

17th April, 1934

THE

# LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

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Volume V, 1934

(16th April to 21st April, 1934)

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## SEVENTH SESSION

OF THE

## FOURTH LEGISLATIVE ASSEMBLY, 1934

~~Number Fumigated~~ 18/10/23



NEW DELHI  
GOVERNMENT OF INDIA PRESS  
1934

# Legislative Assembly.

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

*Deputy President:*

ABDUL MATIN CHAUDHURY, M.L.A.

*Panel of Chairmen:*

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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.

Tuesday, 17th 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.

## QUESTIONS AND ANSWERS.

### STATEMENT MADE BY MR. GANDHI ABOUT THE CAUSE OF THE EARTHQUAKE.

788. **Raja Bahadur G. Krishnamachariar:** (a) Has the attention of Government been drawn to the statement made by Mr. Gandhi in various places in the earthquake affected areas that the earthquake was the result of the sin on the part of the higher castes in their alleged deprivation of the depressed classes of their rights?

(b) What steps do Government propose to take in order to stop this propaganda?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) The Government of India do not propose to take any action.

**Raja Bahadur G. Krishnamachariar:** Is it the policy of the Government to allow Mr. Gandhi to break the law and commit offences without any safeguards for the people?

**The Honourable Sir Harry Haig:** The Government are not satisfied that there has been any breach of the law, and in any case there is nothing to show that the speeches are having any particular effect.

**Mr. Gaya Prasad Singh:** Is it not open to the other side to carry on any other lawful propaganda if they think necessary?

**The Honourable Sir Harry Haig:** I think my Honourable friend, the Raja Bahadur's suggestion was that the propaganda was unlawful: on that there appears to be some difference of opinion.

**Mr. B. V. Jadhav:** Are not Government aware that Brahmins in various parts of the country take advantage of such calamities and impress upon the ignorant people to make offerings to them and to the gods?

**The Honourable Sir Harry Haig:** I think I shall leave my Honourable friend, the Raja Bahadur, to answer that question.

**Pandit Satyendra Nath Sen:** Are Government aware that Mr. Gandhi of his own accord is very shortly proceeding to Ranchi where there is a mental hospital of great repute? (Laughter.)

**The Honourable Sir Harry Haig:** It never occurred to me to associate the two facts.

**Mr. Gaya Prasad Singh:** Are Government aware that the Province of Bihar and Orissa is not particularly noted for any sins for which the visitation of the earthquake has occurred?

#### BAKR-ID RIOT AT AJODHYA.

**734. \*Bhai Parma Nand:** Is it a fact that on the occasion of the last Bakr-Id a riot took place in Ajudhya?

**The Honourable Sir Harry Haig:** Yes. I would refer the Honourable Member to the statement I laid on the table, on the 7th April, in reply to Mr. Muhammad Azhar Ali's question.

#### EXTENSION OF TIME LIMIT FOR PAYMENT OF INCOME-TAX IN THE EARTHQUAKE STRICKEN AREA OF BIHAR.

**735. \*Maulvi Muhammad Shafee Daoodi:** Will Government be pleased to state:

- (a) whether it is a fact that no general orders have been issued by the Income-tax Commissioner, Bihar and Orissa, for extending the time limit for the realisation of income-tax in the earthquake-stricken area of Bihar;
- (b) whether Government are aware that a lot of hardship is being caused in the affected area by the realisation of income-tax at a time like the present one;
- (c) whether the Income-tax Commissioner, Bihar and Orissa, visited the earthquake stricken area to see for himself the present deplorable condition of the people there; if so, when;
- (d) whether the Income-tax Commissioner, Bihar and Orissa, submitted any proposal to Government for relaxing the rules in the matter of realisation of income-tax in the earthquake-devastated area; if not, why not; and
- (e) whether Government propose to move in the matter of affording general relief in the earthquake-stricken area in the shape of extending the time limit for the payment of income-tax and of postponing the issue of further notices for the realisation of income-tax till such time as Government consider expedient under the present circumstances?

**The Honourable Sir George Schuster:** The information is being obtained, and will be laid on the table, in due course.

#### ASSESSMENT OF INCOME-TAX.

**736. \*Bhai Parma Nand:** (a) Is it a fact that the Income-tax Officers assess persons on the basis of interested information or on mere presumption of their own?

(b) Is it a fact that appeals preferred by the assesses to the higher authorities, are disposed of without giving the applicants an opportunity to plead their case?

(c) Have Government received a representation, addressed to the effect from one Raizada Badri Nath Bali of Lahore?

**The Honourable Sir George Schuster:** The general statements contained in parts (a) and (b) are not correct. With regard to part (c) of the question, a representation was received by the Central Board of Revenue from the person named.

**NEW BUILDING CONSTRUCTION WORK IN NEW DELHI.**

**737. \*Mr. Muhammad Muazzam Sahib Bahadur:** (a) Will Government please state the estimated cost of the new building construction works in New Delhi?

(b) How much money is provided for this purpose during the current financial year?

(c) Is it a fact that during the previous construction work, work-charged employees were engaged in addition to the permanent personnel to cope with the additional work involved?

(d) Is it a fact that this system of work-charged employees has not been operative during the present construction work under the Central Public Works Department? If so, why?

(e) How many subordinates and sub-divisional officers are in charge of the constructions?

(f) How do the present limited staff look after or supervise the works under construction?

(g) Have they any scheme under contemplation for engaging work-charged men in the near future for the new construction works under the New Delhi Central Public Works Department? If so, how many subordinates and Sub-Divisional Officers are likely to be appointed?

**The Honourable Sir Frank Noyce:** (a) Rs. 93,58,000.

(b) Rs. 67,67,000.

(c) Yes.

(d) The number of work-charged employees is much smaller than on previous occasions, as it was considered that most of the staff required for the supervision of works should, if possible, be employed on a regular basis, that is, as temporary members of the ordinary establishment.

(e) Seven Sub-Divisional Officers and seventeen subordinates.

(f) It is considered that the staff employed is sufficient to supervise the buildings under construction.

(g) The reply is in the negative.

**CONNECTION OF PRIVATE BUILDINGS IN NEW DELHI WITH THE MUNICIPAL SEWER AND FILLING IN OF TRENCHES EXCAVATED FOR THE PURPOSE.**

**738. \*Mr. Muhammad Muazzam Sahib Bahadur:** (a) What is the system at present prevailing in New Delhi for connecting private buildings with the municipal sewer?

(b) Is it a fact that the Municipal Committee, New Delhi, insists on filling the trenches that are excavated for the purpose, with cement and concrete?

(c) Is it a fact that the same can be done by owners themselves at a much lower cost? If so, why do the Municipality insist on their more costly method?

(d) Do Government propose to direct the Municipality to relax the rule in this connection in favour of the private house-owners, and allow them to fill the trenches referred to with cheaper materials?

**Mr. G. S. Bajpai:** (a) Connections are made by the Central Public Works Department on behalf of the New Delhi Municipal Committee. That Department prepares estimates, and informs the owner of the cost, and the latter makes a deposit which is adjusted when the work is completed.

(b) Only in the case of trenches dug across bitumenised roads is this condition enforced. This is in order to avoid subsidences in the surface of the roads.

(c) and (d). Government have no information with regard to the comparative cost, but are quite willing to draw the attention of the Municipality to the suggestion, that where the owner can have the work done to their satisfaction he should be allowed to do so.

#### CERTAIN POSTAL OFFICIALS IN THE BENGAL AND ASSAM CIRCLE INCLUDING CALCUTTA.

739. \***Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing the number of selection grade officials in the grade of Rs. 160—250, as well as Inspectors of Post Offices or Head Clerks to the Superintendents of post offices in the grade of Rs. 160—250, whose names have been arranged in a combined list for promotion to the grade of Rs. 250—350 in the Bengal and Assam Circle (including Calcutta) and who have not yet been promoted to the grade of Rs. 250—350 either in an officiating capacity or permanently on the 31st March, 1984?

(b) Will Government be pleased to state how many of these officials are working in Calcutta, and how many in the mufassil?

(c) Will Government be pleased to state after how many years a selection grade official of Calcutta of the above grade will get promotion to the grade of Rs. 250—350?

(d) Is it the intention of Government that the officials of Calcutta will not get promotion in the grade of Rs. 250—350?

(e) If not, will Government please state whether they have considered the situation that has been created now and whether they have arrived at any decision?

(f) Is it a fact that in the Foreign Post Division, all appointments up to the grade of Rs. 250—350 are confined to the officials working in the Foreign Post Division?

(g) If so, will Government please state why all selection grade posts up to the grade of Rs. 250—350 are not confined to Calcutta?

(h) Are Government prepared to go into this matter? If not, why not?

**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.

(c) Government are unable to give any estimate, as such promotions must depend on how many vacancies occur, but, in this connection the Honourable Member's attention is invited to the reply given to part (c) of Mr. S. C. Mitra's starred question No. 78, in this House, on the 5th February, 1934.

(d) No; the intention is as stated in the replies to part (a) of Mr. S. C. Mitra's question just cited and part (i) of the Honourable Member's own starred question No. 478 asked in this House, on the 14th March, 1934, and in the late Sir Thomas Ryan's speech in this House on the 10th March, 1934, in connection with Mr. S. C. Mitra's motion for token cut on demand No. 23.

(e) The Honourable Member is referred to the reply, given to part (f) of Mr. S. C. Mitra's question cited above.

(f) If the Honourable Member refers to the office of the Superintendent, Foreign Post, Bombay, the fact is not as stated. In that office, the entire foreign post work formerly done in the Bombay General Post Office, the office of Superintendent, Foreign Mails Division, and the Postmaster-General's office was centralised in 1931, and in the interests of efficiency the staff in the postal branch of that office are maintained in a self-contained cadre for purposes of promotion up to and including the selection grade of Rs. 250—20—350. The staff in the Railway Mail Service branch of that office are, however, included in the general Railway Mail Service cadre of the Bombay Circle.

(g) and (h). Do not arise in view of the reply to part (f) above.

**POSTS OF CLERKS SANCTIONED IN THE MONEY ORDER DEPARTMENT OF THE CALCUTTA GENERAL POST OFFICE.**

740. **\*Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that five posts of clerks have been sanctioned in the Money Order Department of the Calcutta General Post Office?

(b) Will Government please state why any supervisory post has not been sanctioned?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) The Honourable Member's attention is invited to my reply to parts (b) and (c) of Mr. S. C. Mitra's starred question No. 469, on the 14th March, 1934. After a careful review, the Postmaster-General, Bengal and Assam, is satisfied that there is no case for any additional supervisory staff for the Money Order Department of the Calcutta General Post Office.

**CERTAIN WORK DONE IN THE CALCUTTA GENERAL POST OFFICE AND HOWRAH POST OFFICE.**

741. **\*Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish the following information, in respect of the Calcutta General Post Office and Howrah Post Office, separately, for the year 1933-34:

(i) Average number of Savings Bank deposits and withdrawals in the office itself and in sub-offices;

- (ii) Average number of issue and discharge of cash certificates in the office itself and in sub-offices; and
- (iii) Average number of Government security work in the office itself and sub-offices?

(b) Is the number of clerks and supervisors justified in the Calcutta General Post Office and Howrah Post Office, respectively, taking into account all the work of the Savings Bank Departments in each of these two offices?

(c) What is the total number of clerks and supervisors working in the Savings Bank Departments in these two offices?

(d) Is it a fact that the Savings Bank Departments in these two offices are understaffed?

(e) If so, do Government propose to sanction adequate staff for these two offices? If not, why not?

(f) Is it a fact that, in spite of repeated demands, supervisory appointments in the Savings Bank Department have not yet been increased? If so, why?

(g) Are Government prepared to see that the clerks of the Savings Bank Department of these two offices are not required to work till late hours in the coming interest season?

**The Honourable Sir Frank Noyce:** (a) to (g). Government regret that the information, required for the purpose of a detailed reply to the question, is not readily available. As, however, the Head of the Circle concerned is competent to deal with the points raised, a copy of the question is being sent to that officer for such action as he may consider necessary.

#### GRANT OF SPECIAL PAY TO DEPUTY SUB-POSTMASTERS IN CERTAIN SUB-POST OFFICES IN CALCUTTA.

742. **\*Mr. D. K. Lahiri Ohaudhury:** (a) Will Government be pleased to state whether there are Deputy Sub-Postmasters in the following sub-offices in Calcutta:

- (i) Baghbazar, (ii) Shyambazar, (iii) Bhowanipur, and (iv) Kidderpore?

(b) Will Government please further state whether the Deputy Postmasters in town sub-offices in Calcutta, who are not in the selection grade, get any special pay? If so, how many of them get special pay and how many do not?

(c) Are Government prepared to sanction special pay to all Deputy Sub-Postmasters or other similar officials who are performing the duties of sub-postmasters during the absence of the sub-postmasters? If not, why not?

**The Honourable Sir Frank Noyce:** (a) There is a deputy sub-postmaster in the Baghbazar, Shyambazar, and Bhowanipur offices, but there is no deputy sub-postmaster at Kidderpore.

(b) The reply to the first part of the question is in the negative; the remainder of the question does not arise.

(c) No. Only those deputy sub-postmasters and other officials in the ordinary time-scale of pay, who are required to perform entirely supervisory duties and are designated 'Supervisors' are entitled to a special pay of Rs. 20 a month each. The position in this respect is under review by the Postmaster-General, Bengal and Assam.

**FRAUD CASES IN THE KALIGHAT POST OFFICE.**

**743. \*Mr. D. K. Lahiri Chaudhury:** (a) Will Government please state (i) the average number of Savings Bank deposits and withdrawals in the Kalighat Post Office, Calcutta, during the year 1933-34, (ii) the average number of issue and discharge of cash certificates during the same year, and (iii) the number of clerks justified according to work?

(b) Is there any Deputy Sub-Postmaster in that office? If not, who performs the duties of the Postmaster during the authorised absence of the Sub-Postmaster?

(c) Is it a fact that in the year 1933-34, there were some Savings Bank fraud cases in that office?

(d) Will Government please state how such fraud cases occurred and who were responsible for them?

(e) Do Government propose to sanction a Deputy Sub-Postmaster in that office?

**The Honourable Sir Frank Noyce:** (a) to (e). Government regret that the information required by the Honourable Member is not readily available. As, however, the Head of the Circle concerned is competent to deal with the points raised, a copy of the question is being sent to that officer for such action as he may consider necessary.

**SAFEGUARDING OF SUGAR-CANE GROWERS' INTERESTS IN BIHAR AND ORISSA.**

**744. \*Maulvi Muhammad Shafee Daoodi:** Will Government be pleased to state:

(a) whether it is a fact that in response to a demand for the protection of the interests of the cane growers in the Bihar and Orissa Legislative Council during the last Ranchi session, the Government of Bihar and Orissa called a Provincial Sugar Conference at Patna in the first week of January, 1934; and

(b) whether it is a fact that the bulk of the public opinion, expressed in reply to the questionnaire issued by the Government of Bihar and Orissa, was in favour of taking immediate steps for safeguarding the cane growers' interests?

**Mr. G. S. Bajpai:** (a) Government are aware that a Conference was held.

(b) They have not seen the questionnaire which the Honourable Member says was issued by the Government of Bihar and Orissa, nor the replies thereto.

**Mr. Gaya Prasad Singh:** Is not the Bill to regulate the prices of sugar-cane which is pending in this House calculated to protect the interests of the cane-growers in Bihar, and elsewhere?

**Mr. G. S. Bajpai:** It has been brought in with that object here.

#### SAFEGUARDING OF SUGAR-CANE GROWERS' INTERESTS IN BIHAR AND ORISSA.

745. \***Maulvi Muhammad Shafee Daoodi:** Will Government be pleased to state:

- (a) whether they have received the proceedings of the Sugar Conference held at Patna in the early part of January last;
- (b) whether it is a fact that the majority of the members of the Conference demanded immediate measures for the protection of the cane growers against the various hardships from which they were suffering; and
- (c) whether Government propose to lay on the table a copy of the full proceedings of the said Sugar Conference before the Sugar Cane Bill is taken up for consideration in this House?

**Mr. G. S. Bajpai:** (a) to (c). As the Honourable Member is aware, the earthquake which has worked so much havoc occurred in Bihar soon after the Conference. All the energies of the Local Government have since been absorbed in coping with after effects of the earthquake. That is probably the reason why the Government of India have received no copies of the proceedings of the Conference, assuming that they have been completed. It is regretted, therefore, that copies cannot be laid on the table of the House. I may, however, inform the Honourable Member that the Government of Bihar and Orissa have seen the Sugar-cane Bill and agree to the proposed legislation.

**Mr. M. Maswood Ahmad:** Do Government propose that a copy of the proceedings of the Conference should be circulated to the Members of the Central Legislature who represent Bihar at least?

**Mr. G. S. Bajpai:** I have said that copies of the proceedings have not been received by the Government of India. In the circumstances it is not possible to comply with my friend's request.

**Mr. Gaya Prasad Singh:** Are Government aware that due to the paucity of railway wagons the interests of cane-growers in the Bihar earthquake area are suffering to a considerable extent, because the sugar-cane crop is not able to be moved to distant places?

**Mr. P. R. Rau:** My Honourable friend is aware that the Government of India have adopted special steps to get together as many metre gauge wagons as possible to deal with the situation.

**Mr. Gaya Prasad Singh:** But are Government aware that the Director of Industries, Bihar and Orissa, has himself admitted in many communications that there is still dearth of wagon supply in the affected area?

**Mr. P. E. Rau:** Government have taken, Sir, all possible steps to deal with the situation. They have, as my Honourable friend is aware, arranged for certain wagons from the B., B. & C. I. Railway for the Bengal and North Western Railway.

**Mr. Gaya Prasad Singh:** Are Government aware that the Railway Department themselves have admitted that there was still a considerable dearth of railway wagons for the movement of sugar-cane crops to distant places? It is a matter which is on record.

**Mr. P. E. Rau:** I am not personally aware of that myself.

**Mr. M. Maswood Ahmad:** Is it a fact, Sir, that the Chief Commissioner for Railways visited that area in connection with the paucity of railway wagons on the B. and N. W. Railway?

**Mr. P. E. Rau:** Yes, Sir; he visited the area and he had a meeting with the Cane Marketing Board.

**Mr. M. Maswood Ahmad:** Will Government please state what steps they have taken after his return from that area?

**Mr. P. E. Rau:** I should like to have notice of that question.

**Dr. Ziauddin Ahmad:** In view of the fact that notices have already been published to the effect that special concession would be given to sugar factories in North Bihar, may I ask the Government whether it will not be possible for them to get copies of the proceedings of the Conference as quickly as possible, because that will help the Members of the Legislature?

**Mr. G. S. Bajpai:** So far as I am aware, Sir, this Conference did not consider the question of giving relief to sugar-cane factories. The Conference was primarily concerned with giving relief to the sugar-cane grower.

**Mr. M. Maswood Ahmad:** Is it a fact that a Bill for fixing the minimum price for sugar-cane was drafted by the Government without seeing the report of the Sugar Conference in Bihar?

**Mr. G. S. Bajpai:** No, Sir; the Bill was not drafted before the Conference took place. As a matter of fact, it was drafted after I had personally had a discussion with the Government of Bihar and Orissa on the subject.

**Mr. M. Maswood Ahmad:** But without seeing the Report?

**Mr. G. S. Bajpai:** Obviously, Sir, when the proceedings are not available, and when possibly they have not even been printed, they cannot be available to anybody for purposes of study or scrutiny.

**PAY, ETC., GRANTED TO THE OLD OUDH AND ROHILKUND RAILWAY STAFF ON PROMOTION.**

**746. \*Rai Bahadur Lala Brij Kishore:** (a) With reference to their reply on the 6th February, 1934, to question No. 100, will Government be pleased to state why it is not intended to bring the old Oudh and Rohilkund Railway employees in line with the old East Indian Railway employees in respect of rates of pay and conditions of service, and whether those employees of the old Oudh and Rohilkund Railway who are serving on the old East Indian Railway section are forced to accept the East Indian Railway grades on promotion when they are lower than the old Oudh and Rohilkund Railway grades and to which better grades the old Oudh and Rohilkund Railway employees would have got promoted on individual merit? If so, why?

(b) Do Government propose to instruct the Agent, East Indian Railway to see that the old Oudh and Rohilkund Railway employees on the old East Indian Railway section are on promotion given the equivalent better old Oudh and Rohilkund Railway grades?

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

**GRANT FROM THE RAILWAY STAFF BENEFIT FUND FOR RECREATION AND ENTERTAINMENT.**

**747. \*Rai Bahadur Lala Brij Kishore:** (a) Will Government be pleased to state what is their policy in the matter of giving grant to Railway staff from the Staff Benefit Fund for recreation and entertainments?

(b) Is care taken in giving grants from the Staff Benefit Fund of the fact that

- (i) in matters of institutes and recreation, the claims of the staff in lower categories who cannot afford to pay for recreation, being on small pay, receive first consideration; and
- (ii) everything being equal, the staff posted at a distance from cities and thus not being in a position to enjoy the entertainments and recreations offered by big cities, receive preferential treatment;

(c) Will Government be pleased to state what funds were allocated in the year 1933-34 for the recreation of staff in the following categories:

- (i) lower paid staff, (ii) Indian staff and (iii) Anglo-Indian and European staff?

(d) Are Government prepared to instruct the Agents of State Railways to take into consideration the principles enunciated in sub-para (i) and (ii) Grants for Institutes and Recreation?

**Mr. P. E. Rau:** (a) Payments from the Staff Benefit Fund are authorised by a Committee appointed under the Rules of the Railway Staff Benefit Fund for State-managed Railways, a copy of which is already in the Library of the House. Rule 8 defines the objects on which monies from the fund can be expended.

