefore, I suggest that as we have not been able to take into consideration the real needs for the industry as a whole, we should cut short the period to enable us to study their needs more accurately. In view of the fact that there were certain mills which, even according to the Tariff Board Report, are so efficient as to require no protection whatsoever, we would also like to know, what was then the reason that the other mills have not come to that standard? What were the special circumstances under which, and the disabilities from which the other mills suffer, whether their inefficiency is such that the consumer should be invited to suffer for them.

Before I conclude, I would like to offer a few remarks in regard to the handloom industry. A great deal has been said about the mill industry being a national industry. I always maintained that there is another industry which is much more national than this, and that is the handloom industry. With regard to the handloom industry, it was found by the Tariff Board that they suffered severe competition with Indian mills. In view of the fact that the handloom industry provides a large class of people, about ten millions, with employment, and in view of the fact that it is a poor man's industry, the Tariff Board recommended that that industry should be safeguarded from the Indian mill competition. To do that, it was suggested by them that the Indian mills should agree not to enter into competition with the particular class of coarse cloth that these handlooms produce, *viz.*, counts below 18 and 20. The Tariff Board

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Report stated that the Bombay mill industry agreed not to manufacture counts below 18 in order not to enter into competition with the handlooms. My friend, Mr. Mody, says that they did not agree. But it is stated in the Tariff Board Report that they did. In the Select Committee, my Honourable friend representing the Bombay mill interests said that he was not prepared to give any undertaking not to manufacture cloths below 18 counts. Under those circumstances, it is but natural that we should ask Government to take the necessary action. Failing an agreement with the mills to that effect, the Tariff Board suggested that the Government should impose a cess. At the time when the Board suggested that a cess should be imposed upon the mill industry, the proceeds of which should be distributed among the various Provinces under the control of the Directors of Industries for the promotion of the handloom industry, the Tariff Board felt that the presence of the Indian States would be an obstacle in their way. But since then we have come to realise that that was not an obstacle to the Government, because, in the case of matches, the Government have been able to come to agreements with the Indian States. In a similar way, it is quite possible for the Government also to come to agreements with them in order to protect these interests. Under these circumstances, since none of these things had been done, I venture to submit that it is not possible for us to give the support which otherwise we would have been able to. With these words, I oppose the motion.

Mr. H. P. Mody: Mr. President, when my Honourable friend, the Commerce Member, rose to move the consideration of the Report of the Select Committee, he was warmly received by all sections of the House. I joined in the general cheering, but my real feeling was that of the gladiators of old who were condemned to die, having lost the combat, and who in their last moments turned to the Emperor's box and shouted "Hail Caesar".

The Bill before the House protects every other interest but our own. (Hear, hear and Laughter.) There is a quota of 400 million yards given to Japan because of the interests of the cotton growers. The specific duties on yarn in the higher counts are done away with in the interests of the handloom industry. The duty on art silk yarn is raised because of the manufacturer of silk, and a 15 per cent. tariff is laid on farina because of the wheat starch manufacturers. Then, of course, there are two or three fortunate little industries, like hosiery and braid, which receive a protection of their own. So far as we are concerned, we have received something in the nature of an Irish promotion. The duty on cloth which was raised as recently as June last to 75 per cent is brought down to 50 per cent. The specific duty on fine counts yarns is done away with altogether. A new duty is laid upon farina which goes into the manufacture of our textiles, and an additional duty is levied on art silk yarn. I was, therefore, right in stating that this Bill protects every other interest but our own . . .

An Honourable Member: Then oppose the Bill and reject it.

Mr. H. P. Mody: and I was rather amused an hour or two ago—or rather three or four hours ago, to be accurate,—to find my Honourable friend, the Commerce Member, at the conclusion of his speech on the last amendment, pointing a warning and righteous finger at me and

saying "Take heed: this time we are very generous to you; next time you come, we shall examine your case very carefully". It reminds me almost of a decoration which was conferred by the old Turkish Government of Abdul Hamid on the wife of the French Ambassador: they gave her the Order of Chastity—Fourth Class. (Laughter.)

I shall now get on to the merits of the case, and I shall briefly pass in review the various proposals which are supposed to be in the interests of the textile industry, but which, I hope to demonstrate, are anything but that.

First of all, taking the reduction of the duty against Japan from 75 to 50 per cent, I want to know what justification there is for it. Only as recently as June last, it was thought fit by the Government of India after a long inquiry and after months of agitation by us, that it was necessary to impose a full 75 per cent against Japan, because of the uneconomic prices at which she was marketing her products in this country; the duty has been brought down to 50 per cent, and there is not the slightest reason to think that we shall hereafter not meet the same competition that we experienced before the duty was raised. My Honourable friend, Mr. Raju, was asking a few minutes ago: "If you have got a quota, why do you want a high duty of 50 per cent?" Precisely because the quota has been raised to as high a figure as 400 million yards: I say that if you have as high a figure as that, then the one thing which is necessary to ensure that the industry is not killed by cut-throat competition is to see that the prices at which these 400 million yards are marketed are reasonable economic prices.

Next, taking yarns into consideration, I would like to say that we are actually going to get under this Bill less protection than we had in 1927. In that year, after a representation which I made when I led a deputation before the Viceroy, to which my Honourable friend, Mr. Anklesaria, referred in the course of the discussion on the motion for Select Committee, the Government of India came to the conclusion that a specific duty of $1\frac{1}{2}$ annas was necessary in the interests of the yarn section of the industry. Since that time, the industry has been handicapped by a duty on foreign cotton of $\frac{1}{2}$ anna per pound, by a depreciation of the yen to the extent of something like 50 per cent, and also by what is going to happen within the next few months when the industry will have to have a nine-hour day, a restriction, which, while we have agreed to it as a generous gesture to labour, is undoubtedly going to raise the costs of the industry. I say that if you take those things into consideration, then you cannot but come to the conclusion that so far as the yarn section of the industry is concerned, it is going to enjoy less protection than it did a few years ago when prices were far more remunerative, and competition far less keen; and in this connection I would like to ask Government whether they really wish the yarn section to live, or they want it exterminated in the interests of the handloom industry. I have repeatedly asked Government to take today's price of yarn of 40's counts. It is $10\frac{1}{2}$ annas, and I challenge anybody to say that at $10\frac{1}{2}$ annas the industry can manufacture this yarn and market it at anything but a very considerable loss.

Mr. B. Sitaramaraju: May I just ask my Honourable friend whether the Tariff Board proposed a reduction?

Mr. H. P. Mody: If you mean cloth, I have finished with it, and if you want me to return to it, I shall do so later. I am speaking now of yarn.

What I was saying with regard to yarn was that the view point of the handloom industry has weighed with the Government of India a little more than it should have. My Honourable friend, Mr. Mitra, in an earlier part of the discussion, very rightly put the whole case when he said:

"If it is the case that the handloom industry is supplied very largely by the yarn manufactured by the mills in India, then the mills have a right to a reasonable level of protection."

Now, what is the proper balance to be struck between the yarn manufacturing interests and the handloom interests? I for one would be the last person to suggest that the handloom interests should not weigh with the Government, that their claims should not meet with the fullest possible acceptance, but there must be a reasonable balance struck between the two. If you are going to throttle the spinning industry, then, in time to come, the industry is bound to do one of two things, either the spinning section of the industry dies out, or it turns its attention to the production of coarser kinds of cloth. In either case, the handloom industry is bound to suffer materially. If the spinning section dies out,—I am not going to exaggerate, I am not saying that that process is coming immediately, I say when that limit is reached, then what happens? The handloom interests have to depend almost entirely upon the foreign supplier for their requirements of yarn, and the last plight is going to be a great deal worse than the first. If there is a reasonable level of protection, then in those counts where we experience competition from foreign countries, the full benefit of protection ought to be realised by us. In the matter of the coarser counts, where the handloom weaver depends almost entirely upon the indigenous industry, the level of the internal competition will keep down prices. It is a fact which has been recognised by this Tariff Board and by the one which was presided over by Sir Frank Noyce, and which my friend, Sir George Rainy, put very clearly before us a few years ago. As I was saying, if the spinning section of the industry were gradually done to death, so to speak, then it is the grower of cotton who is going to suffer. Out of a production of something like a thousand million pounds, nearly one-third is supplied to the handloom industry, and if the consumption of Indian cotton is taken at 24 to 25 lakhs of bales a year, then something like seven or eight hundred thousand bales less of cotton will be consumed. Thus, if the spinning section is not able to exist at a moderate profit, then it is in the last analysis the cotton grower who is going to suffer. Now, my friends, when they are driven to this position, take refuge in the Tariff Board Report. I was rather amazed that this Report, which has been put on the scrap heap in respect of most articles, should be held up as a sort of Bible in respect of these very points on which the Tariff Board is adverse to us. I ask my friend, the Commerce Member, why it is that he has discarded the recommendation of the Tariff Board in respect of art silk yarn, why it is that he has reduced the period of protection from ten years to five years? Why is it that he has not allowed for a further depreciation of the yen which the Tariff Board has specifically recommended in their Report? Why is it that he has not done these and a variety of other things which were calculated to be to the advantage of the textile industry?

Then, Sir, take the case of art silk piecegoods. Here, again, I shall be very brief. The whole position is this, that these piece-goods are selling at an absurdly low rate, so absurd that it is quite impossible for any manufacturer in the world to try and emulate these rates; these goods enter into indirect competition with our finer classes of goods; they enter into direct competition with the products manufactured by the handloom interests. I want to know in whose interests have prohibitive duties not been levied on these classes of goods? The manufacturers in the factories do not produce art silk stuff except in very small quantities, but it is known that the handloom industry is producing enormous quantities of these goods. Surely, it is obvious that if you make it impossible for Japan to send artificial silk goods here, you will be directly benefiting the handloom industry, and I cannot understand why prohibitive duties have not been levied. Here is a case in which there is no conflict of interests between the industry and the handloom interests. Sir, it is perfectly true that since the duties were revised a year or two ago, Japan's sendings to this country have been reduced, but as I have repeatedly pointed out, the official figures are not to be depended upon altogether. There has been a great deal of smuggling in these classes of goods through Cutch and other Kathiawar ports, and, therefore, you must not be misled into thinking that you have succeeded in keeping down the imports of this class of goods. You must remember in this connection the enormous progress made by Japan in recent years in the production of art silk yarn and piecegoods. She stands today very nearly in the front rank among the manufacturers of the world. Even during the year, in which her sendings to India were reduced, she increased her production of art silk yarns and piecegoods. Well, it stands to reason that if she is going to be subjected to a quota in this market, if she is going to have quotas fixed in other parts of the world, then it stands to reason that her next line of attack will be in respect of art silk piecegoods. From that point of view, what possible objection had the Government of India in raising the duties to the level which the non-official advisers submitted to them a few months ago?

Coming to art silk yarn, we all know that like the ways of Providence the ways of the Government of India are inscrutable—but by what process of logic or reasoning the duty on art silk yarn has been raised from 18½ to 25 per cent, I am entirely at a loss to understand. It is supposed to be in the interests of the manufacturer of silk. But what do the Tariff Board say? The price of a pound of artificial silk yarn is one rupee; the price of a pound of real silk manufactured in India is four rupees. By raising the duty and the price by an anna, are you really thinking you are going to benefit the silk industry? It may be a small point; we may not be directly concerned with it, but I am amazed that this sort of thing should appeal to the Government of India. In whose interests is it being done? You are directly penalising the handloom weaver who uses artificial silk and you are benefiting no one. As I have pointed out, the difference between the price of the two articles is as much as three rupees per pound. The Tariff Board have given figures which would show that the cost of a sari turned out of artificial silk, two pounds in weight, is seven rupees, and the cost of a pound and a quarter weight of real silk sari is Rs. 19. Where is the parity between the two? Sir, I am not going to labour every single point, because I have still to answer all my friends who have been so kind to me all these days. So, I will conclude my catalogue of grievances by saying that,

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in the opinion of a large number of Members of the Select Committee, there were as many as eight signatories to the principal note of dissent, in the opinion of the commercial and industrial people generally, the proposals of the Government of India have failed to protect the industry. From every quarter of the country protests have gone up to the Government of India;—Madras, Mysore, Bengal, Cawnpore, Bombay, Ahmedabad, and every other centre has sent up some protest or other to the Government of India.

I shall now answer the question why it is that the Government of India have let us down. I have great respect for my friends. I have constant dealings with them,—it is my business to protect the interests which I represent in this House, though I do not go by the back door. why is it that the Government of India have chosen to let us down? Simply because there are people here, somebody on those Benches, somebody on the other Benches, somebody posing as representative of agriculturists, who has not met a real live agriculturist in his life, somebody posing as a consumer whose sole consumption of agricultural products is confined to bananas and mangoes,—who get up and talk of consumers' and agricultural interests, and the Government of India say, "This Assembly is really hostile to the textile industry, and, therefore, we must be very careful of what we do". That is one reason why the Government of India have been frightened into withholding the proper measure of protection which is due to the industry. It is also possible that the Government of India might say to themselves, "What are these people shouting about? Have they not got 50 per cent duty? A few years ago they would have been satisfied with only 15 per cent, now it is 50 per cent, and still they are clamouring". Government forget that conditions have become abnormal, and what was good a few years ago is hopelessly inadequate today. The other day in an English paper it was brought home to us what Japanese competition in the world markets meant. A woollen skirt, and the picture of a young lady clad in that woollen skirt was also given to give a touch of verisimilitude, woollen skirt ready made, sold at six pence. Where? In Great Britain, the home of the woollen industry. And the Chairman of the Textile Section of the British Industries Fair said:

"The most efficient, up to date factory in this country handling a similar article in large quantities would have to pay to the machinists alone a figure greater than the entire cost of the skirt to the public. This does not include materials, cutting, overhead or any other charges."

And he said:

"It is obvious that no tariff other than a ridiculous one of a 1,000 per cent would keep such goods off the market."

Here is an article sold at six pence in a place which cannot be accused of inefficiency. We have heard a great deal, during the last few years, of the way in which the Lancashire industry has deteriorated. Nobody has pointed the finger of scorn at the woollen industry. The woollen industry has not been charged with inefficiency, and the cost to the woollen industry for the same kind of article, of the lowest possible kind that is, would be 4s. 11d. as against 6 pence. What I, therefore, submit is that this is not an ordinary competition that we have got to consider. It is a cut-throat competition, an economic war. As to how

that economic war has been made possible, this is not the time and place to examine, but there is no question that in no other part of the world would these prices be possible. Then, there is another thing. When I contrast the very meagre, miserly doses which are being given to us from time to time with an air of generosity with the 150 per cent obtained by the sugar industry, with the 100, 200 and 300 per cent obtained by the smaller industries—and if it was 500 per cent and they needed it, I should be the first person to support it—when I contrast that with the grudging manner in which every single measure of protection to the industry has been conceded, I am astonished at the marked difference in treatment accorded to our industry. When we are boggling over a few per cent here and a few per cent there, what is the position in Japan who is now invading the markets of the world, and who, one would think, was absolutely safe behind impenetrable barriers in her own markets. There she protects her industry by prohibitive tariffs, though the justification for those tariffs is nothing like what it is in India. As I pointed out the other day—and I would like any Honourable Member to come forward and challenge that statement—duties in Japan range from 200 to 400 per cent in the case of certain classes of goods. In this connection, apart from the question of cheap labour costs, do not forget that the State is behind the industry in Japan. We have not yet reached that stage when the State is behind our industries. I will be the last man to be ungrateful to the Commerce Member for the great work that he has done during the two or three short years that he has been in charge of his important Department. He has done a very great deal, but I am stating a fact when I say that we are still far from the stage when it can be said that the State is behind industries in this country. If anybody wants to know in what manner the State is behind the industries in Japan, he can pick up any handbook on Japan and find out for himself. As I was saying, the only possible explanation of the Government of India's backsliding is that there are people in this House who pose as the champions of the consumers' interests. What are the consumers' interests? When you want to tax Australian wheat, when you have ten million tons of wheat grown in this country and only 300,000 or 400,000 tons of wheat coming from Australia, you say that the agriculturists must be protected. Of course, I say so too; I am a protectionist pure and simple, and I shall stand up for the agriculturist interests as strongly as I stand up for my own interests. But what is the position of my Honourable friends when they shout against protection to the textile industry, and want very heavy protection against Australian wheat? In whose interests are they shouting? Here is the Raja Bahadur, the Rolls Royce agriculturist. (Laughter.) I should like to see what answer he has got to give to this charge of inconsistency which I level at him and at every other Member who thinks like him? If it is good for the consumer to have everything as cheaply as he possibly can, surely, in the matter of articles which are of daily necessity, articles of food, it is very necessary that the masses in India should get them as cheaply as possible.

An Honourable Member: What about rice?

Mr. H. P. Mody: I am coming to rice.

Again, when my Honourable friends shout against the invasion of Siamese rice, well, what position are they taking up? Are they fighting

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for the interests of the producer of rice, or of the consumer of rice? I would advise all these people, who are talking from the point of view of the consumer, to pause for a moment. Today it may be my need to come to you. Tomorrow it may be your need to come to us. I shall never be found wanting in according protection.

Raja Bahadur G. Krishnamachariar: If the Honourable Member will allow me to interrupt, we gave you as much as you wanted including the Lancashire Agreement, and still you cry for more. The appetite surely increases with the eating!

Mr. H. P. Mody: Lancashire Agreement is only a side dish. (Laughter.)

Raja Bahadur G. Krishnamachariar: I thought so.

Mr. H. P. Mody: What I want is good, solid food in the matter of the competition from Japan.

Now, there is another thing. Is it really the standpoint of the agriculturists that they do not want any industries in this country, because you must remember that if you want the industrialisation of the country, you must also subscribe to a policy of protection. After all, we are in our infancy in the matter of the development of our industries, and our industries cannot stand up against the highly organised industries of the west. If you want to industrialise, the policy of protection is a necessary concomitant of that industrialisation. And is it the standpoint of my agriculturist friends that they would rather that their cloth came from Japan and Lancashire, their salt from Liverpool, their sugar from Java, their iron and steel from Belgium and Great Britain and their matches from Sweden and Japan? Is that the position that they take up?

Raja Bahadur G. Krishnamachariar: It is not.

Mr. H. P. Mody: If they adopt that attitude, India would remain agricultural. If India said "Our doors are open to any country that can supply us with goods at the cheapest rate, we are prepared to consume them", what would happen?

I now invite the special attention of my Honourable friends to some figures which I am going to give them in order to tell them what exactly the textile industry, the much despised textile industry stands for in the national economy of India. Take the Bombay mill industry which, ever since I have heard about it, was never known to be efficient, always mismanaged, always corrupt, always inefficient. This poor, corrupt, inefficient and mismanaged industry—what is its contribution to the national economy of this country? Take the year 1932 though I have got the figures of the last few years if anybody wants to see them. Take the figures for 1932. They relate to 71 mills in Bombay, which means practically the whole of the Bombay industry. In wages to the staff, superior as well as subordinate, we paid 50 lakhs of rupees. In wages to labour, six crores of rupees. Now, we did that in a year in which our own losses were more than a crore of rupees—I cannot give you the exact figure.