(b) and (c). The information available is contained in the statement, showing the figures of monies disbursed from the Staff Benefit Fund, during the year 1932-33, which was placed by me on the table of the House, on 16th February, 1934, in reply to starred question No. 61.

(d) Government consider it unnecessary to add to the rules on the subject which, while, laying down certain general principles for guidance, leave details to the Committee appointed under the rules of whom the majority are elected by the staff.

**GRANT TOWARDS THE EDUCATION OF THE CHILDREN OF RAILWAY EMPLOYEES.**

**748. \*Rai Bahadur Lala Brij Kishore:** Will Government be pleased to state:

(a) what is their policy in the matter of giving grants towards the education of Railway employees' children;

(b) if steps are taken to see that in distributing grants the staff in lower paid categories receive greater assistance;

(c) whether the grant is distributed amongst their Indian, Anglo-Indian and European employees in proportion to the strength of employees of each community on the staff lists of the State Railways;

(d) whether in building staff colonies outside the town areas and at a distance of more than a mile from School Centres, care is taken to see that either a school is provided for the education of staff's children close to the Railway colony or a train or motor bus service is provided to school centres;

(e) whether a particular school is considered fit for the education of employees' children is left to the discretion of the employee rather than the administration and whenever the employee does not consider a school in the vicinity of the place of his posting good enough for his children, whether Government are prepared to give him assistance to keep his children in a boarding school of his choice on the same terms as assistance is given to European and Anglo-Indian staff to maintain their children in the Oak Grove School and other Railway schools;

(f) what is the expense incurred by one of the State Railways in 1933-34 in

(i) maintaining schools for the benefit of its European and Anglo-Indian employees,

(ii) maintaining schools for the benefit of Indian employees,

(iii) giving grant to Anglo-Indian and European employees for the education of their children, and

(iv) giving grant to Indian employees;

(g) whether Government are aware that a distance of five miles or 2½ miles from the place of work and Railway Colony, which children of Indian Railway employees traverse both ways in attending schools is injurious to their health; and

(h) whether Government have consulted the medical and educational authorities in the matter?

**Mr. P. B. Rau: (a) to (e).** The existing policy regarding the grant of educational assistance from railway revenues to the railway employees towards the education of their children is laid down in the rules governing the grant of assistance from railway funds to employees of State-managed Railways towards the education of their children, which were issued under Railway Board's letter No. 4233-E., dated the 25th September, 1930. A copy of the rules is in the Library of the House. As regards the maintenance of existing railway schools and provision of new railway schools, the present policy is contained in Railway Board's letter No. 4233-E., dated the 25th September, 1930, a copy of which I am placing in the Library of the House. The whole question of the educational assistance to be given from railway revenues to the railway employees for the education of their children is at present under the consideration of Government.

(f) Figures for 1933-34, are not yet available. I place a statement on the table containing information for the year 1932-33 in respect of State-managed Railways.

(g) and (h). Mr. Smith's recommendation regarding proximity of schools is contained in paragraph 31 of his Report on the cost of parental educational assistance on the Eastern Bengal Railway under the Railway Board's new rules of 25th September, 1930, a copy of which is in the Library of the House. The matter is, however, still under consideration.

*Statement.*

Railways.	Expenses incurred in 1932-33 in			
	Maintaining Schools for		Giving grants for the education of their children to	
	Europeans and Anglo-Indians.	Indians.	Europeans and Anglo-Indians.	Indians.
	Rs.	Rs.	Rs.	Rs.
N. W. . . . .	14,451	15,638	1,56,158	6,950
E. I. . . . .	2,57,137	49,706	45,371	3,991
G. I. P. . . . .	33,870	..	85,703	23,823
M. B. . . . .	9,563	5,087	51,381	468
Burma . . . . .	3,414	8,222	1,608	17,562

**DRAINAGE AND SANITATION IN THE COLONIES FOR RAILWAY EMPLOYEES.**

749. \*Rai Bahadur Lala Brij Kishore: (a) Will Government be pleased to state if in building colonies for staff the Railways first obtain the approval of the Public Health Department of the locality, or their own Public Health Department, if one exists on the Railways, regarding their drainage and sanitary schemes?

(b) If not, are Government prepared to see that this is done in case of all existing and future colonies?

**Mr. P. B. Rau:** So far as Government are aware, Railway Administrations consult their own Health Departments regarding the sanitation and drainage of all projects for colonies for staff.

**NIRVANA STATUE OF LORD BUDDHA AT KASIA IN THE GORAKHPUR DISTRICT.**

750. \*Rai Bahadur Lala Brij Kishore: (a) Will Government be pleased to state if they have received any request from the Buddhists for permission to create a suitable *Vihara* to enshrine the Nirvana statue of Lord Buddha at Kasia in Gorakhpur District?

(b) If the reply be in the affirmative, will Government be pleased to state if the request was granted and, if so, on what conditions? If not, will Government please state reasons for their refusal?

**Mr. G. S. Bajpai:** (a) Government have received no such request from Buddhists.

(b) Does not arise.

**REMOVAL OF RELICS OF SANIPUTRA AND MAGLLANA TO THE BRITISH MUSEUM AT LONDON.**

751. \*Rai Bahadur Lala Brij Kishore: (a) Will Government be pleased to state if it is a fact that relics of Venerable Saniputra and Magllana have been taken away from the Stupa at Sanchi and are at present kept in the British Museum at London?

(b) If the reply to part (a) be in the affirmative, are Government prepared to negotiate for the return of these relics for purpose of enshrining them in some Buddhist *Vihara*?

**Mr. G. S. Bajpai:** (a) Government have no definite information, but are making inquiries.

(b) Does not arise.

**EXEMPTION OF CERTAIN HINDU CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE FROM PASSING THE PRESCRIBED EXAMINATION.**

752. \*Mr. M. Maswood Ahmad: Will Government be pleased to state:

(a) whether it is a fact that recently three Hindu clerks of the Railway Clearing Accounts Office have been given exemption from passing the examination prescribed in Appendix C to Railway Board's Memorandum No. 5066-F., dated 31st July, 1921, for the purpose of promotion to the rank of clerks class I;

- (b) what their educational qualifications are;
- (c) what their special qualifications are other than educational, in consideration of which they have been exempted;
- (d) whether the same examination was prescribed for promotion to the rank of clerk class I in the Railway from which they have been transferred to this office;
- (e) whether exemption from the examination was refused in the case of Mr. Mohd. Yusaf, a Muslim clerk of the same office, transferred from the East Indian Railway;
- (f) whether Mr. Mohd. Yusaf possesses the same qualifications which these Hindu clerks possess; and
- (g) the reasons for the differential treatment between different communities?

**Mr. P. B. Rau:** (a) Yes.

(b) I am informed they have not passed the Matriculation Examination.

(c) I understand, they were given special promotion on account of their long service, age and specially good work.

(d) I regret I have not been able to get any information on this point.

(e) I am informed that no exemption was applied for. I may add that the clerk in question proceeded on leave preparatory to retirement, in June, 1983.

(f) If my Honourable friend considers failure to pass the matriculation examination a qualification, the reply is in the affirmative.

(g) As I have already explained, the exemption was given in view of the particularly good work of the men concerned; their religion played no part in the selection, and Government cannot accept the principle that exemptions from passing examinations given for exceptional reasons should be guided by communal considerations. The number of men in the Clearing Accounts Office, who have not passed the Appendix C examination and who have not been exempted, must amount to hundreds and include men of all communities.

**Mr. M. Maswood Ahmad:** Will Government be pleased to state whether applications are sent by the officer or by the candidates?

**Mr. P. B. Rau:** Will my Honourable friend please repeat the question?

**Mr. M. Maswood Ahmad:** The Honourable Member stated that no application had been received. So I want to know whether applications are sent by the officers of the Department or by the candidate himself? Who sends the application asking for exemption?

**Mr. P. B. Rau:** Recommendations for exemption will be made by the officers concerned.

**Mr. M. Maswood Ahmad:** I did not ask about recommendations. I am asking about applications.

**Mr. P. R. Rau:** The officers do not ask to be exempted. The application for exemption has to be made by the candidate himself.

**Mr. M. Maswood Ahmad:** My Honourable friend said that no application has been received, and so I want to know whether an application of the candidate for exemption is sent by the officer or any candidate, or any clerk of the office can send an application for exemption?

**Mr. P. R. Rau:** There is nothing to prevent any candidate asking for exemption.

**Dr. Ziauddin Ahmad:** May I know whether the attention of the Honourable Member has been drawn to the evidence given by the Chamber of Commerce, Calcutta, before the Calcutta University Commission, to the effect that they preferred candidates who had failed in the Matriculation Examination to those who passed the examination in view of the fact that the former possessed better commonsense?

**Mr. P. R. Rau:** I was not aware of that fact, Sir; but that is very interesting.

**Mr. Amar Nath Dutt:** Is it a fact, Sir, that the Honourable Member who just put this question was a Member of that Commission?

**Mr. N. M. Joshi:** Are Government aware that taking university degrees is not a guarantee of commonsense?

**Mr. M. Maswood Ahmad:** Is it a fact that officers must record their reasons in writing as to why they are recommending certain clerks for exemption?

**Mr. P. R. Rau:** I am not aware, Sir, whether the reasons are recorded in writing.

#### CONFIRMATION OF THE MEMBERS OF THE MINORITY COMMUNITIES IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

753. **\*Mr. M. Maswood Ahmad:** Is it a fact that some vacancies in the Railway Clearing Accounts Office are kept reserved for the confirmation of men belonging to minority communities? If so, will Government be pleased to state the number of those vacancies and the reasons for not confirming the men of minority communities working in that office?

**Mr. P. R. Rau:** I understand there are five vacancies in the Railway Clearing Accounts Office, which have been kept reserved for the confirmation of minority communities. It appears that, under existing orders, none of the temporary men working in that office are eligible for confirmation. The question will be reconsidered.

#### CERTAIN APPOINTMENTS IN THE RAILWAY, CLEARING ACCOUNTS OFFICE.

754. **\*Mr. M. Maswood Ahmad:** Will Government be pleased to state:

- (a) the number of men appointed for the Railborne Scheme in the Railway Clearing Accounts Office;

- (b) the number of men appointed for picking up the arrears of the above scheme;
- (c) the number of men appointed against the emergency grant in the Railway Clearing Accounts Office;
- (d) the number of men belonging to the minority communities among the above respectively; and
- (e) whether those vacancies against which men other than the retrenched staff were appointed were advertised for; if not why not?

**Mr. P. R. Rau:** (a) 51.

(b) 41 for 2 months.

(c) Appointments against the emergency grant, vary from time to time. The number of appointments against this grant at present is 11.

(d) It is not easy to earmark the composition of staff clearly against each specific sanction, and it varies from time to time. During the period 1st April, 1933, to date 121 men were, I understand, appointed of whom 42 belonged to minority communities. 86 of these are still in service of whom 56 are Hindus and 30 belong to minority communities.

(e) The reply to the first part of the question is in the negative. The vacancies were purely temporary, and such vacancies are not generally advertised. Appointments in such cases are ordinarily made from amongst those whose applications for appointment have been registered in the office and the appointments in question which were all made from those belonging to minority communities were made accordingly by the Director, Railway Clearing Accounts Office.

**Mr. M. Maswood Ahmad:** Will Government be pleased to inform the House whether the registers in which the applications are entered are open to inspection?

**Mr. P. R. Rau:** By whom?

**Mr. M. Maswood Ahmad:** By the candidates who apply for a job.

**Mr. P. R. Rau:** I don't think so.

**Mr. M. Maswood Ahmad:** What is the source for the candidate to know that his name has been registered or not?

**Mr. P. R. Rau:** I daresay he will get a reply to his application.

**Mr. M. Maswood Ahmad:** Am I to understand that a reply is sent to all the applicants?

**Mr. P. R. Rau:** I do not know, but that is what I conceive will be the case.

**Mr. M. Maswood Ahmad:** Will my Honourable friend enquire into this question?

(No answer.)

**NON-CONSIDERATION OF THE APPLICATIONS OF MATRICULATES AND INTERMEDIATES BY THE DIRECTOR, RAILWAY CLEARING ACCOUNTS OFFICE.**

**755. \*Mr. M. Maswood Ahmad:** Will Government be pleased to state:

- (a) whether it is a fact that the Director, Railway Clearing Accounts Office, does not consider the applications of Matrics and F. As. for appointment as clerks in that office; and
- (b) whether it is also a fact that there are more than 400 Hindu non-matrics among the subordinate staff of this office?

**Mr. P. R. Rau:** (a) No.

(b) I informed my Honourable friend in reply to a question he put early in March, that there were more than 400 non-matriculates in the office. I am not aware how many are Hindus.

**PROMOTIONS IN THE OFFICE OF THE AGENT, NORTH WESTERN RAILWAY.**

**756. \*Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether it is a fact that in the office of the Agent, North Western Railway, Hindu members of the staff who were once declared unfit for promotion from a lower to a higher grade are given second, third and even fourth chances to prove their fitness?

(b) Is it a fact that a Hindu clerk, grade I, of Commercial Branch was promoted to Grade II and found unfit for that grade in the years 1925, 1930 and 1931?

(c) Is it a fact that this clerk is again being given a fourth trial in Grade II by reverting an efficient Muslim clerk?

(d) Is it a fact that Muslim and Christian members of the staff who are once found unfit for a post are never given second, third or fourth trials like Hindus?

(e) Do Government propose to give the same facilities to Muslim and Christian members of the staff as well?

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

**INCLUSION OF THE MEDICAL DEGREES OF THE PATNA UNIVERSITY IN THE SCHEDULE OF THE INDIAN MEDICAL COUNCIL ACT.**

**757. \*Mr. M. Maswood Ahmad:** What steps have been taken by Government for including the medical degrees of the Patna University in the First Schedule of the Indian Medical Council Act as was suggested by them when the Bill was under the consideration of this House?

**Mr. G. S. Bajpai:** I would invite the Honourable Member's attention to sub-section (4) of Section 11 of the Indian Medical Council Act. The Council has first to make recommendations.

**Mr. M. Maswood Ahmad:** The question was, what steps had been taken by the Government. What I want to know is whether Government have taken any steps or not?

**Mr. G. S. Bajpai:** My Honourable friend probably does not recollect what I said on that occasion, namely, that it will be for the Council, when constituted, to take preliminary steps for the purpose of making its report to the Governor General in Council which is essential before Government can take any action in the matter of recognition. So far as I am aware, the Council has not yet made any report to the Governor General in Council.

**Mr. Gaya Prasad Singh:** May I know if the Council has sent any Inspector to inspect the working of the Medical Faculty in the Patna University before submitting its report as prescribed in that Act which was passed?

**Mr. G. S. Bajpai:** It will be for the Council to send Inspectors to Patna in order to inspect the examination, but, as far as I know, they have not yet appointed Inspectors for the purpose.

**Mr. Gaya Prasad Singh:** May I know when such an Inspector is likely to be appointed?

**Mr. G. S. Bajpai:** I expect it will be shortly.

**Mr. M. Maswood Ahmad:** Is it a fact that the medical degree of another University which had not been entered in that Schedule at that time has since been entered in that Schedule?

**Mr. G. S. Bajpai:** No degree which was not entered in the Schedule, at the time when the Act was passed, has been added to it.

#### HOURS OF WORK OF CERTAIN STAFF IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

758. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that a responsible official in the Railway Clearing Accounts Office, proposed the following orders to the Deputy Director of the Railway Clearing Accounts Office:

"The staff in Machine section including Coding, Punching and Operating, to attend office on 24th, 25th and 26th, each day from 8 A.M. to 7 P.M. except:

(i) from 11 A.M. to 2 P.M. on 24th (Railway Clearing Accounts Co-operative Credit and Thrift Society);

(ii) on 26th the Muslims may not attend provided they keep their work up to date and that the work of other men does not suffer by their absence"

(b) Is it a fact that the proposal was approved by the higher authority?

(c) Is it a fact that the work of Machine section is of dependent and not of independent nature and thus the attendance of Muslim staff was rendered compulsory?

(d) Is it a fact that 26th was a gazetted holiday for Clearing Accounts Office as well?

(e) Is it also a fact that there are only six Muslims out of the total strength of 80 men in the main machine section?

(f) Is it a fact that eleven hours' duty in a day is against the Geneva Convention?

(g) Is it a fact that the office work was suspended for three hours on 24th to celebrate the annual meeting of the Railway Clearing Co-operative Credit and Thrift Society?

**Mr. P. E. Rau:** (a) and (b). I understand that it was found necessary to call upon the staff in the Machine Section to work late hours on these days.

(c) The work of the Machine Section is partly of a dependant nature, but I am informed that actually none of the Muslim staff had to attend on the 26th March, 1934.

(d) The office was closed subject to arrangements for urgent work and work in arrears.

(e) Not six, but ten.

(f) No. The Geneva Convention does not deal with hours of works. The Indian Railways (Amendment) Act of 1930 laid down a limit of 60 hours a week.

(g) Yes.

#### RECRUITMENTS IN THE CENTRAL PUBLICATION BRANCH.

**759. \*Mr. M. Maswood Ahmad:** With reference to the answer to my starred question No. 515, dated the 19th March, 1934, will Government be pleased to state (i) the total number of candidates who appeared in the examination conducted by the Deputy Controller of Printing and Stationery and the number of Muslims among them and (ii) the number of candidates who were selected for recruitment as a result of this examination? How many of them were Muslims?

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

#### REGISTERS FOR ENTERING THE APPLICATIONS OF CANDIDATES IN THE CENTRAL PUBLICATION BRANCH.

**760. \*Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether registers are maintained for entering the applications of candidates in the Central Publication Branch?

(b) Is it a fact that, whether there are vacancies in the Central Publication Branch or not, any one is at liberty to apply to get his name entered in that register?

(c) If the reply to parts (a) and (b) be in the affirmative, will Government be pleased to state whether that register is open to inspection by the candidates?

(d) If the reply to parts (a) and (b) be in the negative, will Government please state whether candidates are at liberty to send their applications, irrespective of the fact whether there is a vacancy or not, and that those applications are considered when subsequently vacancies occur?

**The Honourable Sir Frank Noyce:** (a) No special registers are maintained, but applications when received are entered in the diary and kept together.

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

(d) The reply to the first part is in the affirmative. As regards the second part applications from suitable candidates are considered when vacancies occur.

**Mr. M. Maswood Ahmad:** Will Government consider the desirability of entering the applications of different candidates in proper registers and of giving information to the candidates that their names have been entered in the register?

**The Honourable Sir Frank Noyce:** No, Sir. I imagine that, when a candidate applies, he receives an acknowledgment of his application. If that is not done, I will see that it is done, but that seems to me to be quite sufficient for the purpose.

#### SUBLETTING OF VENDORS' CONTRACTS ON THE EAST INDIAN RAILWAY.

761. **\*Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether it is permissible to sublet vendors' contracts on the East Indian Railway?

(b) Is it a fact that in the past many contractors have been punished and their contracts cancelled for subletting the contracts on the East Indian Railway?

**Mr. P. B. Rau:** With your permission, Sir, I propose to reply to questions Nos. 761—764, together. I am obtaining from the Agent, East Indian Railway, information necessary for answering these questions, and shall lay replies on the table, in due course.

**Mr. M. Maswood Ahmad:** Are Government aware that this is a very important matter, and in spite of several questions the replies always given are that information is being collected and will be laid on the table in the Simla Session? Do Government propose to take any action, of their own accord, within a week or two of their getting information from the Agent?

**Mr. P. B. Rau:** If Government consider that any action is necessary, they will certainly take it.

**Pandit Satyendra Nath Sen:** Is the Honourable Member aware that in a meeting of the Central Advisory Council for Railways, which was held last year in December, Sir Guthrie Russel made a statement that subletting is illegal? Was not my Honourable friend present in that meeting?

**Mr. P. B. Rau:** I was present at that meeting, but I do not recollect that statement.

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

†762. **\*Mr. M. Maswood Ahmad:** (a) Have Government received any reply from the Agent, East Indian Railway, in connection with the cancellation of vendors' contracts in the Dinapur Division and subsequent letting of those very contracts to two persons for supply of food and sweetmeats to Hindus and two other persons for supply of these articles to Muslims?

(b) Is it a fact that there was a clause in the previous contracts reserving the right to the Railway authorities to terminate the contracts at any time? Is there any such clause in the contracts now given?

†For answer to this question see answer to question No. 761.

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

†763. \***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether the vendors' contracts in the Dinapur Division of the East Indian Railway have been given after consultation with the Local Advisory Council? If not, why not?

(b) Will Government be pleased to state whether before introducing the new system of vendors' contracts they consulted the Local Advisory Committee and whether they placed the whole scheme about this system before them? If not, do they propose to do so now?

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

†764. \***Mr. M. Maswood Ahmad:** Will Government be pleased to state whether they have gained anything by the introduction of the new system of vendor's contracts in the Dinapur Division of the East Indian Railway? If so, how much?

**TRAFFIC CONTROL IN KHARI BAOLI AND NAI SARAK IN DELHI.**

765. \***Mr. Jagan Nath Aggarwal:** (a) With reference to the reply to unstarred question No. 177, dated the 10th March, 1934, that Government are not aware of any undue inconvenience caused to the public by the scheme of introducing one way traffic in Naya Bans, Khari Baoli and Nai Sarak, are Government aware that an application signed by prominent men of Naya Bans was submitted to the Superintendent of Police, Delhi, recently informing him of the heavy loss incurred by the business community in particular?

(d) Are Government aware that this scheme has raised the conveyance charges of the *thelawalas* and *tongawalas*, which has told heavily on the business community?