You can take my word for it. I have heard plenty of people talking of fat dividends and fat agency commissions. What did we give by way of dividends in a year in which we paid six crores and fifty lakhs of rupees by way of wages and salaries—eighteen lakhs of rupees.

An Honourable Member: How many thousands?

Mr. H. P. Mody: To tens of thousands; and what did the much abused managing agents get for themselves—eight lakhs and 88 thousand, and, what is more, they gave up in that same year seven lakhs and 62 thousand rupees, which was due to them for the work that they put in as managing agents. What do these figures tell? These figures say that for a bare 18 lakhs paid to the tens of thousands of investors, small and large—and mind you, the petty trader, and the petty investor is more to be found on our registers than the big investor and the big capitalist—the managing agents got only eight lakhs and 88 thousand, and labour as much as six crores. If you total up these amounts—and these records are open to inspection by any man, whether a layman or a Chartered Accountant, you will find that we have paid crores of rupees to labour at a time when our own losses have amounted to something like ten crores of rupees.

Dr. Ziauddin Ahmad: For how many years?

Mr. H. P. Mody: Right up from 1926, for seven years. I will make a present of them to my Honourable friend.

Ever since the accounts of the mills as a whole have been audited by a firm of Chartered Accountants, these figures have been available. This is what this much-despised industry means to the national economy: and if you take up the position that it is right for India, that it is necessary for our toiling poor millions that there should be no industries, that the inhabitants of this vast continent should get all their requirements from foreign countries at as cheap a rate as possible, then all these enormous contributions which one section of one industry has made in the course of just a few years would not have come about. I am sure, my Honourable friends, when they appreciate these figures, will sympathise a little more with the standpoint of the industry.

We generally hear in this connection the parrot cry of inefficiency. I do not know what efficiency means. I heard a good definition of it the other day which said, "efficiency" means "buying from a Jew and selling to a Scotsman for a profit". (Laughter.) I do not know how far that definition is correct, but what I want to submit is that efficiency is a very relative term. Efficiency depends upon physique, upon climatic conditions, upon environments, upon food and upon a variety of other considerations; and if you are going to say that the Indian industry is inefficient, then I would reply that that is inseparable from Indian industries during the infant stage of their development. In this connection, all sorts of charges have been made. I am sure, my Honourable friend, Sir Frank Noyce, must be feeling very sorry that he ever had anything to do with a Tariff Board enquiry. He has been misquoted scores of times, and he must be feeling very very sorry that he ever had anything to do with an industry like the textile industry. I daresay he never imagined that that report which he produced would fall into the hands of our present day legislators. (Voices: "Oh, Oh, Oh!") And how is the Noyce Report being used? It is being misquoted times without number.

Mr. N. N. Anklesaria: Without protest from the Honourable Member.

Mr. H. P. Mody: How many times do you want me to protest?

Mr. N. N. Anklesaria: I wanted Sir Frank Noyce to protest.

Mr. H. P. Mody: Well, Sir Frank Noyce is used to these things! if he is to start correcting every misconception, he would be doing nothing else.

Now, somebody—I think it was my friend, Mr. Joshi,—said this morning that none of the recommendations of the Tariff Board of 1927 had been given effect to by the millowners.

Mr. N. M. Joshi: I did not say "none", I said "several".

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Mr. H. P. Mody: And when I said, "point out", he said "I will do so a little later on".

Mr. N. M. Joshi: I can do it now.

Mr. H. P. Mody: You can do it in your turn; I have got plenty of other things to do. (Laughter.)

What I was saying was that the Noyce Committee Report made many recommendations. Now, I do not think my Honourable friend himself will say that everyone of his recommendations should of necessity have been given effect to by the industry. There are certain recommendations which are in the nature of a counsel of perfection. There are others which are not immediately practicable because of so many other considerations, but I challenge anybody to say that the Noyce Committee recommendations were not given effect to by the industry to as large an extent as it was possible for it to do. It may be that particular recommendations could not possibly be given effect to, but taking the Report as a whole, it is perfectly true to say—and I challenge contradiction from any part of the House—that most of those recommendations have been given effect to.

My Honourable friend, Mr. Joshi, naturally fastened upon something which was said in the Noyce Report about our not having done enough in the matter of housing our labour. Does he realise that we in Bombay have done far more for our labour in the matter of housing than any other manufacturing centre has done, not only in India, but in most other countries? Go anywhere, go to Lancashire, do they provide houses there? It is the duty of the State, and yet many millowners individually have spent lakhs and lakhs of rupees in providing houses for their workpeople, charging absolutely uneconomic rates which do not yield to them even two per cent on their capital. Over and above that, the industry paid directly for the large housing schemes which were launched in Bombay by Lord Lloyd. We paid at the rate of a rupee per bale of cotton. In other words, we directly contributed in financing an obligation which primarily rested upon the State. Who did that? I ask my Honourable friends whether they can point to any other industry where housing has been undertaken by the employer, and where it has not been regarded as part of the obligation resting upon the State.

Mr. B. Das: What about Jamshedpur where the employers supply all the houses to labour?

Mr. H. P. Mody: Sir, if Jamshedpur has done that, all credit to it. Jamshedpur was practically a desert, it had to be made into a manufacturing town, and, of course, houses and hospitals and everything else had to be provided.

Diwan Bahadur A. Ramaswami Mudaliar: And protection.

Mr. H. P. Mody: Then, as regards the amalgamation scheme which has been referred to, read the Tariff Board Report and tell me, after you have studied it carefully and impartially, whether it finds fault with us or with circumstances largely beyond our control for the failure of the scheme. We were perfectly in earnest about it, we did not flirt with the idea, we paid for it out of our pockets, we sent for an expert and spent a large sum of money in having the most perfect investigation. Government were not in a position to help us, and if, because of that and other reasons, the scheme failed, the fault ought not to be laid at our door.

The managing agency system, too, has been charged with all sorts of things. What is the justification for it? The Tariff Board say:

"No part of the individual irregularities to which we have referred in this Chapter is included in the burden which our proposals may place on the country. Nor do such irregularities represent the normal conditions now prevailing in the industry. In the majority of the mills whose costs we have examined and which may be regarded as representing a normal standard of efficiency, it cannot be said that the expenditure incurred under those items of cost such as insurance charges, office expenses and supervision which directly reflect the efficiency of the managing agent are unreasonable as compared with similar expenses in the cotton textile industry in other countries."

Where do my Honourable friends find that the managing agency system is corrupt and inefficient? We do not say we are perfect; certainly the managing agency system requires to be controlled and regulated, and we welcome just as much as my Honourable friends the assurance given in the Select Committee by the Chairman of that Committee, and on the floor of the House by the Honourable the Commerce Member, that the revision of the Companies Act is under contemplation. When that happens, the managing agency system will come under review and will naturally receive the attention which it deserves. By all means, whatever fault you find with the managing agency system, you may try to regulate by law. We have no quarrel with that, but to go on clamouring about the managing agency system as an undiluted evil, I say, is to indulge in wild and unjustified talk.

There is one more point, and that is that evidence was withheld. Who withheld it? The Tariff Board specifically states that "so far as the Mill-owners' Association of Bombay is concerned, it gave every possible assistance".

Mr. N. M. Joshi: You are not the whole industry.

Mr. H. P. Mody: We are; we are representatives of the whole industry in the sense that we have got membership all over India, and that we control 45 per cent of the spindles and looms in this country. We represent in every sense of the word the whole industry, but the reason why individual

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mills or individual Chambers of Commerce were not able to satisfy the requirements of the Tariff Board was because those requirements were of too exacting a character, and not easy of fulfilment. From my own personal knowledge of the way we were asked for information, I can say that enormous masses of statistics had to be compiled. We have sweated at it for weeks and months, and I at any rate should know how difficult it is to satisfy the requirements of the Tariff Board; and, I repeat, it is not possible for an isolated mill or Chamber to supply the figures which the Tariff Board required. It may be some people contumaciously withheld information, but that is not to say that the industry as a whole was wanting in frankness.

Turning once again to the question of efficiency, might I ask the agriculturist interests,—“well, are you efficient, are you making the lot of your cultivator any happier than it has been for ages”? You can't do it, of course, by moving about in Rolls Royces. (Laughter.) Are you enabling the cultivator to grow two blades of grass where one grew before? What have you done to free your cultivator from the clutches of the money-lender? What have you done for the co-operative marketing of his products and for the buying of his necessities? Would it be proper on my part to say that?

Mr. N. M. Joshi: Why not?

Mr. H. P. Mody: This charge of inefficiency is only reserved for industries. I now come to my friend, the Labour Leader. He seems to be a little touchy about my reference to his peregrinations to Geneva and to Round Table Conferences, and, as a Royal Commissioner, in all sorts of capacities. I have too great a respect for my Honourable friend to mean it as an offence, but I will say that the energy which my Honourable friend expends in attacking millowners, in attacking the Honourable Member for Industries and Labour and in attacking everything under the sun, if he were to reserve a part of that energy and apply it to the amelioration of the lot of the labourer and to establishing a closer and more harmonious contact between him and his employer, I think he would deserve well of the country. But my Honourable friend is unfortunately potent only for mischief; he does seem to have any powerful influence in the matter of the amelioration of labour conditions. I do not mean to be offensive.