(c) Do Government propose to take any steps to redress the grievance of the public, and the business community in particular, residing in Naya Bans and Khari Baoli?

**The Honourable Sir Harry Haig:** I have made enquiries of the Delhi Administration, and will lay a reply on the table, in due course.

**INCONVENIENCES CAUSED TO THIRD CLASS PASSENGERS ON THE DELHI RAILWAY STATION.**

766. \***Mr. Jagan Nath Aggarwal:** (a) Are Government aware that on the Delhi railway station much inconvenience is caused to third class passengers when they come out of the station?

(b) Is it not a fact that, though there are three gates on the third class platform, only one is open for entrance and exit of passengers, and are Government aware that despite repeated requests the staff on duty turns a deaf ear and is absolutely indifferent to requests to open more than one gate?

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†For answer to this question, see answer to question No. 761.

(c) Do Government propose to issue directions that when congestion of traffic is likely to occur on account of several trains leaving or arriving at close intervals, the railway staff should afford reasonable facilities to the passengers by opening more than one gate?

**Mr. P. R. Rau:** (a), (b) and (c). Government have no information, but I am sending a copy of the question to the Agent, North Western Railway, for such action as he may consider feasible to reduce the inconvenience referred to.

### UNSTARRED QUESTIONS AND ANSWERS.

#### PROMOTION OF SUBORDINATE STAFF ON STATE RAILWAYS.

378. **Rai Bahadur Lala Brij Kishore:** (a) Will Government be pleased to state whether it is not their recognised policy "to offer a fair field" to the staff in each of the subordinate categories of the Indian State Railways to advance in time to the posts in the upper subordinate and local service cadres on their individual merit? If not, will Government please give reasons for the same?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state if the staff in each category of the lower subordinate cadres of Indian State Railways have the avenue of promotion open to posts in the upper subordinate cadre, and staff in no category are denied promotion on the plea that promotion in that category stops at a post in the lower subordinate cadre?

(c) Do Government propose to frame the promotion rules of each category on the basis of this policy and remove any disabilities that may exist at present in any particular category?

**Mr. P. R. Rau:** (a) and (b). Advancement of the subordinate staff in the lower grades is dependent on an employee's seniority, experience and qualification as well as on the occurrence of vacancies in the higher posts of the department to which he belongs.

(c) Government are not aware that there is anything in the existing rules which debar the promotion of any subordinate to the upper subordinate cadre if there is a vacancy for which he is considered suitable.

#### PROMOTION OF GUARDS ON THE EAST INDIAN RAILWAY.

379. **Rai Bahadur Lala Brij Kishore:** (a) Will Government be pleased to state why guards are provided an avenue of promotion to the following posts on the East Indian Railway and whether they have their own avenue of promotion open to posts of Mail Train Guards, etc., and qualified staff in the Indian Assistant Station Masters, number takers, and Gunners' categories are available for promotion to these categories:

- (i) Assistant Station Masters and platform assistants at Junction Stations;
- (ii) Assistant Yard Masters;
- (iii) Yard Foreman;
- (iv) Station Masters of Junction Stations; and
- (v) Yard Masters?

(b) Is this extra provision for the staff in the Guards grades made to provide an avenue of promotion to members of one minority community, who preponderate in the higher posts in the Guards line?

(c) In what way are Guards considered qualified to hold these posts in comparison to Indian Assistant Station Masters, number takers and Gunners who pass all their life in big yards and junctions?

**Mr. P. R. Rau:** (a) This has always been the practice hitherto.

(b) No.

(c) Only such guards as are qualified will be promoted.

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

**390. Rai Bahadur Lala Brij Kishore:** With reference to their reply on the 6th February, 1934, to question No. 96, do Government propose to convey to the Agent, East Indian Railway, that in laying down the normal channel of promotion of head number takers to the post of yard supervisors it was not intended that in the absence of posts of yard supervisors, deserving head number takers may be debarred from further promotion to other posts in similar or other grades? Are Government aware that the rule in some divisions is being given too rigid interpretation that the Government did not desire?

**Mr. P. R. Rau:** A copy of the reply to question No. 96 has already been sent to Agent, East Indian Railway.

#### PROVISION OF A COW-SHED FOR CATTLE BELONGING TO THE EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

**391. Lala Rameshwar Prasad Bagla:** (a) Will Government be pleased to state whether there is any cow-shed built for the convenience of the cattle of the Government of India Press employees living in the Press quarters in New Delhi?

(b) If the answer to part (a) be in the negative, will Government be pleased to state what arrangements have been made by them to provide the employees with shelter for their cattle kept outside their quarters?

(c) Are Government aware that from the sanitary point of view it is essential for the employees, keeping cows, to keep their quarters in a neat and clean state?

**The Honourable Sir Frank Noyce:** (a) None, excepting such as are provided by the Municipal Committee.

(b) None. But the Municipal Committee are arranging for additional cattle byres in the area near the Press.

(c) Government consider that it is desirable for all their employees to keep their quarters in a clean state.

## CATTLE KEPT NEAR THE BACK-DOORS OF QUARTERS IN NEW DELHI

382. **Lala Rameshwar Prasad Bagla:** (a) Are Government prepared to enquire from the authorities of the New Delhi Municipal Committee, New Delhi:

- (i) whether they remove to the cattle pound the cattle which are, for want of cow-shed, kept near the respective back-doors of their owners for the time they have to clean the compounds of their quarters, and also,
- (ii) whether the owners of the cattle have to pay penalty for keeping the cattle near the back-doors, even if they are duly picketed?

(b) If the answers to parts (a) (i) and (ii) be in the affirmative, will Government be pleased to quote any rule of the New Delhi Municipal Committee, in support of their action?

(c) If there is any such rule, will Government be pleased to state (i) the underlying idea and (ii) the necessity for framing such rules?

(d) What action do Government propose to take to modify the rule, if it is in existence?

**Mr. G. S. Bajpai:** (a) (i) and (ii). Government are informed that the answer to the first part is in the negative. As regards the second part action is taken against those persons only, who offend against the provisions of section 182 of the Punjab Municipal Act.

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

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 THE TRADE DISPUTES (EXTENDING) BILL.

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

“That the Bill to extend the operation of the Trade Disputes Act, 1929, be taken into consideration.”

The measure before the House could hardly be briefer than it is and, in view of the heavy programme which still remains to be dealt with, the House will not, I am sure, expect a long speech from me in support of this motion. I would remind it that the original Bill which it is now sought to extend was introduced in this House in 1928. It represented the result of about five years consideration of the subject and was prepared after prolonged and careful consideration and consultation with Local Governments and with public opinion. The original intention was that it should be a permanent measure, but the Select Committee inserted a clause limiting its operation to five years. In taking this course, the Select Committee obviously did not believe that the need for the measure would disappear after five years. The fact seems to have been that there was considerable apprehension as to its probable working, and a number of Members were evidently distinctly perturbed as to its probable effect on the relations between capital and labour. On looking up the debates on the subject, I find one Honourable Member, who was well acquainted with

labour legislation, said: "I think this is the first time in the history of the labour movement in India that we are faced with legislation of a *very far reaching character*." This note was echoed in several speeches; for example, I find that at least three other speakers referred to the Bill as "far-reaching" or "very far-reaching", and other Members used language which would have conveyed to a stranger in the galleries the impression that the House was discussing something which might have tremendous effects. Now, Sir, I have no desire to belittle the importance of the main Act or to suggest for a moment that the Members who used such grave language were not sincere in their views. But looking back over the past five years, it is somewhat difficult to see traces of those far-reaching effects which it had been feared the Act might produce. As Members who were in this House at the time will remember, the passage of the Bill was followed by reverberations which shook this House to its foundations, but the effect which has been produced outside by the Act has been small. Indeed, the few opinions which are against having a Trade Disputes Act at all criticise it on the ground that it has been *very little used*. That is indeed true. Tribunals have been appointed on very few occasions. I do not remember any occasion—there may have been some—on which penalties have been imposed for lightning strikes in public utility services, and certainly no occasion has arisen for invoking what was referred to in the debates as Part III of the Act, that is, the provisions which deal with illegal strikes and lock-outs. Nonetheless, the Act in my view has served a very useful purpose. The tribunals that have been appointed have done most useful work. I need only refer to two of them, the Board of Conciliation which worked out a settlement of the dock disputes in Rangoon which had previously been attended by terrible tragedy and the Court of Inquiry which reviewed the steps taken in effecting retrenchment on the railways throughout India. Further it is important to remember that the utility of provisions of the kind found in the Act is not to be measured by the number of times they are invoked. The power to appoint a tribunal has been of value even in cases where it has not been actually used, and the fact that the provisions for the protection of the public contained in the concluding sections have rarely been invoked does not mean that they have been useless. It would be as reasonable to suggest that a particular crime should cease to be punished, because it has rarely been committed or that a fire insurance policy should not be renewed because there has been no fire.

Now, Sir, I do not propose to elaborate the case for the retention of the Bill, because I think that Honourable Members who have studied the papers at all closely will see that opinion generally is strongly in favour of making the Act a permanent measure. I am not going to assert that the Act is incapable of improvement for, as the House is aware, we have collected a considerable number of opinions and have received various suggestions for its amendment. For reasons, which I explained when I introduced the Bill, it was impossible to incorporate any provisions of that kind in the Bill, but if the Bill is passed, those opinions will receive very careful consideration. I am convinced that the Act is generally suited to our needs and that the necessity for its retention has become increasingly apparent. We are living in a time when changing economic conditions and the growth of consciousness in the labour world tend to place a strain on the relation between employers and employed, and any machinery which will tend to prevent disputes or alleviate their effects should be welcome.

[Sir Frank Noyce.]

Some of the critics of the proposals for legislation in the years prior to 1928 suggested that a measure of this kind, in order to be properly effective, required a more advanced type of labour than India has yet evolved. There was and still is some force in this contention, but labour is not standing still, and I think that the methods of conciliation and inquiry embodied in the Act are likely to prove increasingly effective as time goes on. Sir, I move.

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

"That the Bill to extend the operation of the Trade Disputes Act, 1929, be taken into consideration."

**Mr. Abdul Matin Chaudhury** (Assam: Muhammadan): I rise to oppose this motion. As the Honourable Sir Frank Noyce has pointed out, this Bill was passed originally in 1929 when its period of operation was limited to five years. I would like to remind Honourable Members that when the Act was originally passed, it aroused bitter controversy, both inside the House and outside, and it encountered strong opposition throughout the country. The trade union movement was vigorous in denouncing some of its provisions and this Bill was passed in the teeth of strong non-official opposition from the Members of this House, and though the Bill was passed, the Select Committee made a provision that its period of operation should be restricted to five years. They made that provision, because it was assumed that, after the experience of the working of the Act for five years, it will be possible to examine afresh the necessity of the measure before it is made permanent or amended or repealed. It seems that the Government have evidently come to the conclusion that the measure should be made a permanent one, and this, I think, is without any sufficient justification.

This Bill contains a clause which seeks to make permanent the Trade Disputes Act of 1929. That Act contains principles and provisions which are partly innocuous and partly vicious. This Trade Disputes Act provides for the settlement of trade disputes through the intervention of Courts of Enquiry and Boards of Conciliation. These Boards of Conciliation and Courts of Enquiry are fairly innocuous instruments for settling trade disputes which I do not think will evoke any serious opposition from any section of this House, but whether the action taken under this Act has led to any fruitful result will always remain a matter of opinion. Anyway the continuance of these provisions with regard to Boards of Conciliation and Courts of Enquiry themselves are provisions which I do not think will seriously be opposed by this House, but there are other provisions in this Act which are of a penal nature, which restrict the right of the workers and which, I think, should never have been passed either temporarily or permanently by this House. Circumstances in 1929 did not justify the passing of this Act and the reason for its continuance today is very much less obvious to us today. What has been our experience of the working of the Act for the last five years? During the last five years, only two Courts of Enquiry and Boards of Conciliation were appointed, though there were over 500

strikes throughout the country. There have been complaints that Government have been reluctant to utilise the machinery of this Act for the settlement of trade disputes, but now it seems that the Government are most anxious to make this measure permanent. This, Sir, creates the impression that it is not any partiality for Board of Conciliation or Court of Enquiry that is prompting the Government to enact this measure permanently, because, as I have said, the machinery under this Act has been very rarely used. It is only because the Government want to keep their armoury well equipped with repressive weapons that they are going to make this Act permanent. What is the nature of the repressive provisions that this Act provides? It makes strikes in public utility services, as the Honourable Members are aware, a penal offence if it occurs without notice and it makes sympathetic general strike illegal. It debars thousands of workers throughout the country in railway service, in postal and telegraph service and in municipal service, of the opportunity to resort to strike without notice, and it puts them in a disadvantageous position in the matter of securing a redress of their grievances. I maintain that the right whether a man should work or not is a fundamental right of citizenship, and this Bill deprives thousands of workers all over the country from the exercise of that right and the House should ponder over the consequences of enacting such a measure permanently by this House.

The grievances of the Indian workers are many and varied. Their wages are low. Their working hours are long and the conditions of their service are often very arduous, and they have still a long uphill struggle to go through before their standard of life can approximate to the modern civilized standard; and the only weapon that is available to the worker for the redress of his grievances, when appeals and representations fail, is to resort to a strike with all the suffering that it involves. No worker, we may be sure, will embark on a strike in a light-hearted manner, for it means starvation for him and his family and the total exhaustion of all his hard-earned savings. It is only then when the conditions become intolerable that he chooses this alternative of a strike, and I would ask the House whether it is fair, whether it is desirable that we should place in the hands of the employer an instrument which will place the worker at a disadvantage in fighting for the redress of his grievances and which will make strikes practically infructuous.

When, Sir, this Act was passed in 1929, doubts were expressed as to the utility of this measure; and I maintain, after the experience of five years or so, that the fear on which it was based were totally unfounded. Has it been necessary to apply even once the penal provisions all through the country during the last five years? I think the answer must be in the negative. Then, why are you assuming powers which you do not need to exercise? Measures that have been necessary in England for preventing a general strike in that country cannot be introduced in India, because the conditions here are quite dissimilar. There, in England, the organised labour has got the power to threaten the very existence of society by means of a general strike: and a measure that may be necessary for the preservation of the social fabric in England is quite unnecessary in India, where labour is unorganised and disunited; and, even in England, if the Labour Party is returned by a parliamentary majority, it is doubtful whether the Trade Disputes Act will find a place in the Statute-book.

There is another disadvantage, Sir. This Act hinders the growth of the trade union movement of the country. The trade union movement, as

[Mr. Abdul Matin Chaudhury.]

Honourable Members know, in this country is in an infant stage. People join trade unions, because they feel that by the exercise of their organised strength, they will be able to secure the redress of their grievances more easily and this power to launch a lightning strike is the only effective weapon in the armoury of strikers; and if you take away that power from him, then the unorganised labour will not be in a position to secure the redress of his grievances and this takes away his impetus to his joining the trade union movement. I maintain that it is unnecessary to arm the executive and the employer with the powers that are given under this Act. When this Act was passed in 1929, it was a sort of emergency measure; and a power that may or may not have been necessary in 1929, when the horizon was overcast with impending labour troubles, is obviously not necessary today when the situation is fairly tranquil. Sir, the last five years have been years of great political struggle, turmoil and unrest, and yet it was not even once found necessary to requisition the penal provisions of this Act in order to defeat the objects of political agitators who might be fomenting troubles in industrial areas. In 1929, labour was better organised, and the trade union movement was more aggressive and vigorous. Today the trade union movement is in a state of inanition, it is disunited, it is disorganised, so that the power that may have been found necessary in 1929 is, I maintain, quite unnecessary today. And, even in 1929, it was thought necessary to make this Bill a temporary measure. I would ask the Honourable Member, Sir, what is the occasion to make it permanent today? If in 1929, when the labour movement was more vigorous and aggressive, it was considered necessary to make it only a temporary measure, there is surely no justification for seeking to make it permanent at the present moment when conditions are so tranquil. The fact, Sir, that five years have passed since the Act was put on the Statute-book is no argument for its continuance. I should, on the contrary, think it is an argument for the repeal of the Act, because experience has shown that it is not of much practical value. The proper course for the Government would have been to introduce an amending Bill and remove all the obnoxious features from this Act.

My friend, the Honourable Sir Frank Noyce, has suggested that it is because of the congestion of legislative business that the Government could not bring forward any amending Bill. But if the congestion of legislative business stood in the way of the Government's introducing an amending Bill, then the Government might have introduced an extending Bill extending the period of operation for some time till they were in a position to bring forward an amending Bill. I hold the view, Sir, that no case has been made out for making this measure a permanent one.

Then, Sir, the Honourable Sir Frank Noyce has said that the opinions that he has quoted are strongly in favour of making the measure permanent. I went through the opinions rather carefully, and my impression, on the contrary, has been that the opinions are generally in favour of not making it a permanent measure at this present stage and in the present form. Sir, the important organisations of labour are practically unanimous in the view that there should be a further period of experimentation. They hold the view that this Bill should be amended suitably in the light of the experience of the past few years and that the result of that amendment should be watched for a further period of five years before it is made permanent; and this view is held by important employers of labour like

the Bombay Millowners Association, the Ahmedabad Millowners Association, the Bombay Chamber of Commerce, the Agent of the G. I. P. Railway, the Agent of the B., B. & C. I. Railway. I believe also from the Bengal side the jute, the paper and the engineering industries, represented on the Bengal Chamber of Commerce, also hold the same view. From the labour side also, the Social Service League of Bombay and the National Seamen's Union of Calcutta press for amending the Bill and watching the results for a further period before it is made permanent. In view, Sir, of this marked unanimity among the workers and the employers on this particular question, Government should have refrained from making this measure permanent in this form.

There is another consideration. Since the Act was passed, it came under review by the Royal Commission on Labour, and the opinion expressed by the Royal Commission is not, I think, favourable to the continuance of this measure in its present form. The Labour Commission observed that the Indian Act has copied the less valuable part of the English Act and has ignored the more valuable part of it. They further said that the weakest point in the Indian Act is that, while it denies the Indian workers in the public utility services the power to force their employers, it gives them no corresponding advantage or assurance that, when they have a grievance, that grievance will receive careful consideration. The Royal Commission suggested that the Act should be amended on certain lines. But what the Government are doing today is to make the measure permanent with all its defects and they give us the assurance that at some future date they will take up the amendment of the Act. As I said, the proper thing for the Government to do would have been to amend the Act first and then make it permanent. What should have been done now is being put off for the future and what should have been done in the future is being done in the present. The result is that the position is literally preposterous, and I, therefore, oppose this Bill.

**Mr. H. P. Mody** (Bombay Millowners' Association : Indian Commerce) : Mr. President, I think the object underlying the Trade Disputes Act must commend itself to every one of us. As my Honourable friend, the Member for Industries and Labour, stated, the prevention and settlement of disputes and the creation of a machinery for alleviating their effects, when disputes do occur, must command the support of both employers and workers. But I feel some difficulty in supporting this motion as it stands. As every one knows, the Trade Disputes Act has failed to function in the manner we hoped it would, and the experience of the last five years is not exactly encouraging. It is perfectly true that the Act is being scrutinised and certain amendments have been suggested which will come up for consideration during the next few months. But the point is that it is rather premature to talk of making this Act a permanent measure without ascertaining, first of all, whether those particular amendments which may be embodied in the new Bill will achieve the object any better. Under these circumstances, I feel that it will be a very advisable course for Government to introduce a provision that, at the end of five years, there will be a review of the operation of the Act. If that is done, I am sure, it ought to meet the point of view of my Honourable friend, the Deputy President. He has raised various objections to this measure. It is perfectly legitimate from his own point of view to argue that the penal provisions are of such a character that labour interests cannot support them. But surely my

[Mr. H. P. Mody.]

Honourable friend realises that the fundamental object of the measure, namely, the prevention and settlement of disputes, is one which must certainly commend itself to both labour and capitalist interests. The proper place and the proper time for raising objections to the various provisions of the Act is when those provisions are before the House. They are not before us now. The only thing that is sought to be done today is to enact that the measure should be of a permanent character. I submit that if the Government meet my suggestion that they will lay down a definite condition that, at the end of five years or any other such period, the Act will again be reviewed, then I think it will meet the objection of my Honourable friend and of others who think with him. Of course, I know that my Honourable friend, Sir Frank Noyce, will say that any Act is open to amendment. But the amendment of an Act in the ordinary way is one thing, and a definite provision for a review is quite another thing. The latter alternative ensures that, at the end of a certain period of time, the Act will be re-examined before it is sought to be continued.

There is just one other point which I would like to mention. I do not think my Honourable friend, the Deputy President, was quite fair to the Member for Industries and Labour. Surely Sir Frank Noyce is the last person to be charged with harbouring any designs against the interests of labour. He can be trusted fully to hold the scales even between the two interests, and I am sure his record during the last two or three years justifies us in holding that with confidence. (Hear, hear.) I am sorry that any ulterior motive should be suspected in this motion before the House. I am sure that when Sir Frank Noyce comes to realise that there is a feeling that this Act requires to be reviewed at the end of a definite period, he will give us that assurance, and, in that event, I am sure the Opposition will be altogether withdrawn.

**Mr. Abdul Matin Chaudhury:** On a point of personal explanation, Sir, I did not make any personal charge against the Honourable Member for Industries and Labour. I only said that the effect of this measure, if it was made permanent, would be to strengthen the repressive armoury of the Government.

**Mr. N. M. Joshi** (Nominated Non-Official): The speech of the Honourable the Deputy President has clearly shown that this measure is not entirely in the interests of labour. He has stated that like the curate's egg it is good in some parts and it is very bad too in other parts. I agree with the Deputy President that the Government of India should have found time and opportunity to revise the measure and introduced a Bill with amendments to improve the measure which was originally passed. Unfortunately, they have not done so. Under the present circumstances, as the Government of India are willing to bring forward another measure amending this Bill, I am quite indifferent about the fate of this Bill.

Sir, the necessity for the intervention of Government in an industrial dispute is quite clear. The industry in the present circumstances is run on such a basis that industrial disputes are inevitable. We may not like them, but they are bound to be there. The conditions of life and work which the employees secure under the present industrial organisation are fixed by a process of discussion, negotiation and ultimately of fight. The workers have no voice at all in deciding on what conditions they would

work. So, industrial disputes are inherent in the present system. These industrial disputes, besides affecting the interests of the workers and of the employers, many times affect the interests of the public. That being the case, the right of the Government to intervene in industrial disputes cannot be challenged. I hold that there is another good reason why the Government of India should intervene in an industrial dispute, especially in a country like India, where labour is not educated and it is ignorant. Consequently, the workers are not organised. The employers in this country are educated and, as we all know from the example of our friend, Mr Mody and others sitting to my left, they have a very great political influence. They are very well organised, and, under these circumstances, I feel that in our country there is special need for the Government to intervene for the protection of workers when there is a dispute between the employers and the workers. I, therefore, not only do not question the utility of a measure where Government will intervene to settle an industrial dispute, but I feel a measure of that type is absolutely necessary.

Sir, the present Trade Disputes Act has two parts, in one part it provides machinery for the settlement of disputes and the machinery is of two kinds, the first type of machinery consists of what is called the Conciliation Board and the second type of machinery is what we may call the Court of Enquiry. The second part of the Act is an Act which is adverse to the interests of labour. It penalises both a lock-out and a strike in public utility services. It also penalises what we may call a general strike or a general lock out. This part of the legislation is generally not expected to be employed against employers. I have not yet seen it being used against the employers. It is generally used against the workers.

Now, Sir, I shall first deal with the first part of the legislation, namely, where the machinery is provided for the settlement of industrial disputes. Sir, this legislation has been in existence now for five years, and I feel that these provisions for settlement of industrial disputes have not been used as often as they should have been. I feel the Government of India are sometimes ashamed of the power and perhaps afraid of the power which the Act has given to intervene in industrial disputes. It is true that the Government of India used this power twice as regards the settlement of two railway disputes. I feel that the Government of India had several other opportunities to intervene in industrial disputes, and, if they had intervened, a great deal of loss to the railways as well as to the workers employed on railways would have been saved. There was a strike in the G. I. P. Ry.; the Government of India could have intervened, but they did not do so. There was a strike on the Madras and Southern Mahratta Railway and the Government of India could have intervened, but they did not do so. So far as the Madras and Southern Mahratta Railway is concerned, we all know that the duty of settling the disputes fell upon the Committee of the citizens of Madras. These citizens did perhaps what they could do, but a Committee of citizens is not the committee that could settle a labour dispute, at least that was not the opinion of the Government of India when they passed the legislation. The result was that the Citizens committee in Madras blundered with serious consequences to the workers employed on that Railway. I can give several other industries where the Government of India could have intervened, but where they did not intervene. So far as the Provincial Governments are concerned, it is only one Provincial Government

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that used this legislation and that too only once, and that was in Burma. It is true in Bombay also a Committee of Enquiry was once appointed, but that was not, strictly speaking, under this legislation. So this piece of legislation during the past five years was used only three times, and it was used only once by one Provincial Government. Not that there were no industrial disputes during the last five years, there were several industrial disputes, but unfortunately the Provincial Governments do not think that a machinery of this kind need be used at all. The Provincial Governments have a feeling that they have no duty at all, unless and until there is a strike, and if there is a threat of a strike, the Provincial Governments feel that their duty is clear and that duty is to support the employers by the use of section 144 of the Criminal Procedure Code. If a strike is threatened, meetings will be banned and restrictions will be placed upon those people who are likely to help the workers. Under the present weak condition of the organisations of workers and also on account of the ignorance and helplessness of the workers, this method of preventing industrial disputes or trade disputes may appear successful. But I feel the policy which the Provincial Governments are following in refusing to intervene in the industrial disputes except by the use of the powers which they possess under section 144 of the Criminal Procedure Code is a fatal and a wrong policy. Today the community and the Government may not suffer on account of this short-sighted policy, but labour in India will one day organise itself. Labour in India will one day become educated, their strength will increase, and if they once have a feeling that in industrial disputes the Provincial Governments in this country, in order to help the employers and to prevent strikes, use all their powers for coercion against the workers, then there will be greater difficulties than we can imagine today.

I shall now come to the second part of the legislation which we are considering, namely, that part of the legislation which is intended to affect the workers adversely. In the first place, there is a section which deals with public utility services. The right of workers to go on strike in a public utility service is restricted. In the first place, I do not understand, Sir, why the withdrawal of labour by the workers or refusing to work by workers should be treated as a criminal offence even in a public utility service. It is the natural right of any human being to refuse to work for an employer whom that person does not like. It is wrong, I hold it is akin to slavery, to compel a man to work for an employer against his wishes. I, therefore, do not accept the principle that even in a public utility service refusal to work should be made a criminal offence under any circumstances . . . .

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muham-  
madan): What is the law in England?

**Mr. N. M. Joshi:** I am coming to that. I feel, Sir, that it is not right that we should put these restrictions upon the freedom of workers. I am asked, what is the English legislation? I have to admit that in England too, under certain circumstances, in what are called public utility services, the right to go on strike is restricted, it is limited, but there is some difference between the English Act and our legislation.

**Sir Hari Singh Gour:** Not only restricted, but penalised.

**Mr. N. M. Joshi:** In the first place, in England, the public utility services are defined and stated what they are. Under our Act, the power is given to the Government of India to declare any industry as a public utility service. If my Honourable friend, Mr. Mody, or my Honourable friends on my left, with all the great political influence, which they have, approach the Government of India tomorrow and say that the textile industry should be considered a public utility service, or some other industry, in which the gentlemen on my left are interested, should be regarded as a public utility service, it will not take more than a few days to have those industries declared as public utility services. That is a difference between the English Act and our Act. The English Act has left no discretion to the Government in this matter. Then, there are some other differences too. The main English legislation which penalises a strike in a public utility service is what is called the Law of Conspiracy and Protection of Property, 1875. The law is amended by the legislation of 1927. But, in the English legislation, it is not a mere withdrawal of labour which is penalised. The withdrawal of labour must be wilful and malicious. The employer or the Government who prosecutes the worker has to prove that the withdrawal was malicious and also wilful, and, secondly, that the worker understood the consequences that his withdrawal would lead to danger to life or property or hardships to the community. So the English law is much more restricted than our law. Our law does not look into the motive at all. The act may not be a malicious act, it may not be a wilful act. Therefore, the analogy of the English Act does not hold good at all.

Sir, my Honourable friend, the Deputy President, has pointed out that the Royal Commission, which considered this question, came to the conclusion that this provision, as regards the restriction of the worker's rights in public utility services, is an one-sided provision which places the workers at a disadvantage inasmuch as the right to go on strike is restricted. I may say that it is practically impossible to have a strike in a public utility service under these restrictions. The Royal Commission, having recognised that fact, stated that inasmuch as a disability has been placed upon the workers, there should be some advantage given to the workers in the public utility services. I do not know what exactly the Royal Commission did propose, because, I think, the Royal Commission did not go into the details of this question as to what advantages should be given. In the first place, if you restrict the right of the workers in an industry to withdraw the labour or refuse to do work for the employer under conditions which the workers do not approve, and if you want to compel the workers to work, there must be some obligation placed upon the employer and Government also must shoulder some responsibility. Sir, in many countries, where such restrictions are placed upon the liberty of the workers, they are given some compensating advantages. For instance, in Canada, although the right to go on strike is restricted, it is incumbent upon Government to make an inquiry when the workers feel that they have a grievance against the employer or where the employers have changed the conditions of service. We are not providing by our legislation that, if workers have a grievance, there shall be an inquiry into that grievance. I would go a little further and say this, that if we are making it very difficult for the workers in public utility services by placing a disability upon them, the Government of India should take steps by legislation to see that proper conditions of work and life are provided for employees in the public utility

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service. I would suggest to the Government of India that although they may not take steps for the protection of workers as regards unemployment, sickness and old age as in all other countries, let them take steps first for the protection of workers in the public utility services. If you are placing a disability on the workers in a public utility service, give them some advantage that employers in a public utility service shall provide some kind of unemployment insurance, some kind of health insurance or some kind of old age pension. Let some kind of benefit be given to those workers in a public utility service if their right is to be restricted and a disability is to be placed upon them.

Sir, there is another disability placed upon the workers by the present legislation, and that disability is as regards a general strike. A general strike has been made illegal, and it has been defined as a strike which extends beyond the limit of one industry and which is supposed to be made or intended for coercing Government. Now, Sir, I do not know why a general strike as a strike extending beyond the limit of one industry and also intended to coerce the Government should be made illegal. What is the object of a strike? The object of a strike is that the workers should, by their organisation and by their combined strength, achieve what individually they are unable to achieve. The strike is intended to coerce somebody. It either coerces the employers, and if it is a large strike extending beyond the limit of one industry, it will, whether it is intended or not, coerce the Government to some extent and will also cause some hardship to the community. Sir, I am not one of those people who would like any section of the population to cause unnecessary hardship to the community, but if the community expects a section of workers to give up its right of going on a strike, in order that the community should be saved from hardships which may be caused by the withdrawal of labour, it is the duty of the community to look after the interests of the workers. If the community looks properly after the interest of the workers, the workers certainly will not cause hardship to the community. I, therefore, feel that it is wrong to make a general strike illegal. It is the right of the workers to combine not only within one industry, but even beyond the limit of one industry. Why should not the workers combine and organise themselves into one big organisation going beyond the limit of one industry and use that organisation to achieve their object? The employers themselves, like Mr. Mody, have organised themselves into a body of industrial employers. I am told there is another organisation in the country of the industrial employers. I do not know their names, but there are two organisations in this country of the employers going beyond the limit of one industry. Why have they formed those organisations going beyond the limit of one industry? Because they feel that all employers in the country as a body,—not the employers in one industry, but all the employers as a class,—should organise themselves to achieve some object. If it becomes necessary for them to fight the workers, as one body of employers . . . . .

**Mr. F. E. James** (Madras: European): By constitutional means.

**Mr. N. M. Joshi:** I feel that strike is a constitutional means. If you declare strike as an unconstitutional means, the strike will become unconstitutional. The Government of India declare an ordinary public

meeting as unconstitutional and illegal. Public agitation by public meetings becomes unconstitutional. So it depends upon what you make legal and what you do not make legal. I feel that strike is a constitutional method, and I feel that a general strike is a constitutional method . . . .

**Sir Hari Singh Gour:** Is that what was held in England?

**Mr. N. M. Joshi:** In England, there was a general strike and there was a Government which were against the workers of that country and they passed legislation as our own Government have passed legislation prohibiting meetings and declaring meetings illegal. What is the wonder if we find some Government in Great Britain which declare a general strike illegal? Even a public meeting, even a speech made somewhere in a small place may be declared illegal; and so the fact that in England a general strike is declared illegal does not make general strike an illegal method of agitation or an unconstitutional method of agitation.

**Sir Hari Singh Gour:** It was not declared illegal: it was found to be illegal.

**Mr. N. M. Joshi:** It was made illegal by changing the law. My Honourable friend, Sir Hari Singh Gour, does not know the fact that in England the law was changed on the initiative of his friend, Sir John Simon. I do not wish to say anything more than this, that I do not approve of this provision and I hope that when the Government of India try to change the law and bring before this Legislature amending legislation, they will remove these two provisions, namely, provision as regards public utility services and also provision as regards the general strike. I feel that if the Government of India want that there should be peace in the industries in this country, they should go much further than passing a legislation of this kind. The Royal Commission on Labour has made several other recommendations besides the passing and the amending of the Trade Disputes Bill. The Royal Commission on Labour has pointed out several reasons as to why industrial disputes take place: they have pointed out that there is not much contact between the people represented by my Honourable friend, Mr. Mody, and the workers themselves. My Honourable friend, Mr. Mody, yesterday said that I did not visit the mill areas. The Royal Commission on Labour has stated that there is not much contact between the employers and the workers in this country. They have pointed out several methods by which the contact should be improved. I do not say any word about the number of visits my Honourable friend, Mr. Mody, has made to the areas where the mills are situated; but I know this fact very well, that employers in India generally and specially in Bombay hardly know what their workers are: many of them sit in their offices either in the Fort or in some area in Calcutta from 11 to 5: in the morning they go to their factory, sign some papers in five minutes time and return home. I am told that this is not true of Calcutta: it may not be true of Calcutta—I do not know much about Calcutta. The Royal Commission found that in spite of what my Honourable friend, Mr. Mody, thinks about myself, there is not much contact between the employers and the workers—human contact. It has recommended several measures. The

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Royal Commission has pointed out the difficulties that arise on account of misunderstanding caused by the difference in race of the employers and the workers. The Royal Commission has pointed out that the Managers do not understand the language of the workers and the Managers are expected to manage the workers. The Royal Commission has pointed out that the employers can take and the Government can take several measures to establish contact between the workers and the employers. They have suggested some form of organisation on the model of the Whitley Committees in England, The Royal Commission has suggested to the Government of India and the Provincial Governments that whenever this relation between the employers and the workers becomes strained, there should be some officer with the Government ready who will be watching the situation and who will, by methods of conciliation, bring about a settlement between the employers and the employed even before the strike takes place. The Royal Commission lays great stress upon the work to be done, not for settling the dispute after the dispute arises, but to prevent disputes taking place; and, with that object, the Royal Commission made several recommendations. One of the recommendations was that with the Provincial Governments there should be some officers to bring about conciliation between the workers and the employers. The Government of India are a great employer. The Government of India should also have an officer for that purpose. The Government of India as employer on our railways have not done what they were asked to do by the Royal Commission on Labour in this matter. The Royal Commission on Labour, in order to prevent disputes on the railways, recommended that there should be a joint machinery for discussion, negotiation and settlement of the disputes, established by the Government of India. What have the Government of India done after the recommendation of the Royal Commission? Nothing has been done although the recommendation is now more than two years old. I, therefore, feel that the Government of India should not be content with merely passing legislation of this kind. Legislation of this kind is not going to bring about industrial peace. Several recommendations have been made by the Royal Commission on Labour which should be given effect to. Personally, I hold that if permanent industrial peace is to be established, it cannot be established by merely bringing into existence machinery to settle disputes or even by the appointment of officers to bring about good relations between the employers and the workers. To establish industrial peace, we must go to the very root of the problem; we must find out why industrial disputes take place, and if we go to the root of the problem, we will find that the root is not on the surface, but it is beneath the surface; the root of the dispute is the main basis on which industries are developed. We shall have to change that basis. We are trying several methods to bring about peace in our political relations, and we shall not succeed in it till we establish self-Government in this country. Similarly, if you wish to establish permanent peace in industry, you will have to recognise the right of labour to control an industry, as we recognise the right of the capitalist to control the industry. If permanent peace is to be established in industry in this country, it can only be established by joint control of the industries, by the employers, by the workers and by the community as a whole. Mr. President, I have done.

**The Honourable Sir Frank Noyce:** Sir, I do not propose to follow my Honourable friend, Mr. Joshi, in a lengthy discussion of the merits of the

main Act. My friend was not in this House in 1929 when that Act was passed, and I could not help thinking when I listened to his speech this morning that he was delivering to this House the speech that he would have delivered if he had been present when the Bill was under discussion. As I understand the criticisms of my Honourable friends, the Deputy President and Mr. Mody, they are to the effect that the Act is not of much use. I find it a little difficult to reconcile that criticism in the case of my Honourable friend, the Deputy President, with his further criticism that its provisions are too drastic. It is certainly somewhat unusual to find in this House agreement between the representatives of employers and of labour on any matter. The best test of excellence of a Bill would undoubtedly be that they should be agreed that it is a good Bill; but, failing that, Sir, the second best test is that they should agree that it is a bad one . . . . .

**Mr. H. F. Mody:** I never said that it was a bad Bill. I said that the Act had not functioned as well as it should have.

**The Honourable Sir Frank Noyce:** . . . . that is an unsatisfactory Bill, and that test is evidently satisfied by the Trade Disputes Act.

Sir, there are just two points that I should like to mention which were raised by my friend, the Deputy President. If I understood him correctly, he said that a lightning strike was the only effective weapon which labour possessed. I would remind him that, in the cases covered by section 15 of the Act, the employers and the workers are not the only parties closely concerned. I would ask the House whether the community should be liable to have its life disorganised without even fifteen days notice? That point was also raised by my Honourable friend, Mr. Joshi, and I would ask him the same question.

Then, again, Sir, the Deputy President said that the Act prohibited sympathetic strikes. That is not correct. It only prohibits such strikes, if they satisfy the second conditions in clause 16, and I would remind the House what that condition is:

"A strike or a lock-out shall be illegal which is designed or calculated to inflict severe general and prolonged hardship upon the community and thereby to compel the Government to take or to abstain from taking any particular course of action."

I was surprised to hear from my friend, the Deputy President, that the continuance of the Trade Disputes Act would hinder the development of the Trade Union movement. To that, Sir, I entirely demur. I should certainly not be a supporter of any measure which was designed or which I felt was calculated to have that effect. For, Sir, I am convinced that it is only in the development of a sound and sane Trade Union movement that there is any hope for the future of labour in this country. My Honourable friend, Mr. Joshi, in the course of the discussion yesterday, accused me of criticising his presence in this House, and his tours to Geneva and to conferences elsewhere. I have never done anything of the kind. I fully recognise the value of the work Mr. Joshi does wherever he goes, but I have ventured to urge on him, both in this House and outside it, in season and perhaps out of season, that the activities of labour leaders such

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as himself would be of even more value if they were directed to the formation of that healthy trade union movement which is so important to the relations between capital and labour in this country. It is there, Sir, that the main hope for the permanent industrial peace of this country lies.

I should like to correct Mr. Joshi on one point. He told the House that if Mr. Mody came to Government and asked that the cotton textile industry should be declared a public utility service, the Government would readily consent to it and the transaction would be completed in the course of a few days, if not a few hours. I think that he must have overlooked the definition of a public utility service in section 2(g) of the Act which defines it as:

"any railway service which the Governor General-in-Council may, by notification in the Gazette of India declare a public utility service, any postal or telephone or telegraph service, any industry, business or undertaking which supplies light or water to the public and any system of public conservancy or sanitation."

I fail to see how the cotton textile industry could be brought within the scope of that definition.

Now, Sir, as I have said, I do not propose to enter into any argument or any discussion of the merits of the main Act. We take our stand on the fact that, in spite of what my Honourable friend, the Deputy President, has said, the bulk of opinion is in favour of our continuing the Act as a permanent measure . . . . .

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa : Muham-madan): No.

**The Honourable Sir Frank Noyce:** Well, Sir, that is a matter of opinion. I have evidently read the opinions one way, and my friend has read them in another way. Those opinions have been carefully classified in my Department, and the statement submitted to me shows, to my mind, conclusively that the majority of the opinions we have received are in favour of making the Act permanent. I do not, Sir, for a moment contend that they are in favour of making the Act permanent exactly as it is at present, and that brings me to the point raised by Mr. Mody who wants some kind of review within a period of not more than five years from now. I must confess that I do not see how a provision of that kind should easily be made in the Statute, and in any case there is no amendment to that effect now before us. But I think I can offer Mr. Mody some assurances which will meet his point. As I said a few moments ago, we have collected a number of useful opinions and these contain suggestions for amendment of the Act in various directions. My colleagues and I have not yet had an opportunity of examining the proposed amendments in detail, and so I cannot give a definite promise to the House that this or that particular amendment will be introduced. But I am prepared to undertake that, within the period mentioned by Mr. Mody, we shall bring forward another Bill containing proposals for amendment of the main Act. So far as I can see, this Bill will probably include amendments affecting the main operative provisions of the Act, that is, section 3, which is the section giving power to refer disputes to Courts and Boards, and section 15, which is the section

dealing with public utility services. It should thus enable the House to discuss, and if it sees fit, to revise the more important sections.

**Mr. H. P. Mody:** If my Honourable friend will allow me to interrupt him, I am afraid I did not make myself very clear. My point is, if the Act is amended as it is expected it will be in the next few months, an opportunity should be given to the Legislature at a later stage to consider whether the amended Act has succeeded in its object. That is what I intended. I know that an amending Bill is under contemplation, but what I want is that when the Act is amended, then, after a period of years, an opportunity should be given to the Legislature to find out whether the Act, as amended, is functioning effectively.

**The Honourable Sir Frank Noyce:** I think the Honourable Member is putting rather a hypothetical question to me. We do not anticipate that it will be possible to bring the amending Bill forward just yet. That depends on events and on the programme of legislative business before this House. My Honourable friend is really asking me to bind the successors of this Government five years hence, possibly six or seven years hence. I think he will realise on reflection that I am quite unable to do that. In any case, I think the point will be better discussed when we bring forward our amending Bill. Even before we bring forward that amending Bill, the House will have further experience of the working of the Act, and when we introduce the Bill, I shall be very glad to give the House a report on the working of the Act up to date in order to enable it to review the position. If, in the interval, my Honourable friend, Mr. Mody, or my Honourable friend, Mr. Joshi, or my Honourable friend, the Deputy President, or any other Member of this House wishes to offer any further suggestions for the amendment of the Act other than those which are contained in the opinions already before us, I need hardly say that we shall be very happy to take these into our consideration. I trust that with these assurances my Honourable friends, the Deputy President and Mr. Joshi, will withdraw their opposition and that Mr. Mody will be content.