An Honourable Member: Is it a compliment?

Mr. H. P. Mody: Certainly not, it is not intended as a compliment either. Take this question of the standardization scheme on which my Honourable friend had a little argument with the Member for Labour and Industries this afternoon. What has he done for the standardization scheme? At an enormous cost to ourselves, and after months of labour we produced a scheme for the rationalisation of labour. That scheme was sat upon for months by a Committee presided over by a High Court Judge. That scheme was pronounced reasonable, and various amendments were suggested in the scheme in order to make it more acceptable to labour. We accepted those suggestions and we tried to make the scheme as acceptable to labour as we possibly could. What happened? When we produced it before the labour leaders, they would not have it. I want to ask a direct question to my Honourable friend. What was he doing on that occasion? Here was a scheme which was to be of considerable benefit to the industry as a whole. It would have helped the employer to reduce his costs. It

would have helped labour, by putting in more work, to earn more wages. It was a scheme for the benefit, both of capital and of labour. What steps did he take to make it acceptable to labour?

Mr. N. M. Joshi: May I ask my Honourable friend when he actually reduced wages in Bombay, did he place the reduction before the labour leaders?

Mr. H. P. Mody: Where are the labour leaders?

Mr. N. M. Joshi: Did you consult any one?

Mr. H. P. Mody: Whom should I consult? I am sorry if I am detaining the House, but I am dealing with a subject which is of considerable importance, at any rate, to the interests which I represent, and I beg of my Honourable friends to forgive me; I do not often inflict myself upon them. He has put a direct question as to whom I should consult. Prior to the general strike of 1929, several Labour Unions existed in Bombay. The Girnikamgar Union had the largest membership of all. It claimed 70,000 members. My Honourable friend, Mr. Joshi's Union had a membership of a few thousand, and there were one or two other Unions which had a membership of a few hundred each. When we realised that we were dealing with a communist organisation, and that its threats could not be tolerated any longer, we said: "We call the bluff". When we did that, and when the strike of 1929 ended, what happened? The Girnikamgar Union was snuffed out of existence, and my Honourable friend, Mr. Joshi instead of rising up on its ashes, was also hurt in the process and his membership dwindled to a few hundred. Thereafter, I have personally made dozens of attempts to find somebody who could organise labour on Trade Union lines and to whom we would have given our fullest co-operation. Mr. Joshi was *non est*, and the other Unions were not in existence, and yet my friend. Mr. Joshi, now asks me whom I consulted before the reduction of wages was brought about.

Mr. N. M. Joshi: My point is that if you did not wait for the approval of labour in reducing wages, why did you wait for the approval of the labour for the standardization scheme?

Mr. H. P. Mody: Because, at the time the standardization scheme was in existence, there were labour unions whom we could consult; at the time, when wages had to be reduced, there was nobody to consult.

Coming to the question of labour costs, I would ask my Honourable friend to remember what the Tariff Board themselves have said. They say that the labour cost per loom per day of grey cloth is over three times the cost in a Japanese mill. Now, my Honourable friend affected to fall in love with Japan.

Mr. N. M. Joshi: I?

Mr. H. P. Mody: Yes. The Honourable Member lectured the Government upon their not providing compulsory education.

Mr. N. M. Joshi: That is what the Tariff Board say.

Mr. H. P. Mody: I presume that everything else done by Japan has my Honourable friend's sympathetic approval. Now, what is the position in Japan? Take the two years, 1926 and 1933. In these years, the wages of spinners were reduced by 38 per cent, and their efficiency went up by 57 per cent. These are the figures given by a responsible Japanese. In that same period, the wages of weavers were reduced by 22 per cent and their efficiency went up by 127 per cent. If my Honourable friend, Mr. Joshi, were to go to Japan, he would receive a very short shrift there. At any rate, he would not be sent on Royal Commissions, and he would then find out exactly what it is to be under the protective shelter of my friends on the opposite Benches.

Now, Sir, there is just one point which I want to make and that is in connection with the quota to Japan. If it is in the interests of the agriculturist, we have no more to say about it. But I say to Government, pray see to it that the quota is not totally nullified by exports to Indian State ports. The Japanese houses are doing business today through Cutch and other Kathiawar ports. What are the Government of India doing about it? The quota for four hundred million yards was to be applicable to the whole of India, and if you are going to allow thousands of packages to go to Cutch and other Indian State ports, you are completely nullifying it. You are putting the Indian industry completely at the mercy of Japan. Business is being openly booked; I have myself seen circulars from Japanese firms asking Indian firms to try and book for non-Indian British ports. I ask my Honourable friend's serious attention to this problem, which is of a very grave character. I have repeatedly adverted to the effects upon the finances of the country and upon the trade of Bombay. Today I attack that problem from the point of view of textile interests, and I hope immediate action will be taken.

Sir, somebody, with a sense of humour, which was, I am sure, unconscious, said that we were the favourite wife of the Government of India. I do not think we were ever that, but if it were ever so, I can tell my Honourable friends that now we have been actually driven out of the *Zenana*. (*A Voice*: "Not entirely.") Altogether. We have not only been deposed from our position of a favourite wife, but we have been turned out of the *Zenana*. But we are going to knock continually at the doors of Government to be re-admitted to favour. In spite of the warning of my Honourable friend, Sir Joseph Bhole, and in spite of the agitation of my Honourable friends, on this side, I am not going to accept this Bill as the last word on the subject. I shall go on knocking and knocking until the door is opened. I am hoping that when a case is made out, the Government of India will not be frightened about giving the protection which is due to us, not only from the point of view of the enormous interests we represent, but also from the point of view of the needs of the industry. We in Bombay have made enormous losses. Somebody said today that Ahmedabad had been making 80 per cent and 50 per cent profit. Will it be interesting to my Honourable friends to know that even in the palmy days of Ahmedabad, according to the figures submitted to the Government of India, their return on capital—when I say capital, I mean the capital invested in the industry,—was no more than 3 to 4 per cent? I say that I hope that when we approach the Government of India, they are not going to say, "we have already listened to your case and fully discussed it, and we are not going to listen to you any further". I

venture to submit with great respect that it is the business of the Government of India to listen to any representation that is placed before them, and to judge it on its merits, and come to a conclusion. I ask my Honourable friend to tell us whether, when he finds that the industry still stands in need of protection, he will give us a sympathetic hearing. Remember that it is a national industry, national in every sense of the word. I appeal to my Honourable friends not to criticise in a carping spirit, but to try and appreciate our point of view a little more closely, and if they still think there is room for condemnation, let them condemn us. (Applause.)

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, my Honourable friend from Bombay spoke with the eloquence that a post-prandial occasion naturally develops. He went for the Government, he walked into Mr. Joshi and I do not know whom he spared, not even the Rolls Royce of the agriculturist Raja Bahadur. Rolls Royce and an agriculturist may sound a paradox, but in this land of agriculture where we have zamindars and landlords even the industrialists are occasionally tempted to view with pardonable envy the profit that could be made through agriculture. My Honourable friend, Mr. Mody, made a fighting speech as he would have made if we had declared what he considered an "economic war", that was the language which he used, "economic war". Sir, we are not anxious to declare an economic war, on the contrary we want economic peace and as I believe that we are not today hearing wardrums throbbing, but the piping notes of peace, we cannot have a better move than the Government of India have made. On the one side, there is my Honourable friend, Mr. Ghuznavi, talking for the consumer, talking for the masses and speaking with the right that a free-trader certainly has of questioning the wisdom of piling Ossa upon Olympus and that upon Pelion as we are doing by way of protection. The free-trader has every right to ask, have not our people the right to buy in the cheapest markets? There is the Scylla of the free-trader, and I blame him not and then we have the Charybdis of excessive protectionism saying, is this adequate protection? My Honourable friend, Mr. Mody, used the expression deliberately, I hope, "we have been let down". Thus the Government of India have to steer clear of the two extremes, the extreme free-trader on the one side and the protectionist extremist on the other. Sir, on all such important occasions, the extremes meet!

There is hardly any difference on this occasion between the absurd claims put by the protectionist and the necessarily mass claim put by Mr. Ghuznavi. If our industries are going to depend upon crutches, if they are going to ask for protection and more protection and still more protection, they may take it from me, there will be a revulsion of feeling against the protectionist. I may tell Mr. Ghuznavi that it will be a very long day before India can have free-trade. No, India resembles the United States of America in her vast population, in her thrifty population and in her enormous industrial wealth. The Government have not adequately tapped that industrial wealth, much more remains to be done and when our industrial wealth is developed, not in the way in which they have been developed following the western way. India would be a marvel in the industrial world and she should be able to work miracles in the industrial world. For our labour is cheap, our resources are great and we cannot

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only depend upon ourselves, economically speaking, for everything that we want, we can also provide as we did, in days gone by when the chemical or the mechanical age had not been upon us, our cloth for the whole world or a good part of the world. The tragedy about the Bombay industry—there is no use in the chuckler praising his own leather—the tragedy is this. They have been every time trying to run a family and run an industry simultaneously. A sort of *stasis*, as it were, has developed in that industry, they are eaten up by their own internal inefficiency. The Bombay industry can no longer be called an infant industry. It is suffering from what my Honourable friend, Mr. Raju, called, some infantile disease. It is time that the Bombay industrialists applied mercurial surgery to their own industrial disease and cured themselves internally, so that they would be able to take their proper place in the industrial world. For how many years have they not asked for protection? Today, when the Honourable the Commerce Member gives protection in spite of the protest of the free-traders, in spite of the questionings from those who think that way, here is an Honourable Member from Bombay who stands up and says: "you have let us down". If the Honourable the Commerce Member has let down the industrialists of Bombay—he (Mr. Mody) used very frivolous and flippant language—a representative of Bombay should have used at least more responsible and more restrained language,—probably the occasion being post-prandial he let himself go.—if the Honourable the Commerce Member can be described as having let down the Bombay industries, how much more can the free-trader say about the Commerce Member? Sir, I am not here to praise the Commerce Member. He has kept to the middle of the road. The golden mean is always good on these occasions. India needs protection from foreign competition.

And now I come to the observation of Mr. Mody about yarn. He said he was not spinning yarns, but he was trying to bridge a yawning gulf as it were between the handloom industry on the one hand and his raw material on the other. The Bombay industrialists are like frogs in a well and that is the tragedy about them. I wish they would change their well for the ocean. Whenever the question of handloom is taken up, the Bombay industrialist will tell you: "Sir, we are not producing sufficient yarn for the handloom weaver? It is we who produce all these yarns and why should the handloom weaver depend upon foreign yarn". The moment there is no competition of foreign yarn, you know what these spinning mills will do. They will raise the price and the poor handloom weaver will be at the mercy of these great *swadeshi* patriots. Where the claims of handloom are concerned, I know that just as the sugar factory people want the death of the *khandsari* people, even so these millowners would slowly poison the handloom industry. They look upon the handloom industry as a rival, and if they had not looked upon it as a rival. I am certain the Honourable gentleman who speaks for the bulk of looms and spindles in this country, the Honourable gentleman who represents one of the most important industrial organisations in this country, would not have so vehemently denounced the present duty on yarn. He wants prohibitive duties, so that he can put his pistol to the head, as it were, of the handloom industrialist. No, Sir; healthy competition is necessary, and I am glad that the Government of India in committee have very carefully examined this matter, and, after examining the matter carefully, decided what a patriotic Government in a self-governing India would decide.

Sir, I must not make a long speech. The Honourable Member referred to the lesson of Japan. I think some day the Government of India will do more and more what the Japanese Government have done for Japan. I hope they will also take into consideration the development of Indian industries according to the conditions in India. I do not want a multiplication of mills. The Honourable Member who spoke before said: "We have done so much for the housing schemes in Bombay." If he reads the Census Commissioner's report, he will find that there is something in Bombay described by the Census Commissioner as "worse than hell": What is it? The *chawls* of Bombay. That is a bye-product of these mills. We do not want this westernism. I would rather go back and replan the industries of our country. I would rather have small mills scattered over the country, dotting every Province, serving a group of villages. We do not want these monster mills. That is not the way for us to compete with the west. Sir, each nation has made its choice, industrially, economically and agriculturally. India too has made her own choice. We are first and last an agricultural people and that has been the greatness and the glory of India. But the fact that we were an agricultural people did not prevent us from having an industrial life. Time was when the products of Indian handlooms found a welcome mart in the oriental and occidental world. If there had been tiny rivulets in the past, mighty deluges are coming and none can resist them. But we must replan our industrial life; we must have rural factories in India, so that when our agricultural people have no employment, they will find that employment in these rural factories. Therefore, let us say good-bye to the era when we have been feeding and overfeeding the mills. You know what is the result of this overfeeding. Indigestion; and when indigestion affects the head, there is an improper judgment of the work that is rendered, the work that is done. Sir, Mr. Mody said: "This Bill protects every industry except our own." It used to be said of the Liberals in England, specially in the days of their downfall, that the Liberals loved every country except their own. All that I can say is this that if this Bill protects every industry except our own, it must be rejected. But as we think that this Bill gives substantial protection to our industries, I say this Bill should be passed. Here I would give a warning and a definite warning to those industrialists who want more and more protection. I will warn them that they will not get much more protection than they have got. They have got to make up their minds to compete with east and west, with Japan and England alike, on equal terms. And if they are not prepared to contend on equal terms with east and west alike, they will go to the wall. If Japan can produce cheap things we ought to be able to produce fairly cheap, if not so cheap, and durable things. If England can produce fine things and if we cannot produce them, we must give them fair terms to bring them to our country. For instance, take counts above 60. Do we produce that yarn? We do not. But if you begin to discuss in committee whether a duty should be put upon it, you will find that some people will say that a duty should be put upon it. In this world, which has shrunk, there must be economic arrangements and economic programmes more interdependent than independent. We are now in a world where we have to depend upon each other, and it is in that interdependent spirit that the whole scheme of the future will have to be developed. Mr. Mody wanted heavier duties against Japan and when the Mody-Lees Agreement is developed in future, if somebody else on anti-imperialist or political grounds comes forward and says that he wants heavier duties against England, will he agree to it?

[Mr. C. S. Ranga Iyer.]

There is no use taking a fierce and warlike view of things. We have to look at it first from an Indian point of view; we have to look at it next from an imperial point of view, because India is a part of the Empire. If England can buy our cotton, we will buy their goods; let there be no mistake about it. And the advantageous position that Japan has today is that, next to our mills, Japan is the largest consumer of our short-staple cotton. That is the advantageous position that Japan has today. If England is prepared,—and there should be propaganda in England and negotiation with England for that purpose,—if England is ready more and more to take our cotton, there is no getting away from the fact that we will give England nearly as good terms as we are giving to our industries. I say nearly as good terms, because the first consumer of our raw cotton is the Indian mills. Therefore, they get the first concession. I am going to look at the whole thing from an agricultural point of view. I am glad the Raja Bahadur gave that lead, and I can assure this House that an agricultural party has come to stay not only in this House, but in this country, and the Bombay millowners will have to reckon with this reality whether Mr. Mody likes it or not, for the agriculturists have every time been exploited, the agriculturists have every time been sent to the wall, whereas the industrialists have been spoon-fed, spoon-fed against England, spoon-fed against every other competitor.

If these industries, after so many years of spoon-feeding, cannot stand upon their own legs, then I can say, down with our mills. We do not want these mills if they are going to be a white elephant in our land. If they cannot be economically self-dependent, if they cannot be efficient, if they cannot meet on equal terms their foreign competitors, then we have no use for these mills and we will have to develop a new era of industrialisation, building up rural factories more suited to the genius of our race where 90 per cent of our agricultural population will find work for six months in the year when they have no work in the fields. The whole of India's future has to be reconstructed. I am not enamoured of these mills; I am tired of these mills coming and crowing and groaning in this House: "Oh, you have let us down!", when we have given in my opinion the maximum amount of protection that can be given. Does Mr. Mody want a prohibitive tariff wall? Does he want to prohibit foreign goods coming into this country? Then, how does he propose, I want to know, to raise money? We want money; there will be no customs revenue. He wants a prohibitive tariff wall, and then he will be opposed to an excise duty. Sir, it is all well and good to talk like an enthusiast, but sometimes even an enthusiast must have some sense, some recognition of the realities. He said the view-point of the handloom industry had been weighing with us more than it should. I say the view-point of the handloom industry will have to weigh more in future than it has been in the past. There is such a lot in Mr. Mody's speech to answer. Mr. Mody said that the spinning section will die out if sufficient protection is not given. We know "death lays its icy hands on kings". But I am pretty certain that the Honourable the Commerce Member has not put the icy hand of death on the millowners, the cotton kings of Bombay. On the contrary, I thought he had breathed into them a new life and so I was a little disappointed when Mr. Mody did not recognise this fact. Probably I must not take Mr. Mody seriously; he himself did not want to be taken seriously; he said "Surely, I did not mean that"

I know he did not mean that; he wanted to make a fighting speech; he found his colleagues going to sleep and he roused them from that sleep by his rousing eloquence and we should leave it there.

Sir, I have only to congratulate the Honourable the Commerce Member and say that the Government are not frightened, as Mr. Mody said, by the clamour of the agriculturists. Yes, he is not frightened by the clamour of the agriculturists. On the contrary, he is beginning to realise that there is also an agricultural party in this country. The speech of Mr. Mody showed clearly that he also recognises that the agricultural party is growing in strength and the agricultural movement is growing in volume; and, therefore, he spoke with passion; he spoke with feeling; but, I am sure, when he wakes the morrow morn, he will find that the agriculturist is a great friend of the industrialist, for the agricultural and industrial interests are intertwined: the agriculturist depends upon the industrialist and the industrialist depends upon the agriculturist, and, therefore, there is no use trying to decry the agriculturist: it is as good as trying to put out one eye considering that it is a rival of the other eye. What we want is a clear vision on the part of the industrialists, a large vision; and if they see visions, I am sure, they will also dream dreams as the hour is late. (Applause.)

Sir Abdur Rahim: Mr. President, at this hour it is not expected that one should make a speech dealing in detail with the various points which have been raised by my Honourable friend, Mr. Mody. Mr. Mody, I believe, belongs to the same profession as I do, that of law.

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

He should have realised that it is bad policy and against the rule of etiquette of our profession for an advocate to defend his own cause

The Honourable Sir Brojendra Mitter: When one advocates his own cause, he has a fool for his client.