**Mr. M. Maswood Ahmad:** I want to inform my Honourable friend that Muslim Members also do not like this Bill as it is and that they are very much dissatisfied with it and they want important changes in it. Further, they want that all the trade unions should be recognised by the Government without any discrimination.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Order, order. That is absolutely irrelevant.

**The Honourable Sir Frank Noyce:** This is not a Trade Unions Bill, but a Trade Disputes Bill.

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

"That the Bill to extend the operation of the Trade Disputes Act, 1929, be taken into consideration."

The motion was adopted.

Clauses 2 and 1 were added to the Bill.

The Title and the Preamble were added to the Bill.

**The Honourable Sir Frank Noyce:** Sir, I move:

“That the Bill be passed.”

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

“That the Bill be passed.”

The motion was adopted.

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### THE SUGAR (EXCISE DUTY) BILL.

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

“That the Bill to provide for the imposition and collection of an excise duty on sugar, as reported by the Select Committee, be taken into consideration.”

I do not wish to make a long speech on this occasion, but there are just two points with which I wish to deal. In the first place, I regret to say that there is a difference of opinion between the Government and what I may describe as a bare majority of the Committee as regards the rate of duty to be imposed. On that point, as I made it clear to my Honourable friends in the Select Committee, Government feel that they must adhere to their original plan and we therefore propose to move an amendment to the Bill as reported by the Select Committee. We feel, as we have stated in the Report that we have signed, that the case on which we originally took our stand and that the figures on which we based that case were not effectively challenged at any point in the Select Committee's discussions. We gave the fullest figures that were required by the Members of the Select Committee and on all points—that at least is our view of the matter—on all points on which a particular argument was brought forward based on definite and concrete figures we were able to maintain our position. I do not wish now to go over those figures. No doubt, figures will again be given in the course of this debate, and I hope that I shall be able effectively to deal with any arguments of that kind. We take our stand on our original position for two reasons, firstly, because we consider that our proposals are essentially right, and, secondly, because we need the revenue in order to carry out our original plan. And here I must speak with a certain amount of difficulty and reluctance, because I know it has been argued that I have tried unfairly to influence the votes of Members by telling them in plain words that, unless they vote for this Bill, we cannot carry out our proposals to transfer the jute duty to Bengal. I sympathise a good deal with the feelings of Honourable Members who have made that sort of criticism, but, on the other hand, I would ask them to

appreciate my position. I must make my position clear to the House. I cannot allow any Honourable Member to say afterwards: "Oh, if you had only told us what this meant, we should have voted differently." I must make that position clear. It is an essential part of our position, and the position is that we planned our revenue measures with reference to our proposal for the transfer of revenue to Bengal. And that applies not merely to this special measure and the excise duty on matches—although I made it clear in my Budget speech that if it had not been for our desire to transfer revenue to Bengal, we should not have put forward that particular proposal this year—it applies not only to that, but to all our proposals, because, obviously, if I lose Rs. 50 lakhs on sugar, that reacts on the margin which I require from matches. That is an elementary point which must be clear. I must make it clear that we do not see our way to carrying out our original plan or to giving it any permanent basis of security unless we can assure to ourselves a certain revenue from sugar. Several Honourable Members argued in the discussions in the Select Committee that I had underestimated the revenue that we were likely to get from sugar, both under the excise head and under the import duty head. I can only reply to that that our estimates are based on the most careful review of the position and that I could not put before the House higher estimates and feel that they were reliable. Honourable Members know perfectly well that, of course, under every head, estimation in present circumstances is extremely difficult. I made that point perfectly clear in my Budget speech, but I am not denying for a moment that there is a chance that under the head of sugar we may possibly get more, but equally there is a chance that under other heads we may get less, and, taking our revenue estimates as a whole, I am afraid I cannot hold out any idea that I have any hidden margin up my sleeve. But that is not the real point. The real point is that whatever the amount of revenue that I am going to get out of sugar, I must get more if the duty is at Rs. 1-5-0 a cwt. than if it is at one rupee a cwt. and we say that we want that additional margin and that argument must hold good whether my critics are right as to our sugar estimates or whether I am right. That, Sir, again, is an elementary point. That is all I wish to say on that aspect of the matter at this stage. The only other topic on which I wish to touch is a recommendation in the Select Committee's Report at the end of the Report where the Committee say:

"We desire to record our conviction that Government should, in return for the tax which they are now levying upon the sugar industry, afford all possible help to the industry by the organisation of measures of research, both agricultural (evolution of better types of cane, etc.) and industrial (disposal of bye-products, etc.)

We as Government Members have signed that recommendation, and we fully recognise that it is a right and proper recommendation. I do not know whether the House or the public generally realise that a great deal of work already has been done and is being done on the research side. If I might go very briefly over what is being done and what has been done, it might perhaps be of interest. There is, of course, the well known Imperial Sugar-cane breeding station at Coimbatore, and I think everybody knows what good work it has done. Then, there was organised by the Imperial Council of Agricultural Research, as one of the first measures that they undertook, a chain of sugar-cane research station extending right through the sugar belt in the sub-tropical part of India, extending from

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the North-West Frontier Province to Assam. All those stations are doing very good work. Then, as regards the tropical area, a specially large research station has been established by the Imperial Council of Agricultural Research at a central station on the Deccan Canals. Then, a grant has been given to the Madras Government to establish a research station and another grant has been given to Mysore for a breeding station especially for breeding thick varieties of cane which are suitable for tropical areas. Then a start has been made in setting up a whole range of stations and sub-stations for testing out the improved breeds of cane produced at Coimbatore. An important sub-station has been set up at Karnal and two seedling testing stations have been set up at Shahjehanpur in the United Provinces and at Dacca in Bengal. Then, as regards diseases, a co-ordinated scheme has been formulated for research into diseases after very careful consideration by the Imperial Council of Agricultural Research, and they hope to put that into operation very soon. That covers work on the agricultural side. As regards the industrial side, the first step was the appointment of a sugar technologist. He was a specially selected man who was given special training afterwards and he gives a good deal of advice about new factories. He is also the honorary head of the Sugar School in the Harcourt Butler Technological Institute at Cawnpore, and a grant of 2½ lakhs has been made by the Imperial Council of Agricultural Research to the Harcourt Butler Institute where they go in for training young men in various branches of special expert work which is required for the sugar industry. Then a model demonstration factory has been set up at the institute. Then, again, the Imperial Council of Agricultural Research have also worked out a complete scheme for dealing with molasses, which is now under the consideration of the Government of India. Then, a good deal has been done in the way of giving help to the smaller side of the sugar industry. Arrangements have been made for designing an improved juice boiler, for experimenting in small crushing mills, and for experiments in an improved open pan system. Grants of about 2½ lakhs have been made for that purpose. Then, a research station is being established for improving the indigenous system of sugar manufacture and *gur* boiling under the sugar technologist. Then, on the commercial side, an Indian sugar trade service is being established and a sugar bureau has been set up at Cawnpore. On the economic side an inquiry has been made by the Imperial Council of Agricultural Research on the cost of production for sugar-cane and cotton comparing the two, and the Imperial Council of Agricultural Research is also just now conducting a census of the *khandsari* factories. It has been one of our difficulties in discussing this measure that we have really no reliable statistics about the *khandsari* factories. That is what has already been done, but there is another large scheme under contemplation on the industrial side. The Imperial Council of Agricultural Research have been examining for some time a scheme for setting up an Imperial Sugar Research Institute, and I can say that, as a matter of principle, Government have decided to proceed with that, and are now in active consultation with the United Provinces Government about taking over the Harcourt Butler Institute at Cawnpore in order to bring that scheme to fruition. I, therefore, want to make it quite clear that Government do recognise their responsibility both as regards the agricultural and the industrial side connected with sugar business and we hope that the larger scheme which I have just mentioned will be given effect to in a comparatively short

period. That, Sir, is all that I need say on this subject at the present stage. Sir, I move.

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

“That the Bill to provide for the imposition and collection of an excise duty on sugar, as reported by the Select Committee, be taken into consideration.”

**Mr. T. N. Ramakrishna Reddi** (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I do not oppose the consideration of this Bill. My object in taking part at this stage is to say a few words regarding the changes that have been made in the Select Committee. I submit that the Bill has been changed in the Select Committee considerably and its scope enlarged. When the Bill was originally introduced, the Government had absolutely no idea of levying excise duty on *khandsari* sugar.

**An Honourable Member**: No.

**The Honourable Sir George Schuster**: My Honourable friend is, I think, incorrect in that. The Bill remains exactly as it was so far as its scope goes. It levies duty on sugar produced in factories and the definition of factories remains entirely unchanged.

**Mr. T. N. Ramakrishna Reddi**: Sir, I accept the correction made by the Honourable the Finance Member so far as the definition of  
1 P.M. Factory is concerned; but I maintain that when he made his Budget speech, he referred only to the white sugar produced in factories and did not make any reference to *khandsari* sugar at all. Further, I would point out that it is clear from the minutes appended to the Bill itself that the Honourable the Finance Member at the beginning had no idea of taxing this *khandsari* sugar. The idea of the Honourable Member was to levy an excise duty of Rs. 1-5-0 per hundredweight of the white sugar produced in this country in the factories, and, Sir, he calculated the revenue, as would appear from these minutes, on an estimated production of sugar of 646,000 tons in the factories. Well, this calculation is based on the sugar that is produced in factories established on the Western system—factories which produce that kind of white sugar which was till recently being imported from Java. Then, again, from these very minutes, I shall show that the Honourable the Finance Member had absolutely no idea of taxing the *khandsari* sugar. I shall read only a few lines:

“Owing to the growth of the new factories and large quantities of sugar bound to be manufactured in the current year we estimated that at least 750,000 tons of sugar will be produced as against the Government estimate of 646,000 tons. Moreover, as the Government estimate did not include the *khandsari* sugar which amounts to nearly 250,000 tons and of which at least 60 per cent is produced by the factories, the total amount of revenue at Rs. 1-5-0 per cwt. would come to Rs. 2,36,25,000.

Thus, it is clear that originally it was not the idea of the Government to tax sugar produced according to the processes which prevail in this country. Again, the Honourable the Finance Member, in moving for reference of the Bill to the Select Committee, stated that there was some

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point in the speeches made by the factory owners that if *khandsari* sugar was excluded from this excise duty, it would compete with the factory-produced sugar and then he said that it was the business of the Select Committee to look into this matter. Sir, from all these considerations put together, it is clear that the Government originally had not the idea of taxing the *khandsari* sugar, but only factory-made sugar. Sir, when this protection is granted, it is granted with the idea that India might become self-sufficient in her requirements of sugar and the idea was to eliminate imports of Java sugar. Sir, Java is not importing the sugar of the class produced in this country according to country processes, *viz.*, *khandsari* sugar. She has been importing white sugar and the factories, set up under this protection, are factories that produce white sugar. So, for all these reasons, I submit that originally it was not the intention of the Government to tax the *khandsari* sugar.

**Mr. S. G. Jog** (Berar Representative): How did it then come up in the Select Committee?

**Mr. T. N. Ramakrishna Reddi:** Under the definition of factories—because that definition is so framed as to include *khandsaris* also.—it was only by a side way that it came up for consideration in the Select Committee. The Select Committee, I submit, has not given full thought to all the aspects of the question of *khandsari*. For the matter of that, the Honourable the Finance Member just now stated that no reliable statistics were available regarding *khandsari* sugar, and, on that very ground alone, the *palmyra* sugar has been excluded . . . .

**The Honourable Sir George Schuster:** My Honourable friend has quite misrepresented what I said. I said there were no reliable statistics as to the number, for instance, of the *khandsari* factories which would be caught by this definition. I was not referring to the cost of production of *khandsari* sugar. That was the point that came up in connection with *palmyra* sugar.

**Mr. T. N. Ramakrishna Reddi:** I maintain, Sir, all these considerations regarding *khandsari* sugar came in only at the Select Committee stage and were not under consideration before. I am just now pointing out from the minutes of dissent appended by Mr. S. C. Mitra, Lala Hari Raj Swarup, Mr. Muhammad Azhar Ali, Haji Abdoola Haroon, Mr. Bhuput Sing and Mr. A. Ramaswami Mudaliar, to prove my contention. I read just now from paragraph 2 wherein they clearly state that *khandsari* sugar was not taken into consideration in the beginning. The Finance Member, in framing his Budget, anticipated the revenues that would come out of this excise duty only from the production of white sugar. Well, Sir, *khandsaris* have now been included, and my submission is that sufficient consideration has not been given to this aspect of the question. Sir, the Select Committee has no doubt reduced the excise duty from Rs. 1-5-0 to ten annas in the case of the *khandsari* sugar, and there they take into consideration only one aspect, that is to say, the price that *khandsari* sugar fetches in relation to the price which the white sugar fetches. But there are various other considerations which the Select Committee ought to have taken into consideration. In the first place, I submit that the *khandsari* sugar will

have a very great handicap and I will not be surprised if they will be exterminated in case this excise duty is continued to be imposed on *khandsari* sugar. Sir, one reason is that, in the matter of extraction, there is a large quantity of wastage going on in this process. Sir, I refer to that book by Mr. M. P. Gandhi on the Indian Sugar Industry which my learned friend, Mr. Hari Raj Swarup, has characterised as a most admirably-written book. The learned author has quoted an extract from the Indian Sugar Excise Committee's Report—page 25, at the bottom—it is a simple quotation from that Committee's report:

"A thoroughly up-to-date factory can extract at least 96 per cent of the sugar actually present in the cane, and by an efficient control in the boiling house, 90 per cent of the sucrose in the juice can be recovered as manufactured sugar. In other words, about 86.4 per cent of the original sucrose in cane can be obtained as sugar."

Then, with regard to the country-made sugar, there is a difference in the extraction. On page 28 we find:

".....and the crude methods of boiling the juice in which inversion takes place from sucrose to glucose. As a result, the recovery of the sucrose content of the cane works out to about 52 per cent. as against 86 per cent. obtained in a modern sugar factory."

That is one initial handicap. Then, the second handicap of this *khandsari* sugar is this. With regard to the recoveries, the modern factories at present are getting 8.65 per cent in some cases and over nine per cent in some other cases. Thus, on the average, the modern factories that exist in this country are getting a recovery of nine per cent from the cane, whereas from the *khandsari* process they are getting only five per cent on the average, in some cases even lesser percentage than that. In fact, up till very recently, they used to get four per cent only, but they are now getting nearly five per cent. If any authority is necessary for that, I will refer my Honourable friend to page 36 of the very same book where it is stated that the *khandsaris* give only five per cent. With regard to the factories, I will refer him to page 83, where it is clearly stated that the recoveries are about nine per cent. Here also there is the advantage gained by factories over this *khandsari* sugar. Then, Sir, the sugar manufactured in *khandsaris* is of inferior variety. It is only equal to the second or third class sugar that is produced in the factories. It fetches nearly one rupee to one rupee and eight annas less than the sugar that is produced in the factories. That is another handicap. Then, Sir, the other handicap is that the factories work for nearly 138 to 150 days in the year, whereas the *khandsaris* work for 70 to 80 days in the year. These are the various handicaps under which the *khandsari* sugar is labouring. Then, Sir, this protection duty was levied in the year 1931 or 1932 for the purpose of protecting the sugar industry in this country. Ever since that time, the factories have risen by leaps and bounds, and the quantity of sugar produced in these factories has been enormous. In fact, the development has been so marked that within two years India is now able to supply her own sugar. Well, Sir, I will now give to my Honourable friend some statistics. On page 57 of the same book, we find that in 1930-31 the sugar made in these factories was only about 119,000 tons; in 1931-32, it was 158,000 tons; in 1932-33, it was 290,000 tons; in 1933-34, it was 700,000 tons, and in 1934-35, it is estimated to produce 875,000 tons, whereas the sugar produced under the *khandsari* process

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is still substantially the same as it was produced in the year 1923-24. There is absolutely no advantage that is obtained by the *khandsaris* on account of the protective duty. All the advantage that has been derived by this protection has gone only to the factories and the *khandsaris* have not been benefited at all by this protection duty.

**Mr. President** (The Honourable Sir Shanmukham Chetty): How much more time will the Honourable Member take?

**Mr. T. N. Ramakrishna Reddi**: I will take, Sir, about 10 to 15 minutes more.

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

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

**Mr. T. N. Ramakrishna Reddi**: Sir, I was discussing before we rose for lunch about the various disabilities under which the *khandsari* sugar was working. Now, Sir, I will say a few words with regard to the necessity of keeping alive the *khandsari* process of producing sugar instead of wiping it out of existence.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Honourable Member has got an amendment to this effect, and the detailed exposition on this question would be more suitable when that amendment is taken up.

**Mr. T. N. Ramakrishna Reddi**: I shall make only a brief reference. Sir, the factories consume about ten per cent of the sugar-cane produced in the country and nearly 70 per cent of the sugar-cane is at present being converted into what is called *gur* in this country. Now, on account of the fall in prices of *gur*, it has become uneconomical to convert cane into *gur*, and so the only alternative for the sugar-cane growers is either to send the sugar-cane to the factories where they exist or to eat them away where there are no factories. If, instead of converting this 70 per cent of sugar-cane produced in the country into *gur*, they can convert it into sugar, it would develop a profitable cottage industry for the agriculturists. We want to preserve this *khandsari* sugar because it is a cottage industry. There are very few factories in the southern country, and it is not possible for the cane growers to take their sugar-cane grown in the interior parts to those factories. On the other hand, it is easy to set up these *khandsari* factories in the interior parts of the country and hence the agriculturists can easily convert the cane into *khandsari* sugar. It is said by some Honourable Members that this process of conversion of sugar-cane into *khandsari* sugar is a most uneconomical process and they ask why should you persist in this form of manufacture. My answer to this is that you may as well say, why should the handloom industry exist in this country when the factories are producing cloth. *Khandsari*

stands in relation to sugar as the handloom industry stands in relation to cloth, and hence it ought to exist. Already on account of the competition and fall in prices of sugar, the *khandsari* has been very much affected, and, I am sure, my Honourable friend from Rohilkund and Kumaon Divisions, where many *khandsaris* exist, will speak to that fact. I have also got the authority of the Minister of the United Provinces who says that under the impact of factories, the *khandsari* is going to the wall. I will simply quote one sentence before I conclude. The United Provinces Minister, the Honourable Mr. J. P. Srivastava, says:

"We have actually found that white sugar is taking the place of *khandsari* sugar and even of *gur*. In Rohilkund, a lot of *khandsaris* have gone out and people are using white sugar. We also know that, at the present price of sugar, it does not pay the *khandsaris* to work, and as long as this low level is maintained, there will be greater and greater opening for white sugar."

It is not that the *khandsari* encroaches upon the factory sugar, it is the factory sugar that encroaches upon *khandsari* sugar with cut throat competition and wants to drive it out of existence. For all these reasons, it is quite essential that the *khandsari* sugar should escape this duty, so that it may serve a useful purpose in the agricultural economy of India.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, my Honourable friend, Mr. Reddi, pointed out how the Bill has emerged from the Select Committee slightly worse than how it went into it. I myself am not in a position to subscribe to that opinion. I believe I am echoing the opinion of the *khandsaris* of my constituency when I say that the Bill has emerged from the Select Committee slightly better, better to the extent of having received a reduction from Rs. 1-5-0 to ten annas. This I must acknowledge, but our whole contention is that even this ten annas is not justified, and I am grateful to my Honourable friend, Mr. Reddi, for having given notice of an amendment, and on that amendment I shall speak when the occasion comes, to leave out the *khandsari* altogether from taxing.

Sir, the whole point is this. This is a very ancient industry in the United Provinces. Just as in the case of cotton mills, so in the case of the sugar factory. The cotton mills really affected to a large extent the handloom industry, and the sugar factories threaten to wipe out of existence the *khandsari* industry, they have actually wiped it out in the eastern districts of the United Provinces and the *khandsari*, who was once flourishing, is now threatened with extinction in the Rohilkund Division which is the home of *khandsari* by their cut-throat competition. Such being the case, I have a right to ask the Honourable the Finance Member to show some more consideration than the Committee has shown to the *khandsari*. The *khandsari* people work under a dual handicap. In the first place, they do not work under the same conditions as the factory people do, who have wealth behind them and modern machinery, and, in the second place, the *rab*, as it is called—after the juice is boiled and dried—which they bring from the village to the town for centrifugal purification, has to bear heavy charges. They have to pay for the cart, and, in Shahjahanpur, I believe, they have to pay one anna as municipal tax. Of course, the factory people have no such difficulties. They also get more out of the sugar-cane than the *khandsari* people do. They have more money to compete with them in the purchase of sugar-cane. Such being the case,

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this ancient village industry must be preserved, and it is for the preservation of this cottage industry that I appeal to the Honourable the Finance Member that something must be done to remove their apprehensions. In the first place, they ask whether "power" means also hand power, if I may use that expression. And they again ask whether "workers" means even the clerks who are working there or only the actual number of workers in the factory, *i.e.*, the labourers. They have these difficulties. They have come and put them to me. I personally think that power can only mean electric power or water or steam power, but they think that it might also mean driving a machine with the help of coolies, *i.e.*, physical power. I hope this doubt will be cleared by the Honourable the Finance Member.