Sir Abdur Rahim: I do not want to make that point against my friend. Mr. Mody spoke naturally with considerable heat and passion. If I may say so, he ran amuck. He did not spare the Government, although he admitted that he has frequently to go to them in order to seek protection at their hands. He did not spare the Honourable the Commerce Member and he did not spare even the Assembly. I was pained to hear from him that he charged the Assembly with being hostile to the interests of the textile industry. It was the Assembly that has always supported the policy of protection. But for the support of the Assembly, the textile industry would have been no-where by this time. It was wholly uncalled for on the part of my Honourable friend to charge the Assembly with being hostile to his interests. He has told us that this Bill protects every interest, but his own, that this Bill has let him down very badly and he does not know and he cannot imagine the reason why he has been treated in this way by the Government. We on the other hand have always tried to give such help as we could to this industry so that the industry may stand on its own legs. He has told us the way that the textile industry of Bombay has contributed to the wealth of India, has in fact kept us all alive: he said that they lost or spent hundreds of crores in various ways and in that way

[Sir Abdur Rahim.]

added to the national wealth of India. I wish he had given us the other side of the account, how far the public of India have contributed by way of protection for the upkeep of this industry. If he had told us that, I think he would have found that it is not the public that is a debtor to the textile industry of Bombay, but that the textile industry of Bombay owes a great deal to the public of India. I do not think it would be advisable for me to criticise Mr. Mody's speech, which I think it is very unfortunate that he should have delivered at all, because he is too much interested, too much personally concerned in the matter.

We are for protection, and, from the very beginning, we have supported the principle of this Bill. But all that we have demanded is reasonable guarantees on the part of the Government that the industry should not cost the public more than is reasonable, that we should not be asked to bear more and more sacrifices and go through greater hardships than what is really demanded for the protection of the industry. The Tariff Board Report pointed out various ways in which the efficiency of the industry could be improved and we asked for an assurance from the Honourable the Commerce Member that he would take the necessary steps to carry out the recommendations of the Tariff Board. I pointed out that although we repeatedly asked for such assurance—and not only I alone, but many Members on this side of the House—he failed to give us any assurance on that point. At last he referred us to one sentence in one of his speeches and that was this: that the industry has yet a long way to go before it can be self-supporting. Is that the sort of assurance we wanted? What does it mean? It means that the textile industry will be in need of protection for an indefinite period of time. That is all that this sentence in my Honourable friend's speech means. It does not mean that the Government are going to take steps in order to see that the efficiency of this industry is increased, that the burden on the consumers will be limited to a certain period of time, to a reasonable period of time. By assurance we understand a promise, a promise to take certain steps in certain directions. All that my friend has told us is this, that the industry has still to go a long way before it can be self-supporting. That is not an assurance. We have not yet got any assurance from my friend. We are asked to support him in this measure without being told that the Government have realised that there are matters which require a remedy and that the Government are prepared to supply that remedy, that the Government are prepared to bring a Bill before this House by which some of the defects, at any rate which have been pointed out by the Tariff Board could be remedied.

Sir, the Finance Member in his speech on the Budget said that as regards the effects of the Textile Bill on the revenues of the country, the Commerce Member would deal with it when this Bill was placed before the House. Has the Commerce Member yet told us what the effect of these protective duties will be on the revenues of the country? Supposing the measure becomes effective, supposing the protective duties operate in the way in which they are intended to be, has the Commerce Member told us what it will mean in the loss to the revenues of the country? If the the loss to the revenues of the country is great, who will bear that loss? Sir, during the life of this Assembly, year after year, taxes have been piled upon us, either direct or indirect, and these protective duties

are an example of indirect taxation. Surely, if we ask for some prospect of relief, if we ask for an estimate of what this conditional taxation will mean when the protective duties are levied upon goods which are practically necessities of life is that unreasonable. Sir, the Commerce Member has not responded at all to our request. He has not as yet given us any estimate of what the financial effect of these duties will be. He has not told us what the burden on the consumer will be; and by how much will the prices of these articles go up. Surely, he has been told repeatedly that the purchasing power of the people has declined and is still declining. How does he expect that these additional burdens on the consumer could be borne by him? When we ask all these questions of the Honourable Member in charge of the Bill, he pays very scanty attention to our request.

Now, let me say one word as regards the Indo-Japanese Pact. I should like to know if the Honourable Member will be pleased to enlighten us even on the Third Reading if the Indo-Japanese Agreement has yet been signed. He assured us that the signature which was to be put to it in London was a mere formality. May I ask, why is this formality taking such a long time? Is it a mere formality? I saw in the papers only yesterday that something has happened, that a legal difficulty has arisen. Has the Honourable Member taken us into his confidence in that matter? Is this or is this not a fact—we only go upon the reports in the press,—but is it or is it not a fact that some sort of difficulty has arisen? The Honourable Member has not chosen to take us into his confidence in this matter.

My friend, Mr. Mody, has repeatedly asked the Honourable the Commerce Member, why is it that his industry has been let down in this way? In whose interest, then, has this protection been levied? Surely, Mr. Mody himself ought to be in a position to answer that question. He entered into agreement with the representatives of Lancashire which is a formidable competitor to his own mills. Sir, I wish to read a few passages from the debate in Parliament which is reported in the Journal of the Parliaments of the Empire, Vol. V, No. I of January 1934. Comment will be unnecessary. I simply wish to read those passages from the summary of the debate in the House of Commons. The debate took place in November, 1933, on the address to the Throne. This is what Mr. Lansbury, the Leader of the Opposition, said:

"The great basic industries of the country were, if anything, in a worse plight than two years ago. . . . Their whole policy and performance must lead to economic war, which ultimately led to the other kind of war."

Sir Herbert Samuel, the Liberal Leader, says this:

"While their imports from Canada had increased by 10 per cent, their exports to Canada had shown no appreciable increase since Ottawa. That was largely owing to the influence of crushing tariffs upon British goods which had been imposed in Canada by the Bennett Administration."

Then Lieut. Commander Astbury, Unionist, says this:

"He referred to the perilous state of the Lancashire cotton trade and pointed out that the Japanese were producing 75 per cent below the actual cost of production in Great Britain."

[Sir Abdur Rahim.]

Then, I come to the reference to the Japanese competition in the Indian market. Mr. Runciman, the President of the Board of Trade, says this:

"The Agreement with the Bombay millowners under which a Preference to United Kingdom goods were accepted as a fair and desirable principle, undertook not to object to a reduction of duties on Lancashire goods from 25 per cent to 20 per cent when the finances of India would allow of it."

Then, further on, he says:

"The whole situation has since been profoundly modified by the development of Japanese competition in the Indian market. That has led to denunciation by the Government of India of the Indo-Japanese Commercial Agreement and negotiations for a new agreement were proceeding in India between the two Governments."

Then, Mr. Proctor, who is also a Unionist, makes the whole position quite clear. He says this:

"Serious alarm was felt, not only in Lancashire and the Empire, but throughout the Western world, lest the standards of life of the white people, or the amenities they so much valued, should be lowered or destroyed because of Japanese competition."

Then, he goes on to say:

"Such a committee could lay before them a scheme for the utilisation of Indian raw cotton and thereby remove the moral claim which India had to a share in the Indian market."

That is to say, Lancashire should buy raw cotton in order to destroy whatever claim India had, that is to say, Indian textile industry had to a share in the Indian market! That was the position that was taken up in Britain with reference to Japanese competition in the Indian market. Throughout the debate I do not find any speaker in the House of Commons saying one word about the necessity of protecting the Indian textile industry in India itself. Their concern was that their trade with India should not suffer owing to Japanese competition, and not to see that there was any need for protecting Indian textile industry from Japanese or any other competition. I do not blame Lancashire for that. They are perfectly entitled to protect their own interests. Only it is our concern to protect our interests from outside competition, from whatever quarter it may proceed. I do not wish to say anything more about this agreement with Lancashire. It has been embodied in this Bill and I do hope that it will produce beneficial effects on the Indian textile industry. Only one question perhaps my Honourable friend, Sir Joseph Blore, might answer, and that is this. Would the Indian mill industry have received any protection if preference had not been given to Lancashire? It is well known that on a previous occasion protection would have been refused and the Honourable Member in charge of the previous Bill would have refused to give protection to the Indian textile industry unless at the same time preference was given to Lancashire. I for one have no prejudice against English goods coming into India. As a matter of fact, I know that English goods, at any rate, of many classes are superior to similar goods from other countries and I for one should not like to see English goods shut out from India. But that is not the point. The point is, how far this Bill will protect our industry which is its professed object. We know that Lancashire is trying very hard to use short staple cotton, and they are adjusting their machinery for that purpose. I take it they are doing that

in order that they could produce goods which will be able to compete in the Indian market. In so far as Lancashire is buying Indian cotton, it certainly will benefit the agriculturists of the country. But to say that the Indian textile industry is going to benefit by these measures or by preference is something which we cannot understand. Let us face facts squarely. If it is true that, without giving preference to Lancashire, our industry would not get protection, say so, we may bow to the fact. But don't say that preference to Lancashire is for the benefit of the Indian industry which it cannot be. A Bill of this nature has so many factors to deal with that it is almost impossible for any one to foretell the results. I believe my Honourable friend, Mr. Mody, was quite in earnest when he said that, according to his reading of the situation, the Bill did not give his industry protection enough and that with this protection he will not be able to meet Japanese competition. He wants greater protection, much higher tariff. I ask this question. If he really means what he says, then the Bill will not serve its professed purpose. You will not be protecting the textile industry of Bombay or anywhere, while, at the same time, you will be heaping a heavy burden on the consumers and the tax-payers. It is too late now to question the principle of this Bill. If Mr. Mody had made his position clear in the beginning that this Bill is of no use to him, very likely we would all have joined him in negating the Bill at the very first stage. But, Sir, we have admitted that, having regard to the position and all the circumstances, we are not prepared to withdraw a certain measure of protection though we think that the period of protection should be limited to three years which gives quite enough time for the industry to put its house in order and to take measures by which it can stand competition with foreign countries. Three years we say is quite enough. On the whole, we should have been prepared to give our support to the Bill, but we feel that the Government have refused persistently to place us in a position in which we can judge for ourselves whether we are taking the right step or we are going to take a step which will needlessly increase the burden on the tax-payer and the consumer without benefiting the industry at all. Sir, I had suggested to the Commerce Member that he should give us a definite assurance that he was going to bring forward proposals by which the impediments in the way of the industry functioning efficiently in Bombay should be removed. But, as he has refused to give us that assurance, we have no option left but to oppose the third reading.