**Mr. B. Das** (Orissa Division: Non-Muhammādan): That is never contemplated.

**Mr. C. S. Ranga Iyer**: I know that is never contemplated, I am only mentioning the fact. *Khandsari* people from my constituency have come and told me: "What is going to happen to us? This new Bill is introduced, and are they going to make it impossible for us to continue the work of producing sugar which we have been producing in such difficult circumstances and against such formidable competition?" There is no getting away from the fact that the factory has killed the *khandsari* in the eastern districts of the United Provinces and threatens to kill the *khandsari* in the Rohilkund Division. In this connection, I may read a passage, which probably some Members of the House may not have read, from the Tariff Board Report about the *khandsari* industry in the Rohilkund Division. The Sugar Committee placed the figure of production of sugar at about 250,000 tons, I believe, for the whole of the United Provinces:

"This figure was later considered an overestimate but in view of the fact that this process is almost universally followed in Rohilkund where the area under cane is over 300,000 acres, an output of 200,000 tons does not seem excessive. *Khandsari* factories are easily and quickly established and for many years to come must form an important outlet for cane in those parts of the country which are not as yet sufficiently developed to admit of the construction of central factories. It appears, therefore, that an effort should be made to support the *khandsari* system both as holding an important position in the agricultural system of the United Provinces and as constituting an outlet for surplus cane which may be produced in the next few years."

This is the opinion of the Tariff Board, and it is just as well to place that opinion on record. Not that I consider that everything that is said in the Tariff Board Report is binding on us or should be supported by us. Sir, I do not think we need make a long speech at this stage, and it will be more businesslike to get through this Bill in a businesslike manner. I once again suggest to the Honourable the Finance Member to clear some of their apprehensions, because apprehensions do exist, and I believe he is in touch with the United Provinces Government. The United Provinces Government have represented the case of the *khandsari* industry to the Government of India. I believe that is correct, and, if that is so, I hope the Government of India will give due consideration to the proposals which have been brought to their notice by the United Provinces Government. And I hope, at future stages, steps would be taken to reduce, and, if possible, to eliminate, this duty altogether; for the *khandsari* is a cottage industry and must be given the same concession as we are giving to the handloom industry in regard to the production of cloth. For,

just as India lives in cottages in regard to cloth making, so does India live in cottages with regard to sugar, specially in the Rohilkund Division which has been supplying sugar for ages to many parts of India, both south as well as west and east. For these reasons, I hope that if it is not possible to reduce the duty straightaway, steps will be taken to reduce the duty, for the attempt should be to leave the *khandsari*, which has already a rival in the field, absolutely out of this taxation proposal. I personally wish that *khandsari* had been altogether left out.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhamadnan): In this connection, I want to say that there is no doubt that the Bill, as it has come out of the Select Committee, is much worse than the one which was sent, from the point of view of the agriculturists. Though the Government Member has said that at that time the intention was for Rs. 1-5-0 for excise duty for *khandsari* also, I do not think that was the idea of Government at that time. And even if that was the idea, the wording of the Bill did not show that. At that time I mentioned that the definition should be changed to safeguard the interests of agriculturists, that sugar, which may be prepared by means of the open pan system, should not come under this Bill. I find that my fear at that time came to be true. If you will see, the definition of sugar at that time was,—any form of sugar containing more than 90 per cent of sucrose. There was a chance for those, who were preparing *khandsari* sugar, to show Government at that time that the sugar prepared by the *khandsari* trade by means of refineries did not come under that definition. But now there is a definition of *khandsari* sugar as meaning sugar in the manufacture of which neither a vacuum pan nor an evaporator is employed. This makes the definition very wide.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhamadnan Urban): This word "sugar" must again be understood in the light of the definition of the word "sugar" given above.

**Mr. M. Maswood Ahmad**: I very much doubt that when I find different rates for sugar. There is one rate for sugar, that is, all other sugar except *palmyra* sugar, at the rate of one rupee per cwt. And there is *khandsari* sugar at the rate of ten annas per cwt. The result will be that all the sugar, which may be produced either by means of *khandsari* or by other systems, will come under this Act, whether that sugar contains more than 90 per cent of sucrose or not.

**The Honourable Sir George Schuster**: No, Sir; my Honourable friend is quite wrong about that. It is quite clear that we have not altered the definition at all, so far as the sucrose content is concerned.

**Mr. M. Maswood Ahmad**: If Government say that it will not come under that, then on that point I have got nothing much to say.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Clause 3 (1) says that a duty shall be levied on all sugar produced and the definition of sugar will apply to it.

**Mr. M. Maswood Ahmad**: Then, about factories, I want to mention two or three things. Here they have said that any place where more than 20 persons are employed will be treated as a factory. At present in

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*khandsari* sugar factories what happens is that there are two kinds of sugar factories. One, those which are managed by capitalists. Where they have purchased *rab* and *gur*, they prepare *khandsari* sugar from that *rab* or *gur*. And there is another form which is prevalent in Bihar. That is, agriculturists themselves purchase refineries, and they cut their own sugar-cane and take the juice and afterwards make *rab* and then prepare *khandsari* sugar. So I think that these labourers, who will be engaged in cutting sugar-cane and taking the juice from the sugar-cane and then in preparing *rab*, will be in a more advantageous position than those who are capitalists and those who have *khandsari* factories only. Otherwise, these agriculturists, who have only one building for all these processes, will have to have another building for these processes, and thus they will be put to trouble. I want an assurance from the Government that they will make it clear that the number of labourers employed for cutting cane or for making *gur* will not be counted in the number "twenty" as mentioned in the Factory Act. This is very important; otherwise, the agriculturists will be in a more difficult position than those capitalists who have got these *khandsari* factories. This *gur* making process should not be counted at all; because, before protection was given to sugar, *gur* was prepared in this country and they did not want protection. This protection was given to the factory owners. Therefore, on this account, the agriculturist should not be penalised. Whether the factory owners make profits or not is another point. But these agriculturists should not be penalised for them. I hope my Honourable friend, Sir George Schuster, will enlighten us on the point as to whether the number 20 includes also these labourers.

**Lala Hari Raj Swarup** (United Provinces: Landholders): Sir, I intervene in this debate at this stage to remove one or two misunderstandings that have recently arisen on account of the speeches made by my predecessors. We have heard so much in favour of the *khandsari*. So far as the agriculturist or the cottage industry is concerned, I think none of us disagrees in giving proper protection to that. But in this *khandsari* industry there are clearly two divisions,—one, which employs less than 20 persons, and the other, which employs more than 20 persons and which comes under the definition of a factory. The cottage industrialist or the grower hardly employs more than 20 persons; and so, under this Act, he will save the full duty. What this clause aims at is this: that those capitalists who set up factories under the guise of an open pan system should not escape duty. If any Honourable Member cares to go to Rohilkund or Bareilly, he will see that there is nothing of a cottage industry in the *khandsari* as carried on in Bareilly. They employ hundreds of persons and use machinery for crushing cane and boiling the juice, etc. The only difference is that they do not use the vacuum pan or a quadruple effect evaporator; and when we in the Select Committee decided to levy lower rates of duty, we clearly wanted to prevent abuse of this system by capitalists who may, under the guise of *khandsaris*, set up big open pan factories and thus compete very effectively with the big factories and cause a serious disadvantage to them.

Sir, my friend, Mr. Reddi, referred to various disadvantages under which the *khandsari* factory works. He said the extraction of a *khandsari* factory is five per cent, while that of a big factory is nine per cent: If the

*khandsari* factory is not a cottage industry or grower, I do not know why he wants to protect the *khandsari* who is a capitalist and inefficient and pleaded for the cause of inefficiency. Again, he says that the sugar of *khandsari* sells at one rupee to Rs. 1-8-0 per maund less than the factory sugar. I think he is seriously mistaken in this matter. The difference in the prices of the two is hardly six to eight annas a maund.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): It might be on paper, not in the market.

**Lala Hari Raj Swarup**: It is really so. In the market, if you go and inquire, you will find it. Then, Sir, Mr. Reddi says that the working season of a big factory is 138 days, while that of a small factory is 78 days. That does not matter so long as the cost of production of *khandsari* is lower than that of a big factory; and in support of that, I will refer to page 12 of a note on the sugar manufacturing industry in the United Provinces by Mr. R. T. Srivastava, wherein he says that the cost in a *khandsari* factory to produce sugar is Rs. 8 per 100 maunds of cane; and, out of 100 maunds, they get at least six maunds of sugar. Therefore, with these considerations, we did not want to wipe the *khandsari* out of existence. What we want is this: that there should be equitable conditions of competition between the two. You should not place one at an advantage over the other.

My friend, the Finance Member, made rather an unfair charge against us, saying that the Government figures were not challenged in the Select Committee. If I remember aright, their figures of sugar prices were effectively challenged by my friend, Haji Abdoola Haroon, and we did not get any satisfactory reply to his challenge . . . .

**The Honourable Sir George Schuster**: What I said was that our figures were not effectively challenged: when I went over the actual quotations that we had got, my Honourable friend, Haji Abdoola Haroon, admitted that they were all correct.

**Lala Hari Raj Swarup**: He might have admitted them for a particular day: but so far as the average of the year was concerned, we did not agree. I myself questioned the figures of the sugar technologist when he based his calculation on extraction and said that nine per cent was the average recovery throughout India. I quoted from his own publications that the recovery for the whole of India last year was 8.66 and we got an admission from the sugar technologist that the recovery this year was expected to be worse than last year. But, even there, our challenge was not accepted. The difficulty that we faced in the Select Committee was that the Government did not accept our figures and we could not accept their figures, and, therefore, the result was that we had to make our recommendations by a large majority.

When we recommended a reduction of duty from Rs. 1-5-0 to one rupee, we wanted to make it possible for the industry to bear the burden, but at the same time give 1,47 lakhs to the Government, so that their financial plan may remain intact. To that argument the Finance Member says that he wants as much money as possible. It is true that the Finance Member wants as much money as possible, but, at the same time, we

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have to see whether the burden that is proposed for a certain industry can be borne by that industry or not, and we came to the conclusion after careful consideration that Rs. 1-5-0 per cwt. was too heavy a burden for the sugar industry at this stage.

We further recommended, Sir, in the Select Committee that the surcharge should be merged in the import duty, and the excise and the surcharge should be treated as inter-related to each other, and that the surcharge should not be withdrawn without, at the same time, withdrawing the excise duty. I am glad, the Government Members have agreed to this proposal. We should have preferred to put it in the Bill, and I am glad there is an amendment to that effect, and I hope the Government will accept it. With these words, Sir, I request the House to adopt the Report of the Select Committee.

**Seth Haji Abdoola Haroon** (Sind: Muhammadan Rural): Sir, at this stage I do not think it would be advisable for me to oppose the Bill, as I was a Member of the Select Committee myself and we have decided to levy a duty of one rupee per cwt. But during the last few weeks there has been a great agitation in this House, as well as outside, that sugar manufacturers are making huge profits, that the Finance Member is giving protection to the sugar industry as suggested by the Tariff Board. Now, the Finance Member says that the Government have prepared the plan according to the Tariff Act, and that they were imposing Rs. 1-5-0 per cwt., but I may tell the House that I brought to the notice of the Select Committee the fact that the measure of protection recommended by the Tariff Board was not being given to us. We are not getting the protection as recommended by the Tariff Board, but the Finance Member's reply is that, in that case, we will have to go again before another Tariff Board. That reply is all right, but the present position is that we will have to pay Rs. 1-5-0 duty.

Now, I shall give a few figures,—they are not my figures, but these figures were supplied by the Government Technologist. According to these figures, if the price of cane is five annas, five and a half annas and six annas, what is the price that could reasonably be charged by the sugar manufacturer? Now, the Tariff Board says that in the initial stages of protection, the price of sugar should be Rs. 8-0-0 per maund. The Sugar Technologist calculated the figures, and he increased it to Rs. 9-5-0 per maund as fair selling price ex-factory. Then he says that in the final stages of protection, that is to say, at the end of the 15th year, Rs. 6-0-0 per maund would be a fair selling price. Mr. Srivastava, the Sugar Technologist, gives us certain figures and says that if the price of cane is five annas per maund, then the selling price of sugar should be Rs. 6-15-0. According to the Tariff Board Report, the cost of production is Rs. 4-8-8 in the initial stage and Rs. 4-2-3 per maund in the final stage, but Mr. Srivastava calculates the cost of production at Rs. 3-8-4, because, he says, in the course of his observations, that the sugar factories can crush more cane, and the cost of production would also go down. He is perfectly correct there.

Now, what are the new factors that have come into existence since the Tariff Board Report was published? When their Report was under preparation, the price of sugar *c.i.f.* Calcutta was Rs. 4-2-0 per maund, and today the price is Rs. 3-1-0 per maund. In January last, the price was Rs. 2-15-0 per maund *c.i.f.* Calcutta. Therefore, the House can easily see that, when the Tariff Board Report was published, the price

of sugar was Rs. 4-2-0 *c.i.f.* Calcutta, and nobody in the world imagined then that the price of sugar would go down to Rs. 3-0-0 *c.i.f.* Calcutta, and, therefore, they have suggested that should, at any time, the *c.i.f.* price go down, then fresh protection to the extent of eight annas per cwt. should be given to the industry, whereas the fresh protection allowed is only six annas per maund. Now, according to the calculation of the Tariff Board, we are not getting the price of the molasses at all, and if a duty of Rs. 1-5-0 is imposed, then the burden on the industry comes to is Rs. 2-6-3 per maund. Rs. 2-6-3 per maund means about Rs. 3-4-0 per cwt. The surcharge on import duty is Rs. 1-13-0, and it means Rs. 1-7-0 per cwt. and we get Rs. 1-7-0 less protection than what the Tariff Board has suggested.

**The Honourable Sir George Schuster:** My Honourable friend is not correct in that statement. The maximum protection which the Tariff Board recommended is Rs. 7-12-0, and that is what we are proposing to leave in this Bill. They never said, if sugar goes down still lower, we should add another eight annas

**Seth Haji Abdoola Haroon:** I have not got the Protection Bill before me, but if you read the Bill, you will see that the Governor General-in-Council is allowed to put as much duty as is necessary when the sugar market goes down. Of course, the Tariff Board suggested eight annas, but the Bill gives power to the Governor General-in-Council that he can put on a further duty when the sugar market goes down. The Government are unable to accept their figures, and we are not also accepting the Government's figures. They want an excise duty, they are plaintiffs and they are judges themselves, and they decide whatever they like. We have to submit to that. I find there are several interests represented in this House. Some want to help the agriculturists, some want to help the consumers and some the cottage industries, and so on. In my opinion, most of the effect of this will fall on the agriculturists and cane growers. Today you will have read in the papers and we also heard about it in this House, that the cane growers are not getting proper prices for their cane, and if this Bill is passed, what will be the result? According to the figures supplied by the Government—I do not want to give my own figures—but, assuming the figures given by the Government to be correct, with five annas a maund of cane the selling price of sugar is Rs. 6-15-0, and, with one rupee added as excise duty, it means Rs. 7-15-0, whereas the price in the market on the 1st February and the whole of February this year was not more than Rs. 7-12-0. It means we have to lose about three annas per maund of sugar, and, if that be so, what will the manufacturers do?

**The Honourable Sir George Schuster:** May I point out two things to my Honourable friend? First of all, the figure that he has given of Rs. 7-12-0 is a figure that we effectively challenged in the Select Committee, and, secondly, the figures which he is quoting as Government figures are not Government figures at all. They are figures given in answer to a request made by the Select Committee that we should re-calculate on today's basis the Tariff Board's calculation. We ourselves made it quite clear in the Select Committee that we thought the actual cost of manufacture was definitely less than that. The figure that we had given re-calculating the Tariff Board's basis gives the cost of manufacture, apart from the price of cane, at Rs. 2-11-0 per cwt., and we took our stand on the fact that the actual cost is really not more than about two rupees.

**Seth Haji Abdoola Haroon:** You may calculate it at Rs. 2, or Rs. 1-8-0 or twelve annas per maund, but the figures given by Mr. Srivastava—he has quoted his own figure and not the figure of the Tariff Board. I have already said that he has lessened the cost of production by twelve annas. My argument is, according to his estimate of the cost of production, the fair selling price is Rs. 6-15-0, and, with one rupee more for excise duty, it means Rs. 7-15-0.

**The Honourable Sir George Schuster:** I must correct my Honourable friend again. That is not Mr. Srivastava's view of what a fair selling price is. That is Mr. Srivastava's figure in answer to your request to re-calculate the Tariff Board's basis on today's prices, and I must point out to the House that the price of Rs. 6-15-0 that my Honourable friend has arrived at includes ten per cent profit to the manufacturer.

**Seth Haji Abdoola Haroon:** I agree. Your figures include ten per cent profit. The selling price of Rs. 7-15-0 is our figure, whereas the Finance Member says it is Rs. 8-1-6.

**The Honourable Sir George Schuster:** The figure that we gave in the Select Committee on the basis of average of last year was Rs. 8-2-6. The figure that we gave as the present price, allowing 50 per cent first and 50 per cent second, is Rs. 8-8-6, for there has been a rise of six annas since the excise duty was introduced.

**Seth Haji Abdoola Haroon:** You have said in your speech also that today's fair selling price is Rs. 8-1-6, but, of course, in the  
 3 P.M. Select Committee you may have said, or Mr. Srivastava said that the fair selling price is Rs. 8-8-0. I am again challenging this figure. Even today Government can ask some reliable merchants or dealers in sugar and find out that it is not more than Rs. 8-1-0 or Rs. 8-2-0 per maund. However, after allowing for ten per cent profit, the figure is Rs. 6-15-0, and, with one rupee more for excise duty, it is Rs. 7-15-0, and the selling price is Rs. 7-12-0. I want to state that the burden will fall first and foremost on the agriculturist. In this House today there are several Members who want to help the agriculturists. I want to draw the attention of the House to the consequences of this duty. According to these figures, we cannot buy cane more than five annas on gate, and if you buy cane from a distant place, we cannot buy more than four annas and six pies. Beside that we will not lose our money for helping the agriculturist. Of course we are bound to pay the duty, and, beside that, there is another thing.

Mr. Srivastava points out here that an ordinary four hundred ton sugar factory can crush 18 lakhs of maunds according to his knowledge and experience. That is quite correct, but on what circumstances? If you go to the sugar market, you will find that in 1932, the price was Rs. 10-8-0 per maund average price, in 1933, the price was 9-4-0 per maund, and in 1934, the price was 7-12-0 per maund. You can see that between 10-4-0 and 7-12-0 there is a difference of 2-8-0 per maund. If the difference is there, then the manufacturer cannot commence their sugar factory in the beginning of November, because they are unable to get a percentage in the beginning of November. The percentage of the sugar in the cane is not more than 6 or 6½ per cent. So when the sugar percentage in the end

of December comes to eight per cent, then they commence to crush the cane and till the 15th April they close their factories. So they cannot crush cane as much as they crushed in 1932 or 1933. So, in my opinion, this duty will fall on the agriculturist first and the manufacturer afterwards. I do not want to take up much of the time of the House, but I want to place on record my view of the sugar position. In the Select Committee's Report, we all agreed that until the excise duty remains, the surcharge must remain, and if they want to reduce it at any time, they must come before the Legislature. I suggest that all these reports cannot be counted after two or three years. People might not remember these things, and I think that some sort of a clause should be inserted in the Bill. There must be a clause in the Bill that until this excise duty remains, the surcharge should not be removed. This is my suggestion. I remind the Honourable the Finance Member that he himself said in his Budget speech that when the sugar excise question will come up, we will consider the Bihar factories affected by the earthquake. I find no provision has been made in the Bill as to what sort of relief Government want to give them. Government must say before the House what sort of relief they want to give. Beside that, I do not want to put in any amendment. I have already tabled an amendment. I suggest that the sugar factories, which have been erected lately, must get some sort of remission from excise duty for two years. These are my suggestions. I do not know how far Government will agree. I again say that on account of the sugar industry which has been started only 1½ years back, on account of the miscalculation of the people, they have put in their capital in crores of rupees. If this measure is introduced immediately after the industry is started, it will be very harmful to the industry, but we will try our best to meet the situation, and there is no other way for us. There are hundreds of things I want to say, but there is no use in taking up the time of the House. I only want to give one information to the House. According to the calculation of the Tariff Board, they have calculated that the depreciation on the machinery is about 7½ per cent. In Java, they are calculating the depreciation at 6½ per cent. Some two days before, I met a missionary manufacturer, and I asked him one simple question: I asked him what percentage of depreciation should be allowed in India. He laughed and said that at present you have no sugar trained mechanics, and that a depreciation of not less than 35 per cent is necessary in India today. I am not an engineer. He said: "Three years after the machinery has been erected, you will have to buy new machinery." With these remarks, I take my seat.

**Mr. G. Morgan (Bengal: European):** I do not want to take up the time of the House in going over the details of the Bill. There will be plenty of opportunities for discussion on the amendments. There is one thing which Honourable Members have been stressing, and that is the *khandsari*. I do not think my Honourable friends have really understood the position. For instance, my Honourable friend, Mr. Maswood Ahmad, has evidently not read the definition of factory. Had he done so, he would have not put the question to the Finance Member that he did put. Also, in a representation of the Sugar Associations to the Government of India, it is very clearly stated that "it must be pointed out that the *khandsari* manufacturer is not an agriculturist". That is the point I tried to make in my previous speech, and I repeat it: he is not an agriculturist, but an industrialist. Now, the *khandsari* that is meant by this Bill is an industrialist,

**Mr. Gaya Prasad Singh** (Muzaffarpur *cum* Champaran: Non-Muhamadan): Who says so?

**Mr. G. Morgan:** I say so, and I say it from experience, as a result of study of books and of various conversations and inquiries I have made myself. I do not pretend to be a *khandsari*, that is, I do not make sugar, but the fact remains that the *khandsari* who is aimed at under the Bill is an industrialist. We were told in the Select Committee that there were 600 *khandsari* concerns in the Meerut district, of which three hundred were—I think I am right in saying this—in the Meerut City itself.

**Mr. Jagan Nath Aggarwal** (Jullundur Division: Non-Muhamadan): Bareilly, you mean?

**Mr. G. Morgan:** Yes, Bareilly; and, out of these three hundred, at the present moment there were only fifty-five registered, although it is doubtful whether they should not all have been registered under the Factories Act. You cannot deny or shut your eyes to the fact that the man who is working a *khandsari* as an industrialist is getting the full protection granted by the import duty. At present these *khandsari* people and the factory people are on exactly the same terms.

**Pandit Satyendra Nath Sen** (Presidency Division: Non-Muhamadan Rural): On a simple point of information from my Honourable friend, is it not a fact that *khandsari* sugar, in spite of its excellent quality, is sold at a much cheaper rate on account of its peculiar colour?

**Mr. G. Morgan:** That may be so. I do not pretend to know the prices of *khandsari* sugar, but only two or three days ago, I was told that in some instance *khandsari* sugar fetches a higher price than factory sugar, that it is sweeter and preferred by many people; whether, on account of its colour it can compete in the general market with white sugar, I do not know, but its overhead costs and its working costs are much lower per maund. Also, to my mind, if *khandsari* was not brought into the field, it would certainly have been a menace.

I am not talking about what is now called the cottage industry. I do not think that is in any way defined. My Honourable friend, Mr. Ranga Iyer, asked me what precisely was a cottage industry—was it a village industry? These people, Sir, are actually industrialists and the Sugar Technologist and the Sugar Committee are all working as hard as they can to perfect the centrifugals and to perfect the boiling systems so as to make the *khandsari* more efficient, and, therefore, the *khandsari* would be in a better position than he is in at present. There is an excellent book written by Mr. Aggarwal in which he says:

“In Shahajanpur and Bareilly it is hoped that within a short period all the existing factories will be replaced by hand-driven or power-worked centrifugals”.

Sir, I do not think that the plea of agriculture can come in here. The agriculturist does not come into this Bill at all, it is the industrialist; he has centrifugals and power to work, and he is just as much a sugar manufacturer as long as he produces sugar of 90 per cent sucrose and is competing in the market as well as in the factories, and he gets the protection; under the Bill he would have to pay a very much lower rate of duty on his product than that made in the factory. Therefore, he will be in a better position than he is in today under the Bill,

Sir, I would like again to refer, as I did in my speech when the Bill was introduced, to the seven lakhs of rupees payment to the Provinces. I would merely emphasise that what is wanted is money to be spent on enabling research work. The Honourable the Finance Member gave us a full list of the agricultural bureau's activities—that is what we want to spend money on. We want a better cane. Until the sugar manufacturer gets that better cane, this sugar business is going to be very difficult, and it is the better cane and the better methods of agriculture that we want. It is no good having co-operative societies to get higher prices for inferior cane. The man who is going to suffer is the man who cannot get his cane quickly into the factories and has a poor cane against the fresh cane brought in by people who are closer and nearer to the factories. I hope, Sir, that the Government will think over the distribution of that seven lakhs of rupees and not actually earmark it for the particular purpose which the Honourable the Finance Member mentioned in his Budget speech.

Then, Sir, I would like to emphasise again that we do think there is a considerable danger in the transfer of the industry to the Indian States. We discussed this in the Select Committee and there was no method by which we could improve on the Bill, but I would like to impress upon the Government of India that this should have their very careful attention as time goes on. That it will be a menace, I am perfectly certain. My Honourable friend, Mr. Abdoola Haroon, mentioned the factories which have suffered as a result of the earthquake. The Honourable the Finance Member in his Budget speech said that consideration would be given to factories which had suffered on account of the earthquake and to the question whether transport facilities were held up, and so on. Sir, I do not know how that is going to be done, there is nothing in the Bill to that effect, but I hope full consideration will be given to these factories. With these words, Sir, I support the motion.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I do not wish to express any opinion about the difference of opinion between the Majority Report and the Minority Report about reducing the rate of excise duty on factory sugar. I think that the factory owners in this House have got very strong shoulders, and probably they can plead their own case very well. (*An Honourable Member*: "And their champions?")—and their champions too. Of course, the House, as at present constituted, is mostly a House which favours the capitalist (Hear, hear), and I am sure that factory owners, who, in the words of my Honourable friend, Seth Haji Abdoola Haroon, can afford to invest crores of rupees in building new sugar factories, can very well fight with the Government and have their own say. My object in taking part in this debate is to plead the cause of the poor *khandsari* and the agriculturist. (Hear, hear.)

I belong, Sir, to Rohilkund, which is considered the home of the *khandsari* sugar, and probably I can claim to have some personal and first hand knowledge of this industry more than my friend, Mr. Morgan, can claim to possess. Sir, I am not able to agree with my friend, Mr. Morgan, when he says that a *khandsari* is not an agriculturist, but an industrialist. On the other hand, I contend that this primitive system of making sugar, which is known as *khandsari* is essentially an agriculturist's business and an agriculturist's industry which can really be called as the

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cottage industry of the country and as such it ought not to be taxed with any excise duty. Sir, we know that during the last six or seven years, owing to the fall of the price of the grain, the condition of the agriculturist as well as of landholder has become very difficult and untenable. It is extremely difficult for the landholder to get his rent in cash from the agriculturist and the only way by which he can realise his rent from the agriculturist is in kind, if he can get it. Now, most of these landholders get sugar-cane from their tenants in lieu of cash rent and as they are not in a position to invest lakhs and crores of rupees and build big factories, they start the cottage industry of *khandsari* and make sugar there in their primitive manner. The margin of profit of these *khandsari* owners is indeed very small. In the first place, they cannot extract as much juice from the sugar-cane as the factory owners do. The process by which they extract juice is not so perfect, and, therefore, the quantity of sugar which is extracted by a *khandsari* is less than is extracted by the factory method of making sugar. Then, again, the quality of the sugar manufactured by *khandsari* is not so excellent as that of the factory sugar, and, therefore, in the market he cannot fetch as much price as the factory sugar does. But a very great factor in *khandsari* industry is that most of these *khandsari* agriculturists are landholders, they have not sufficient money of their own to invest in the industry, and, therefore, most of the *khandsari* industry is carried on by taking loans from the *sahucars*. If Government were to make an inquiry to find out as to how many of these *khandsaris* have got their own money and how many of them are running their business by borrowing money from the *sahucar* or the money-lender, they will find that 80 per cent of the *khandsaris* borrow money at very high rates of interest from the money-lenders, and, after paying the interest on the money which they borrow, there is hardly anything left to them which may be called as net profit. Therefore, the margin of their profit is really very very small, and any imposition of duty on this cottage industry would destroy the industry altogether. The signatories of the Majority Report themselves had to admit this when they said:

"We are also apprehensive that if the *khandsari* industry is suddenly seriously damaged that may react on the growers of cane who rely on the disposal of cane or *gur* to *khandsari* factories."

It appears, therefore, that any imposition of duty on the *khandsari* sugar will damage the growing of sugar-cane in the country which would be very disastrous for the agriculturist as well as for the landholder.

Now, Sir, my friend, Mr. Morgan, has referred to the definition of factory as given in the Bill, and he has pointed out that small *khandsari* factories will be exempted from the operation of the Bill. The definition of a factory as given in clause 2 is very clumsy and is worded in such vague terms that it would be extremely difficult for any *khandsari* to claim exemption from this definition. The definition of "factory", as given in the Bill, runs thus:

"'Factory' means any premises wherein, or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months."

What will be the method of judging whether more than 20 persons were working in a factory? Who will take the attendance there? Will there be any attendance officer who will be visiting these factories every morning and like the school attendance officer will mark the attendance of the people who are working in it? And, then, again, if even on one day, within the preceding 12 months, 20 or more persons work in a factory, then it would certainly come within the definition of a factory, and it would be liable to pay excise duty. This will open the door of corruption, because Government will certainly appoint some official to find out how many persons are working in these factories and this official like a Patwari will be a low paid servant and the door of corruption will be open to him, for every *khandsari* owner will try to grease his palm in order to get himself exempted from the definition of a factory. Then, again, those who are acquainted with the country life in India, and, I am sure, Mr. Morgan is not . . . .

**Mr. G. Morgan:** I would like to contradict that statement. I lived in the Muffassil for over 20 years. Of course, I have not lived in the villages of the United Provinces, if that is the contention of my Honourable friend.

**Sir Muhammad Yakub:** I challenge the knowledge of any European, whether he might have lived for 40 years in India, that he knows the country life of India.

**Mr. G. Morgan:** Perhaps not in India as a whole, but I said in the Muffassil of the Eastern Bengal, and there are very few villages throughout the length and breadth of Eastern Bengal that I do not know personally, and I also know the life of the people.

**Sir Muhammad Yakub:** He might have wandered through a few villages of Eastern Bengal, but that does not make India. Besides, the way in which the Europeans visit the Indian villages is such that it does not give them any knowledge of the position and of the customs of the people in India.

[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).]

This reminds me of a very interesting story. When I used to practise as a pleader at Shahjehanpur there was a District Judge who was very popular. He worked in India as an I. C. S. officer for 30 years. He was about to retire, and an appeal was being argued in his Court, relating to a case about marriage, and the question was whether "*Sharbat ka rupyā*" was given on the occasion of a certain marriage or not. There is a ceremony on the occasion of marriages in which syrup or *sharbat* is brought before the bridal party, and the bridegroom's people pay some money to the barber of the family. This is called "*Sharbat ka rupyā*" or syrup money. When evidence was being read and the question of the syrup rupee was being argued, the Judge said: "I have been in this country for 30 years. You can make a rupee of hide; you can make a rupee of rubber, but you can never make a rupee of water (*i.e.*, *Sarbat ka rupyā*)". This is the knowledge of Europeans about India. So I say that the custom in the villages is that many people, who do not belong to the factories

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and who have nothing to do with the factory, one fine morning, when they are free, go and would sit in a *khandsari* factory. Probably they will get one or two glasses of sugar-cane juice and drink them early in the morning, and probably one or two of these visitors would help the *khandsari* in removing the vessel from one place to another. If these people make the number 20, and, at the same time, the attendance officer comes and finds there are twenty people, he will at once say that this *khandsari* comes within the definition of a factory, although none of those people had anything to do with the factory or had any connection with the factory at all.

Therefore, I say, this definition of factory does not in any way safeguard the interests of the cottage industry. I hope the Government will adopt a uniform policy in protecting the indigenous and cottage industries of this country. Only yesterday the Government did not care even a bit for the consumer, and they levied a tax on the textile piecegoods and hosiery, because they thought that it would help the indigenous industry in the country. I hope the same principle would be followed here and that no excise duty will be imposed on the *khandsari* industry which really is a cottage industry of the country. I am sorry that the Government Members in writing their minute of dissent did not lay any stress upon this point, but I hope that when the amendment to remove the duty from the *khandsari* sugar comes before the House, the Government Members will support the amendment. With these remarks, I resume my seat.

**Diwan Bahadur A. Ramaswami Mudaliar:** (Sir, having been a Member of the Select Committee and having put my signature to an explanatory note, I feel it my duty to explain the position which some of the Members of the Select Committee took on this Bill.

There is a great deal of misapprehension about the *khandsari* sugar and the duty which is sought to be levied on *khandsari* sugar. I want to impress upon my Honourable friends the fact that this Bill, as it was originally introduced in this House, did contemplate the levy of an excise duty on *khandsari* sugar. There were only two conditions that were involved before that could be levied. The first was, it must be sugar which was produced in a factory and the definition of a factory is given in this Bill. I venture to state that where *khandsari* sugar is produced and that sugar has got the sucrose content required in this Bill and where more than 20 persons are employed in the production of that sugar, then it automatically came under this Bill. Therefore, my Honourable friend is quite wrong when he says that the Select Committee went out of its way to bring in an asset into the excise duty which was not contemplated by the Honourable the Finance Member or the Bill. I am aware that the Honourable the Finance Member, in making his estimate as to the amount of excise duty that he would get from the Bill, did not include the amount under *khandsari* sugar. The explanation is quite simple. Even at the present moment, the Honourable the Finance Member does not admit that any appreciable amount of duty will be realised on *khandsari* sugar. He says that he has not got statistics, he says that there has been no survey of the number of factories which produce *khandsari* sugar. We know that 250,000 to 300,000 tons of *khandsari* sugar are produced in a year, but the question is, how much of that sugar is produced from factories, and we had it

stated in the Select Committee that, so far as the United Provinces is concerned, where the largest number of *khandsari* factories are in existence, there has been no survey of the industry at all. The United Provinces, owing to lack of finances, have not appointed the necessary Inspectors of Factories whose duty it was to make a survey and to bring them under the Factories Act, and, therefore, he says: "I am unable to state how many factories there are, and, therefore, I do not take them into consideration at all when I make an estimate of the amount of duty that I propose to get. Not that he was under a misapprehension or he contemplated that the *khandsari* will be excluded by this Bill. The misunderstanding came owing to the fact that the Sugar Association, a peculiarly inefficient body, did not understand the Bill and does not know its own interest. It was the Sugar Association that for the first time said that the *khandsari* does not come under this Bill, and it was the Sugar Association that went on to state that, in order to protect the big mills and the factories in the properly understood sense of the term, the *khandsari* sugar should be brought under this Bill. It was the Sugar Association that tried to make out that there was a necessary conflict of interest between the big mills and the *khandsari* factories, and, therefore, wanted the *khandsari* sugar also to be brought under the excise duty. We have nothing to do with the Sugar Association or with the factory owners. I state the bare fact. I read this Bill as introduced in this House and, if anybody reads it, he would come to the conclusion that the *khandsari* sugar, provided it came under the definition of factories and the proprietors employed more than twenty people, was included in this Bill and must have been paying an excise duty. May I remind my Honourable friend, Mr. Reddi, and others, who are pleading for the *khandsari* sugar, that if no amendment was made in the Select Committee, the result would have been that the *khandsari* would have paid the very same duty of Rs. 1-5-0 or whatever duty was fixed for that kind of sugar. What the Select Committee did, therefore, was to differentiate *khandsari* sugar from other kinds of sugar and put also a lower duty on *khandsari* sugar than on the sugar produced from other mills, and it was really to help the *khandsari* industry rather than to hinder it that the Select Committee made these proposals. I see that my Honourable friends, the Raja Bahadur and Mr. Ranga Iyer, have got amendments which will have just the contrary effect, and, therefore, it is that I am giving the warning at this early stage; but if, according to my Honourable friend, Mr. Reddi, the *khandsari* sugar is put under the exception like *palmyra* sugar, that is a different matter. But if my Honourable friends have in view the omission of the definition of *khandsari* sugar and removing it from the sub-clause where the specific duty of ten annas is put on sugar, and if this amendment is carried, the result will be that the *khandsari* will pay the same duty as any other sugar, and, if the Government amendment is carried, will pay that excise duty at Rs. 1-5-0 per cwt.

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I congratulate my Honourable friend on the great discovery he has made. My Honourable friend does not know what the schemes of our amendments are. There is the amendment of my Honourable friend, Mr. Maswood Ahmad, in sub-clause (2) of clause 3, which if allowed, would exempt the *khandsari* and the *palmyra* sugar. If that is accepted by the House, then there is no necessity to have sub-clause (3)

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of clause 3, for the simple reason that, *khandsari* sugar being exempted from the purview of this Act, that sub-clause goes out. It is a whole scheme of amendments, not one by itself. But if the amendment of mine stood alone, the Honourable Member would be perfectly right in drawing the conclusion that he did.

**Diwan Bahadur A. Ramaswami Mudaliar:** I am very thankful to my Honourable friend for having cleared up the position. But if I were to give an amendment, I would have made my scheme complete by itself and not made it dependent on or contingent on an amendment moved by another Honourable Member, for the other amendment may or may not be moved, it may be withdrawn. I would have made my scheme complete and there would be no difficulty in understanding that. But as the Honourable Member has not given this amendment himself, I was led to a very legitimate misapprehension, if I may say so with great apology to my Honourable friend, that this would be the effect of doing it. I, however, apologise to my Honourable friend for having misinterpreted his apparently good intentions with reference to the *khandsari* sugar.

**Mr. M. Maswood Ahmad:** We all are working in consultation with each other.

**Diwan Bahadur A. Ramaswami Mudaliar:** These are intricacies which I cannot hope to fathom.

**Mr. C. S. Ranga Iyer:** Will the Honourable Member vote for our amendment then?

**Diwan Bahadur A. Ramaswami Mudaliar:** So far as my attitude is concerned, there has been no question about it at all. I think that fundamentally this sugar excise duty is wrong at this stage. I am for excise duty, but I have said so at an early stage that I do not think the time has come when this sugar industry can be burdened with an excise duty at all. That time would have come a couple of years later when it had firmly and well established itself, whether it is *khandsari* or factory sugar. That was my position then, that is my position now. But, as the Bill has come and as Government want this duty, I have tried to do my level best to minimise what I considered to be harmful effects of the rate of excise duty.

**Mr. C. S. Ranga Iyer:** Will the Honourable Member secure for the *khandsari* the same concession as has been secured for *palmyra*?

**Diwan Bahadur A. Ramaswami Mudaliar:** The *palmyra* has secured no concession at all yet and its fate still hangs in the balance and it depends upon the investigation that the Government are going to make on the subject, and, therefore, I cannot say at present that any concession has been secured. If I had my view adopted in the Select Committee, I would have excluded *palmyra* sugar altogether, because, with the facts at my disposal, I am perfectly certain that *palmyra* sugar can never pay this amount of excise duty as in the case of the *khandsari* or any other amount of duty. But that is not the case. I was not able to carry the Select Committee with me.

Sir, my Honourable friend, the Finance Member, quite rightly referred to the fact that, so far as he was concerned, the amount of duty that he got from this sugar excise had a direct bearing on the subvention or on the grant that he would give to Bengal. I am glad that he had frankly admitted the position that both the match excise duty and the sugar excise duty, at the rate that he has suggested, are required in order that Bengal should be given the relief that he has proposed under his scheme. But may I submit my difficulties still? The Honourable the Finance Member has got not only these two definite financial proposals before him for this year. He depends for his revenues on a number of financial proposals, some of them new, introduced for the first time this year, some of them carried on from year to year. And the position of Government, with reference to the amount of duty that they will get, will depend upon the rate at which it is collected from all these various duties. He has got the customs duty on all other things, he has got income-tax, he has got the salt duty, he has got various other duties. Some of them may depreciate further than he has contemplated at present or estimated, and some of them may go up. It was only yesterday that the Honourable the Commerce Member said that, as a result of the passage of the Textile (Protection) Bill, he contemplated that for the first year at any rate he would get a larger amount of customs duty from those duties than he got in the last year. If that is so, why does the Finance Member concentrate on these two duties, the sugar duty and the match excise duty, and state that, unless he gets these in full to the extent that he has estimated, Bengal will not get the relief that she is entitled to. What will happen? If the customs duty on other commodities fall down, can the Honourable Member guarantee that from other sources he will get the revenue that he has estimated? And, Sir, may I ask him one question? When is this Bengal grant going to be given? I wish it had been given already; we would have been free then, and we would have been in a more comfortable atmosphere. I wish on the 1st April, when the Finance Bill was passed and when the Budget demands were passed, the Honourable the Finance Member had put at the disposal of the Bengal Government the crore and odd that he said he would give to the Bengal Government. Is he going to give it this month or next month, or is he going to give it after he realises all these excise duties at the end of the year? And, in any case, Sir, I ask again, what is going to happen if he gets the full amount of excise duty as he has estimated on sugar and on matches? But, if, unfortunately, it turns out that on other duties that he has calculated or estimated, on the general customs duties and on income-tax, for instance, he gets a very much lower income than he has estimated, what will happen? Surely the position is this; the demand has been passed, the grant has been made, the amount is to be given to Bengal; and if he gets less than what he has estimated, that will go to swell the deficit of the Government of India Budget and nothing else.

**The Honourable Sir George Schuster:** My Honourable friend has asked me a lot of questions which I will answer at some time. But I think my Honourable friend misconceives the position of the Finance Member. Obviously he is perfectly right in saying that all the duties must be taken together. That is a point I have always made; but I, in making my proposals, have to work on certain estimates. What I have put to the House is that if I cannot get the duty on sugar which I have estimated, then I do not consider that our position is safe for promising the subvention to

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Bengal. That is the position. I may be wrong on the customs estimates generally. But I have taken the risk and put the position to the House, and I said they should take the risk of my estimates.

**Diwan Bahadur A. Ramaswami Mudaliar:** We are certainly willing to take the risk, and after all, it is the House that takes the risk. It is the House that will be called upon to make good the deficit if it occurs. And we suggest that we will take such risk on the sugar excise duty.

**The Honourable Sir George Schuster:** But I must be the judge of that.

**Diwan Bahadur A. Ramaswami Mudaliar:** I thought it was the House that should be the judge of that. I thought it was the House that made the grant to Bengal, I thought it was the House that would be called upon to levy this excise duty.

**The Honourable Sir George Schuster:** If the House grants certain monies and then refuses to give me revenue from which the grants have to be met, obviously the grants cannot be made.