Mr. K. C. Neogy: I feel that I would not be justified in claiming the attention of this House for more than a very few moments at this late 12 Mid hour. Those of us that stand committed to the principle of Night. protection also feel that we are being asked almost at the point of the bayonet to assent to the present measure howsoever we may dislike some of its features.

Sir, at the second reading, while explaining the attitude of myself and my friends, I stated that I would not stand in the way of the Bill going to a Select Committee on the express understanding that we do not stand committed to the principle of preferential rates which were being proposed for the benefit of Great Britain. The proceedings of the Select Committee, in so far as they are available to us, indicate the utter helplessness of our position. There is at least one minute of dissent which has pointed out that the question of Imperial Preference underlay even the Japanese Agreement, that is to say, although the question of preference for Great

[Mr. K. C. Neogy.]

Britain did not directly arise in connection with the negotiations with the Japanese Delegation, that was understood to be one of the basic conditions of the negotiations with Japan. That is what I find in one of the minutes of dissent. It seems to me that although officially the Lancashire Delegation had no part in the conversations that were being carried on between the representatives of India and Japan, the Lancashire Delegation which was hovering in the background exerted a considerable influence on those deliberations, and it is, therefore, too late in the day to amend the measure in such a way as to take out the preference which has been provided for the benefit of the United Kingdom. But those of us at least who remember the fight that was put up by the Non-Official Members in 1930 on a similar issue cannot possibly be an assenting party to such a proposal.

My Honourable friend, Sir Abdur Rahim, raised the question as to whether if we were not to accord such preferential treatment to Great Britain, we would be permitted to pass any measure of protection for the benefit of the home industry. I have a vivid recollection that in 1930 when, in connection with the Cotton Textile Bill of that year, we were discussing the details of the fiscal autonomy convention, it was pointed out by our present President that the consideration for that measure enabling us to protect our own home industry was preference to Great Britain; and he implied that it was a legitimate price that Great Britain expected us to pay for that privilege. I am merely giving the substance of what the present President said on that occasion and not quoting his exact words. It is no use hiding the fact in this particular matter, but apart from any question of political sentiment, such a measure of preference in favour of Great Britain is undoubtedly likely to hit the interests of the home industry which we are anxious to protect. One has only to read the observations in one part of the Tariff Board Report to realise how effective the competition from the United Kingdom has of late been in the textile market of India. The Tariff Board pointed out that it has been possible for Great Britain to sell certain stuff which we produce in India in competition with Japan in the Indian markets and that particularly in the region of the middle counts such competition is very effective. Now, Sir, it is our fear that if we were to allow this preferential duty in favour of Great Britain to operate, it will make the position of the home industry more and more difficult and it is for that reason at least that we must oppose this particular proposal. It seems to me that according to the "most-favoured-nation" treatment to Japan and fixing a very high tariff as against Japan has the effect of partitioning the Indian market between three parties, the Indian producer, the Japanese producer and the Lancashire producer, shutting out the other countries of the world altogether for all practical purposes; because, when we treat Japan as a "most-favoured-nation" and we fix a very high tariff as against Japan, we cannot possibly quote any lower tariff as against any other nation of the world, excepting, of course, Great Britain which stands in a special position. And what is the result likely to be of such a policy? Just as in the case of Ottawa preferences, a realignment of our trade relations is likely to have serious disturbances in the economic life of the country. We have not to speculate in this matter, for very recently I noticed in the press that Italy has already declared her intention to discontinue her cotton purchases in India as a result of the present tariff policy of the Government.

Sir Leslie Hudson: If I may interrupt my Honourable friend, it was a suggestion rather than an intention. I do not think the intention was declared.

Mr. K. O. Neogy: It was a message published in the press, and, as far as I recollect, it was something more definite than what my Honourable friend suggests; but I understand that a definite representation on this subject has been made to the Government on behalf of certain Indian commercial interests which are alarmed at the prospect of Italy withdrawing from the cotton market of India. Germany, again, has declared her intention that she would confine her purchases to those countries where she can also find a market for her goods. I dare say these instances are being watched by the Government, and I should like very much my Honourable friend, when he replies to this debate, to tell us what action he proposes to take to see that, as a result of the policy which he is adopting by this measure, our position in the world market will not be more and more a difficult one. I should further like to know from my Honourable friend as to what inquiries, if any, he had made from the Trade Commissioners we have got in certain centres of Europe as to the probable effect of such an economic policy being adopted by India. It seems to me that we are taking a very great risk in embarking upon a policy of this character which may land us in serious difficulty; and it is for these reasons that I must oppose this motion.

Bhai Parma Nand: I move that the question be now put.

Nawab Major Malik Talib Mehdi Khan (North Punjab: Mubanimadan): Sir, I thank you for giving me an opportunity to speak on this subject. The Assembly has accepted the policy of protection, and I would have welcomed it for the sake of encouraging home industries, but the question is, whether protection is needed for the capitalists or the people. In this measure and the other measures of this description, the Government seem to me to be aiming at securing for these capitalists a substantial profit *plus* interest on their outlay *plus* something for their depreciation and reserve funds. I would ask the Government whether they are going to do something for the cotton grower. Are they prepared to bestow all these benefits on him, and those engaged in the cottage industries? Sir, the grower, as we all know, counts for nothing in these days, he is a minus factor, and sometimes one even doubts his existence; at any rate, his existence is such of which no one takes serious notice. But, Sir, he handles the largest industry in the country, and has sunk all he possesses in it,—with what result? Sheer disaster. His balance being nil, he has sold off all his ornaments and cattle in meeting the Government demand. I would ask—is it not a fact that these capitalists have devoted all their energies to earning fat dividends. The Government are giving them protection on the ground that they are working home industries. But the fact is that they do not purchase to the full the local raw material. They import larger quantities from other countries. They pay the lowest possible rates to the grower for his produce and sell their manufactured articles at as high a rate as they can command. Have they got any ground to say that they help local industries, when they do not encourage the grower? The Government, on their part, have not done anything to remove this complaint of the grower. Japan, a foreign country, has bound herself to purchase a certain quantity of cotton from India in lieu of the latter purchasing

[Nawab Major Malik Talib Mehdi Khan.]

her (Japan's) manufactured articles. But the Indian millowners have not entered into any such agreement with the cotton grower. The millowner is not satisfied with ruining the grower by offering low rates for his produce and importing it from abroad; he has gone further and entered into an unholy alliance with foreign countries which has proved disastrous to India.

Mr. B. Das: Only for long staple cotton.

Nawab Major Malik Talib Mehdi Khan: We are trying to grow that too. Sir, if Japan can consume our short-staple cotton, surely our own millowners ought to be able to do so, and if they do not do so, they are not true to their motherland.

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

There is another factor which I find difficult to understand, namely, the constant changes in the duty. It was Rs. 1-8-0 per dozen originally, which changed to nine annas, and, subsequently, to 12 annas per pound. The original duty of Rs. 1-8-0 per dozen was accepted by the House after a heated discussion in February last. Sir, it is essential in money matters that every calculation should be made before the Government come to any decision. It is also quite inexplicable why the Select Committee raised the duty from annas nine to annas twelve and why the Government accepted it. Far be it from me to accuse them of any unworthy motive, but I must say that we cannot understand this attitude. These remarks will show that the treatment that the grower is receiving on all hands has been very unkind. I am glad to notice now that after all it has been realised in this House that the class which goes by the name of "zamindar" also deserves some consideration. The Budget speech of the Honourable the Finance Member made some provision for him and in pursuance of it the Sugar (Excise Duty) Bill and the Cotton Growers' Bill have been put before the House. But this is not enough. Cotton is a product which badly needs to be protected, and, if possible, wheat also. I might now inform my friends, the Honourable Members, that the zamindar or the agriculturist has realised his shortcomings and has raised his voice. I think the time has come when something tangible should be done for ameliorating his condition. He is not going to take everything lying as he has been doing so far, the more so as he has got an awakening and commands some support in the House. So it is better that his position is realised and that the Government and the country should take steps in earnest to improve his pitiable lot.

Several Honourable Members: The question may now be put.

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

"That the question be now put."

The motion was adopted.

The Honourable Sir Joseph Shore: Sir, at this early hour of the morning, I am sure, the House will not expect me to make a very lengthy or very detailed reply. As a matter of fact, I think most of the points that

have been raised in the course of the third reading, so far as they refer to general matters, have been covered, some more than once, in the course of previous speeches which have been delivered by me. This Bill has not been received with enthusiasm either by those whom it is intended to assist or by those who are opposed or seem to be opposed on principle to the grant of protection to indigenous industries. My Honourable friend, Mr. Mody, laments the inadequacy of this measure while others bemoan the extra burden on the consumer and the reduction of the "expert salesman's" profits from the sale of imported goods. This, I think, shows that on the whole the Bill is an excellent one, because it holds the balance fairly between conflicting interests. There is a general, and, I think, I may call it, a wholesome tendency today to regard demands for protection with a critical eye. This is as it should be. But, Sir, we are often apt to overlook certain important considerations. The ancient fable of the body and the limbs seems to me to be particularly applicable to the state of affairs today. No interest can live to itself, nor can it hope to prosper if it does not place the good of the whole above individual claims. No industry can expect to prosper for any length of time if it does not treat with fairness the claims of labour and the claims of agriculture. On the other hand, agriculture and labour must both remember how inextricably their interests are bound up with the interests of industry. I have had occasion before this to point out, for instance, that something like 88 per cent of the cotton consumed in Indian mills is Indian cotton. If tomorrow, the Indian cotton mill industry collapsed, would that collapse not recoil with intense effect upon Indian agriculture? Would it not equally recoil upon Indian labour? Or, take the case of the handloom weaver. Today he shares in the protection granted to the Indian mill industry. If, on the ground that you wanted to benefit the consumer, you were to remove all cotton protective duties, what would happen to the ten million people who are said to depend on this industry for a living? I am sure, Sir, that Honourable Members did not realise when we were granting protection to the hosiery industry that we were granting assistance not so much to the capitalist as to the small man.

Dr. Ziauddin Ahmad: Certainly not.

The Honourable Sir Joseph Blore: I say, yes, Sir. We have granted assistance largely to the small man, who is producing on a small scale with small capital, the cottage worker and the home worker. I say that without fear of contradiction.

Dr. Ziauddin Ahmad: I contradict that statement.

The Honourable Sir Joseph Blore: By all means let us count the cost of protection. It is right that we should do so. But, at the same time, let us bear in mind that to cast a balance-sheet in a matter like this with any approach to accuracy is an undertaking of the utmost difficulty. Before you can decide what you are to place on the profit side and what on the loss side of the account, you must be careful to take into account not merely the direct gains and losses, but also the intangible indirect gains and losses which it is a matter of the utmost difficulty to assess with any approach to accuracy. Therefore, let us accept with caution the estimates with which we have been regaled as to the amounts that we have paid for the benefit of protection.

[Sir Joseph Bhoré.]

Sir, I ought, I think, once again, because of its importance, to refer to the matter to which my Honourable friend, Mr. Raju, drew attention. From what I and other Members of the Government have already said on this matter, it will be clear to Honourable Members that we are actively and seriously considering the question of revising our commercial legislation and particularly the Companies Act. The managing agency system will certainly have to come under review when that revision takes place. It is impossible for me to say with the information I have at my disposal at the present moment on what lines exactly the revision will proceed, but I can inform Honourable Members that machinery has already been set in motion and I hope that as a result we shall eventually get a piece of legislation of widespread interest and importance to this country.

My Honourable friend, Mr. Mody, has brought up his old point about the Indian States ports. Well, Sir, from what my Honourable colleague, the Finance Member, has said on more than one occasion, I think the House ought to rest satisfied that we are fully seized of the position and that we are taking all the steps we can in the matter. He also asked me what our attitude would be in the event of our finding that certain protection that we had granted was insufficient. I can only say this that we shall have to watch more particularly the case of cotton yarn, of artificial silk piecegoods and of raw silk. If the duties we are imposing in this Bill fail to achieve their object, then Government will have to reconsider their position. (Applause.) Sir, I am sure that a little consideration would have satisfied the Leader of the Opposition that it is quite impossible to forecast the effect, with any approach to accuracy, on the import duty revenues, of a policy of protection. Equally impossible is it to say what the effect of protection will be on internal prices. So far as I am aware, for the first year at least our revenues will benefit, and so far as prices are concerned, the only thing that I can do is to draw his attention to the remarks in the Tariff Board's Report which point out that internal competition in the case of the Indian cotton textile industry has reached a point of intensity without parallel in the history of Indian industries.

My Honourable friend, Mr. Neogy, suggested that the Lancashire conversations between the Millowners Association, Bombay, and the representatives of Lancashire exerted some influence on the Indo-Japanese conversations. I can say definitely that there is no foundation whatsoever for that suggestion. My Honourable friend drew attention to the dangers of allowing the "most-favoured-nation" clause to be made applicable to Japan. He was perfectly right in his diagnosis of the case, but, as I have explained on more than one occasion to this House, we were faced with an alternative which left us no option but to take the course that we did. I have brought it to the notice of the House that the only alternative to the acceptance of the demand for "most-favoured-nation" treatment was the breaking off of negotiations with Japan—the breaking off of the negotiations with the prospect of tariff war, the prospect of a continued boycott of our cotton, and I would leave the House to decide whether, in these circumstances, we were or we were not justified in taking the course that we did. (Hear, hear.)

Now, if you will permit me, Sir, I will only make one reference, a specific one and that is to raw silk. There is no one in this House who would

not wish to see the raw silk industry in this country restored to the position which it once held. At the same time, it is essential for us to avoid the mistake of giving a degree of protection larger than is absolutely essential to restore reasonable competition conditions to this industry. Nor should we exclusively concentrate our gaze on a single industry and leave out of account our general economic policy so far as this country and foreign nations are concerned. Bearing those essential points in mind, we adopted the method I have already explained for working out a suitable rate of duty for raw silk, and I submit the method which we adopted has not been seriously challenged. But this, I will say, that we shall have to watch very carefully the course of raw silk prices and we shall not be justified in allowing the protection which we are giving to this industry to be defeated by a still further serious lowering of prices. But, Sir, I would ask the House to look at another aspect of this problem than the mere piling on of protective duties. The silk industry needs almost more than anything else assistance along lines which have been referred to by the Tariff Board, which, I hope, the House will excuse me if I refer to again. They point out that "the success of its competitors is largely due to other measures which they have adopted for the improvement and encouragement of the industry". "We are convinced" they say "that unless similar measures are taken in this country, protection will not only do no lasting good, but may perpetuate some of the undesirable methods pursued in the industry". Sir, there is no reason to suggest that Provincial Governments are not seized of this position and that they will not do all in their power to meet it. So far as the Government of India are concerned, we feel that the master key to the permanent improvement of the industry lies in research work and we are at the moment seriously considering how we should assist the industry and further research. If, as a result of our examination, we come to the conclusion that financial assistance should be given to further research, I may say, Sir, that we shall have behind us the sense of this Assembly. (Applause.) We feel that assistance given in this way will be far more effective, so far as the industry is concerned, than the mere piling on of protective duties.

There is little more that I have to say. I would like to repeat what I have emphasised, I think, on more occasions than one. We do not guarantee that what we are doing in this Bill or the agreement entered into or the arrangement we have approved will definitely result in effects which will be beneficial to this country. Economic conditions all over the world are far too disturbed, inter-national relations are far too uncertain to enable us to prophesy with any degree of confidence. But what we do say is this, that in the historic circumstances in which we were able to carry on friendly negotiations with a foreign power, we placed the interests of this country first and we pursued those interests to the very best of our ability. (Hear, hear.) I would now ask the House to pass this motion without a dissentient voice. (Cheers.)

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

"That the Bill, as amended, be passed."

The Assembly divided:

AYES—44.

Abdul Aziz, Khan Bahadur Mian.
 Ahmad Nawaz Khan, Major Nawab.
 Anah Dasu Khan Tiwana, Khan
 Bahadur Malik.
 Bajpai, Mr. G. S.
 Bnore, The Honourable Sir Joseph.
 Chanoy, Mr. Rahimtoola M.
 Clow, Mr. A. G.
 Cox, Mr. A. R.
 Dalal, Dr. B. D.
 Darwin, Mr. J. H.
 DeSouza, Dr. F. X.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Hardy, Mr. G. S.
 Hazlett, Mr. J.
 Hudson, Sir Leslie.
 Irwin, Mr. C. J.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir.
 Joshi, Mr. N. M.
 Lindsay, Sir Darcy.
 Macmillan, Mr. A. M.

Meccalfe, Mr. H. A. F.
 Miller, Mr. E. S.
 Mitchell, Mr. K. G.
 Mitter, The Honourable Sir Brojendra.
 Mody, Mr. H. P.
 Morgan, Mr. G.
 Mudaliar, Diwan Bahadur A.
 Ramaswami.
 Mujumdar, Sardar G. N.
 Mukharji, Mr. D. N.
 Mukherjee, Rai Bahadur S. C.
 Noyce, The Honourable Sir Frank
 O'Sullivan, Mr. D. N.
 Pandit, Rao Bahadur S. R.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi.
 Ramakrishna, Mr. V.
 Ranga Iyer, Mr. C. S.
 Rao, Mr. P. R.
 Sarma, Mr. G. F. S.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar,
 Captain.
 Sloan, Mr. T.
 Sohan Singh, Sirdar

NOES—19.

Abdul Matin Chandhury, Mr.
 Abdur Rahim, Sir.
 Anklesaria, Mr. N. N.
 Azhar Ali, Mr. Muhammad.
 Bhuput Singh, Mr.
 Das, Mr. B.
 Ghusnavi, Mr. A. H.
 Jog, Mr. S. G.
 Mitra, Mr. S. C.
 Neogy, Mr. K. C.

Patil, Rao Bahadur B. I.
 Reddi, Mr. P. G.
 Roy, Rai Bahadur Sukhraj.
 Shafee Daoodi, Maulvi Muhammad
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Thampan, Mr. K. P.
 Uppi Sahab Bahadur, Mr.
 Ziauddin Ahmad, Dr.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 17th April, 1934.