**Diwan Bahadur A. Ramaswami Mudaliar:** I do not think that we can carry the discussion very much further. Ultimately the House is responsible. It is not any Finance Member that is going to be responsible for any deficits. If there is a deficit for their giving the grant to Bengal, after getting the excise duty at the rate that he wanted, who is to take the risk? It is we that take the risk. Are we certain that all the customs duties and other things will accrue to the State as estimated by the Honourable the Finance Member? Who took the risk last year when we had a large deficit? We took the risk. Who is taking the risk this year when we are being saddled with additional taxation in this manner? And I may say quite frankly that at no time has the Assembly had to sanction so many duties and so many taxes as this unfortunate Assembly; and this, on the eve of the election, if all that I hear is true. And I hope it is true, because some of us at least hope and trust and believe that the time has come when this Assembly should be dissolved and a new Assembly, with more freshness and more vigour, and not in this decomposed state, will come and sit on these Benches and will give a proper reply to the Finance Member's successor next year. Sir, can you contemplate on the eve of a dissolution of an Assembly, whose life has already been extended, a Government that is piling up duty on duty and asking us with sweet reasonableness: "Here you are; these are good examples you have set. Go back to your electorate and say that you have passed taxation Bills and you have satisfied the Finance Member though you have not satisfied the country and the electorate." That is briefly the suggestion.

My Honourable friend spoke of the agriculturists. We have the agriculturist and the consumer and the industrialist so inextricably mixed up in a sort of jig-saw puzzle all the time in this House that we do not know where we stand and whom we represent. I personally think that there is a certain amount of co-ordination possible between all these interests. I do believe that there is no necessary conflict between the agriculturist and the industrialist. And I said on a previous occasion with reference to this particular Bill that the interests of the agriculturist and the interests of the

industrialist are co-extensive and absolutely mutual. You cannot have the agriculturist developing if this industry is going to be hard-hit. You cannot have the cane grower extending his area of cultivation, getting his proper price,—and that price he will get if my friend, Mr. Bajpai's Bill goes through,—unless you see to it that the industrialist gets his proper profit also. Sir, some friend remarked that this House was a House of capitalists and their supporters. As usual, it was my Honourable friend, Mr. Gaya Prasad Singh, who added the tail with the sting in it, "capitalists and their supporters". Sir, I am not a capitalist, and I hope I am not a supporter of capitalists either; but I venture to think that, taking a broad view and a far view of things, my country will be best served by a certain need of protection at this stage, by trying to see that industrialism is more largely established in this country and that we Indians shall not always be hewers of wood and drawers of water, merely producing a certain amount of agricultural produce and depending for export of that agricultural produce and also for any prosperity that we may have. That is why I have supported protection measures in this House. That is why I shall continue to give my support to any discriminating measure of protection.

Now, Sir, I do not want to go into the details of the Select Committee's Report except to refer very briefly to the circumstances under which we accepted the decision to reduce the rate of duty from Rs. 1-5-0 to Re. 1. Having given my best consideration to this question, I thought that it was not an altogether unreasonable proposition that the industry which has hardly had time to establish itself and with reference to every one of whose factories it cannot be said that enormous profits have been made, that it will be fair that that industry should be asked to pay an excise duty of one rupee only and not Rs. 1-5-0. Figures were bandied about from the Government experts to the sugar-cane capitalists, and from the sugar-cane capitalists to the Government experts. We tried to go through those figures as carefully as possible, but there is one thing which struck me that however various these figures may be, however impossible it may be to reconcile the differences between the two groups, one thing struck me that as a matter of fact the Finance Member was very near the line and was skating on thin ice, if I may vary the figure of speech a little, when he suggested that a duty of Rs. 1-5-0 would still leave the amount of effective protection at Rs. 7-12-0 as it stood. I was convinced that it was not the case. It may be that a reduction of five annas is a little too much. But I am certain that when Rs. 1-5-0 is levied on a cwt. of sugar as excise duty, I am positive that the difference between the excise duty and the effective protection which remains is not Rs. 7-12-0; because, taking the cost of production, taking the selling price of indigenous sugar, taking the selling price of Java sugar also—and this is not the place where these details can be gone into unfortunately—I came definitely to the conclusion with some little knowledge of addition and subtraction learned in my old college days, that Rs. 7-12-0 was not the resultant protection that can be assured to this industry. I am not disclosing any secret when I say that at least one or two very responsible members of the Select Committee—I shall not say whether they are officials or non-officials—felt that at least two or three annas reduction in the rate of Rs. 1-5-0 duty was necessary if the effective protection of Rs. 7-12-0 was to be maintained, and, therefore, it is that we came to the conclusion that one rupee was a fair excise duty. I had very much hoped, though the Honourable the Finance Member gave us definite indications even in the Select Committee, that the Government on second

[Diwan Bahadur A. Ramaswami Mudaliar.]

thoughts would consider that it was not an unreasonable proposition that if they can take the industry with them at the rate of one rupee excise duty, it was well worth their while to take the industry with them, and that it was no use pressing to the last point the duty that they had determined upon on the very first occasion. I was surprised and a little disappointed to find at a very late stage last night, I believe, because we got the amendment late last night, that my friend, Mr. Hardy, on behalf of the Government apparently had given notice of an amendment to raise the duty to Rs. 1-5-0 again. As that amendment is going to be specifically discussed, I do not want to state more on this subject at present. I think that on the whole, though as I said from conviction that this is not the time to levy an excise duty, I should have been glad if this duty had been postponed for a couple of years at least, on the whole I think that the Select Committee has improved this Bill very considerably and that, if the Select Committee's recommendations are accepted, this excise duty will be launched out under the best auspices possible. I can only assure my friends, who have spoken on behalf of the cottage industries, that the Select Committee intended to protect the cottage industries, and it was in pursuance of that intention that they made the distinction that they have made in this Bill; and I do not know whether it is possible in this House at all to fight against a Government amendment. I am aware that the Honourable the Finance Member is in very strong position: our ranks are divided, and if he chooses to press his amendment of Rs. 1-5-0, I have very little doubt—I am under no illusion whatsoever—that that amendment will be carried. I can only say that it will not be a very well advised step on the part of the Government to press for the last pound of flesh in this case and to hurt some at least of the industries which have not yet had time to develop, because other concerns, which are producing sugar, have in the past made enormous profits. We took a comprehensive view of the whole situation; we looked at the sugar factories not merely at one or two places like Meerut or Delhi which have made, and even more, boasted of making enormous profits; we took into consideration the far-flung factories in the eastern, southern and western corners of this country, and we are convinced that with this excise duty of Rs. 1-5-0, those factories will have a very bad time of it if they do not close down altogether. It is not in the interests of the capitalists as such: it is not in the interests of those who have invested crores; but it is in the larger interests of the country which wants to be self-sufficient so far as sugar is concerned, in the larger interests of the agricultural classes who, we hope, in these days of falling prices, will turn their attention to something which is more economical and more paying like sugar-cane—it is in their interests that we have made the amendment that we have done in the Select Committee. On a famous occasion, a Shakespearian character said: "It is not in mortals to command success, but let us assemble it." We are now reduced to this position owing to the extended Assembly that it is not in the power of the Opposition to command success . . .

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): It is not Shakespeare: it is Addison in *Spectator*.

**Diwan Bahadur A. Ramaswami Mudaliar**: I have a faint recollection that Shakespeare also has used it. My Honourable friend, Sir  
 4 P. M. **Hari Singh Gour**, may shake his head as much as he likes: I think he is a greater authority on transfer of property and he might leave

Shakespeare alone. I cannot say that it is in the power of the Opposition to command success; but if there is a case and an occasion when the Opposition deserves success, I venture very respectfully to say to the Honourable the Finance Member that this is such a case.

**Mr. B. Das:** Sir, the Bill, as it has emerged from the Select Committee, has removed much of the misconception and confusion that was in the minds of Honourable Members in the House and that was caused by inspired messages in the press by certain interested sugar manufacturers. The one thing, that has emerged from the Report of the Select Committee, I find, is that the representatives of sugar manufacturers have agreed that there should be a sugar excise duty; whether it is one rupee or one rupee and five annas, is immaterial. Therefore, the noise that was made in the press was quite out of all proportion when I find that there is not a single minute of dissent written by my Honourable friend, Mr. Aggarwal or Lala Hari Raj Swarup or Haji Abdoola Haroon, that there should be no excise duty. That means that the papers that were circulated and the cries in the press that the sugar industry would be destroyed were all baseless.

My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, alluded to one point, that certain papers and certain facts were placed before the Select Committee which led him to the conclusion that there should be one rupee excise duty on sugar per maund. In spite of the ruling of the Chair, I am surprised to find that those statements and papers do not form part of the Select Committee Report. Sir, once the ruling has been given from the Chair that any papers that are placed before the Select Committee should form part of the Select Committee Report, I am surprised to find that we have not got those documents of which my Honourable friend spoke with bated breath as if he was imparting some secret, when we know that there was no secret, because it was the ruling of the Chair that all documents placed before the Select Committee should form part of the Select Committee's proceedings. Sir, I would like to know, when the Honourable the Finance Member replies, as to why these documents, which were placed before the Select Committee, do not form part of the Select Committee's Report. I did not take part in the debate on the last occasion when this Bill was discussed and referred to Select Committee. I do not know if the Finance Member will give a reply to my question now . . . . .

**The Honourable Sir George Schuster:** Certainly the papers are all there. It certainly was not our intention to keep back any of these papers. They were all made available to members of the Select Committee, and I shall be only too glad if they are in the hands of every Member of the House. I will inquire into the matter as to why they were not circulated. There were very long notes; so that it would have been a very expensive thing to print them up, but they were cyclostyled and it is quite possible for every Member to have copies.

**Mr. B. Das:** Since there is a ruling from the Chair that all papers should be made available to Members of the House, I hope that it will be adhered to in future, because we would like to know all secrets, as members of the Select Committee know them . . . .

**Diwan Bahadur A. Ramaswami Mudaliar:** I did not mention that it was a secret. In fact, I took it for granted that they were circulated. I was not here when the Report of the Select Committee was presented.

**Mr. B. Das:** Now, Sir, when the Honourable the Finance Member introduced the Finance Bill, I had the temerity to give an interview to the press welcoming the feature of excise duty as the future taxation policy of the Government of India. And, Sir, that has led to much comment. Friends have written to me as if I am out for destruction of the sugar industry. If I am out for destruction, then my friend Seth Abdoola Haroon is also out for destruction, because they have all agreed to the principle of levying an excise duty of one rupee.

However, I should like to touch on one or two points. The Majority Report says:

"We desire to record our conviction that Government should, in return for the tax which they are now levying upon the sugar industry, afford all possible help to the industry by the organization of measures of research, both agricultural (evolution of better types of cane, etc.) and industrial (disposal of bye-products, etc.)"

In the year 1932, some of us in the Select Committee wanted that the Government should take up the development of better cane,—of course I am indebted to the Government this time, because my Honourable friend, Mr. Bajpai, will discuss tomorrow his Bill and sugar-cane will receive a certain amount of protection,—but it took two years for the Government to think out and plan out a system whereby sugar-cane should be protected. My friend, Lala Hari Raj Swarup, who was my colleague in that Select Committee on the Sugar (Protection) Bill, was not enamoured of the idea when I wanted that Government should do something for the development of sugar-cane . . . .

**Lala Hari Raj Swarup:** No, I sided with you, and we both put in a recommendation.

**Mr. B. Das:** No, I will bring the Select Committee's Report and read it out later on. I wanted that there should be sugar-cane research carried on under Government auspices, and Government took three years to give effect to that proposal by bringing in a new Bill whereby the interest of cane growers would be safeguarded. So here I find there is a balancing view of two sections,—one section wanting the evolution of the better type of cane and the other section wanting research in the disposal of bye-products. Now, the other day, when the discussion was going on,—I don't want to lay much stress on it today,—I will again speak when Mr. Bajpai's Bill will come up tomorrow,—I pointed out that the sugar manufacturers were paying an uneconomic price to the cane grower, and somebody pointed out that it was not the fault of the sugar manufacturer, but it was the fault of the contractors, and I and my friend, Mr. Maswood Ahmad, shouted that in most cases these contractors were relations of sugar manufacturers. I do hope that my Honourable friend, Mr. Bajpai, will send telegrams and find out in how many cases the contractors who purchase sugar-cane for the millowners are really relations or are agents or in some way identify themselves with the sugar producers, before he brings forward his Bill tomorrow. Things have gone on to such a pitch that sugar-cane has been brought and dumped in sugar manufacturers' place, and these poor cane growers have been paid one anna to two annas . . . .

**An Honourable Member:** That is not the true position. Who says that?

**Mr. B. Das:** I will again repeat what I said. Was it not a fact that the manager of a sugar factory was assaulted by the villagers for the ill-treatment they received at his hands in my friend, Mr. Maswood's Province of Bihar? It will be washing dirty linen if I allude to it again, and I don't like to wash dirty linen, but as the Finance Member has given us a chance, I want again to plead for equity and justice for all sections, the manufacturer and the cane grower, and I think it is time that Government devised some kind of machinery so that these extortions are not repeated.

**Seth Haji Abdoola Haroon:** It is all due to bad management.

**Mr. B. Das:** My friend, Seth Haji Abdoola Haroon, says that it is all due to bad management. Now, when this House grants protection, it should not give a *carte blanche* to our friends, the sugar manufacturers, to employ Dutch engineers who are out of employment in Java and other foreign countries. Will Government take steps and inquire, in how many factories Javanese and Dutch chemists and Dutch engineers have been employed . . . .

**Mr. N. M. Joshi** (Nominated Non-official): Are you speaking for the Engineers' Union?

**Mr. B. Das:** Sir, these people want protection. Do they deserve it? Sir, I can give today the names of dozens of Indian sugar chemists and technological experts who are on the unemployed list. There are dozens of Indian chemists and Indian engineers, but what happens in their case? These factory owners adopt the penny wise and pound foolish policy; when an Indian is to be appointed, they go on bargaining with him, and if a foreign employee has to be paid Rs. 1,000, throughout the year the Indian will be offered Rs. 200 or Rs. 300, and he would be employed only during the season of four months. Now, why should the nation give these sugar manufacturers protection when they do not even care to employ Indians. Sir, I would rather see these factories closed down if I find that Indian experts are always excluded . . . .

**An Honourable Member:** Are they?

**Mr. B. Das:** Yes, they are. There is Mr. M. P. Gandhi's book, but the names of managers and other sugar experts are not given therein. Let my friends telegraph to Calcutta and find out whether they have been honest in asking for this protection, and in how many cases Indian experts have been employed. Now, many sugar factories do not work throughout the year, and why is it so? My friends, the sugar capitalists, instead of consulting experts, consult ordinary people, and where a plant that would cost 12 lakhs is required, they order for a plant worth about 8 lakhs, and, in some cases, when the plant is installed, it does not work. That is the reason why one section of the sugar factories make 90 per cent and 100 per cent profit, while the other section makes zero per cent. We are not here to protect inefficiency. If, at the outset, they did not care to consult

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experts, if they merely consulted a few agents of the Dutch or British firms who represent their principals, the machine manufacturers in India, what could they do? These gentlemen, who are all the time dabbling in sugar as some other trade in Burra Bazar or somewhere else, know only about trade, they know nothing about the manufacturing side of the business. When they see that a man has put up a plant for Rs. 9 lakhs, they ask, why should I not have a plant for 8 lakhs? The firm manufacturing sugar machinery quote Rs. 8 lakhs, but they cut out pipe lengths, auxiliary equipments and even supply wrong size equipments and that is why we have heard complaints in this House that the sugar mills do not work properly. The reason is that the plant is not properly equipped, there is no proper technical supervision.

**Sir Muhammad Yakub:** These people did not consult my friend, Mr. B. Das.

**Mr. B. Das:** I am a consulting engineer, but I do not dabble in sugar machinery.

I am against *khandsari* paying any excise duty. Of course I find that small open pans and small centrifugals will be excluded as the Bill is designed. I do not think that there will be a rupee collected from the *khandsaris* out of the ten annas excise duty recommended by the Select Committee, because, if the big capitalists are clever, the small capitalists also are clever. They will simply distribute their *khandsari* plant. Where there are 10 or 20 centrifugals working now in one factory, they will distribute them over five places or villages and put up a small factory with only five or six men. Thereby they will escape paying excise duty, and I want them to escape. It was never meant to tax cottage industries. As regards what attitude the sugar capitalists have adopted towards *khandsari*, there is a little story in Oriya. A man had two wives, and, in order to avoid any quarrel, he allotted his right hand and right leg to be ministered to by his first wife and the left hand and left leg and left half of the body to be ministered to by his second wife. The wives, while ministering to the comforts of the halves allotted to them, became jealous of the other halves and ill-treated them with the result that the husband was nowhere. (Laughter.) They find that Government are now going to collect money for revenue purposes. They say, why should these poor people gain some advantage over themselves. "Let us starve them". By the very nature of their manufacture they do not extract more than five per cent, while my Honourable friend, Seth Haji Abdoola Haroon's factory gives a cane yield of 9 or 9.5 per cent. although a few minutes ago, in his modesty, my Honourable friend, Lala Hari Raj Swarup, said that the yield was 8.5 per cent. If that is so, I can advise him to go and sack his chemist, he is unfit to be his sugar chemist if he gives only 8.5 per cent.

**Lala Hari Raj Swarup:** That is the average for the whole of India.

**Mr. B. Das:** They do not employ proper chemists. Any fellow who handled some elementary tools in Java comes here and becomes an engineer. I appeal to the Finance Member not to be taken away by the swan song

of sugar producers and devise a scheme for collecting certain amount of money from *khandsari* sugar. If the scheme is designed, the *khandsari* factories will distribute themselves and they will not pay anything. It may be that some of those who have got large factories producing sugar from *jaggery* may come under this, and that I do not mind. I am glad that my Honourable friends, Sir Muhammad Yakub and Mr. Ranga Iyer, hail from the Rohilkund and Kumaon districts. Everything that is "sweet" comes from the Kumaon district and no wonder that Kumaon manufactures sugar as it produces so many other "sweet goods". I do hope that my friends will achieve their object. With these few observations, I support the motion.

**Dr. Ziauddin Ahmad:** At the outset I may state that out of all the items that we have been discussing, there is only one in which I have got a financial interest and that is sugar about which I am going to speak now. We may or we may not agree with the Government that a revenue duty should be levied upon sugar. From the point of view of the consumer, I would very much welcome if Government would levy as little duty on this commodity as on anything else, both in the shape of excise and import duty. From the point of view of the consumers, that is the view I would take, but if for revenue purposes the Government decide to get some revenue out of this, I would still appeal to the Honourable the Finance Member whether he would accept not to levy a duty if I give him an income somewhere else which he never expected and I never expected.

**The Honourable Sir George Schuster:** If my Honourable friend will produce it in advance, I might consider it.

**Dr. Ziauddin Ahmad:** That income is the income promised by the Honourable the Commerce Member out of the result of his Tariff Bills. I do not agree, but he promises this income.

**The Honourable Sir George Schuster:** I counted on that.

**Dr. Ziauddin Ahmad:** Then, I think, you will find you are mistaken in counting on that. Once you decide that the duty should be levied for revenue purposes, then the arguments, the figures and the manner of the Honourable the Finance Member are perfectly straight and unchallengeable. We may argue with him whether this duty should be levied or not, but once the principle is accepted, then no one can raise any objection to his arguments. Now, the point on which emphasis was laid was whether we should accept the recommendations of the Tariff Board. If the conditions have changed, then the only thing to do is to have another Tariff Board inquiry or an inquiry by a special officer. This is the point that I have been stressing. On account of the ignoring of this particular point, a new disease has been created which my friend, Dr. Dalal, might be able to explain. It is called "hosieratus". When I look at the disease and the nature of the symptoms, I find that it was not unknown to the ancient Greeks, Bocrates and Galilins, but it seems to have been forgotten during the middle ages. The symptoms of this disease are that a man loses his balance of mind, he becomes obstinate and loses his common sense. He cannot differentiate between a fleecy shirt and an ordinary shirt, every shirt appears to him to be fleecy and, at a further stage, he cannot

[Dr. Ziauddin Ahmad.]

distinguish between a vest which will fit my friend, Mr. Raju, and one which will fit my absentee friend, Mr. Kaber-ud-din Ahmad. This disease is particularly contagious. Any one who hears about it begins to suffer. It is transmitted by sound. We really require a special inquiry about it, and I think the matter might be referred to the Council of Medical Research. If we begin to doubt the findings of the Tariff Board, we certainly are bound to come to some absurd conclusions and we will probably be suffering from the same kind of disease. It has been repeatedly said that the Tariff Board and the Government promised a protection of Rs. 7-12-0. Nobody is going to doubt it. Those who got an additional advantage in the way of surcharge cannot claim it. They got it by mistake and they cannot establish their claim. I consider that even the protection of 7-12-0 is fairly high. If you go into the details, you find that they have given a profit of ten per cent which is indeed much more than we can allow. They have got the advantage of the freight from the factory and back again, and there are many other conditions which probably we cannot judge. If we want to modify the conditions in the light of present day conditions, it will be exceedingly unfair to discuss these things in a Select Committee in which there are divergent personal interests. This thing should be decided not by show of hands in a Committee, but by a special officer appointed by the Government. If any one says that the Tariff Board conclusions ought to be changed in the light of present day conditions, then I submit that there should be another Tariff Board inquiry consisting of three persons or an inquiry by a special officer who can make local inquiries. Here we are discussing these things without full information.

My friend, Mr. Morgan, did not even know what *khandsari* sugar is. He had probably never seen it made. I say that whatever may be the decision, it should be arrived at only after making local inquiries by means of a Tariff Board or by a special officer, and until such inquiry is made, we should stand by the Report of the Tariff Board.

My friend, Diwan Bahadur Mudaliar, who spoke this day, forgot it and took an entirely opposite view in the case of previous Bills. This is the point which I stressed in the case of the previous Bills, that we must go by the recommendations of the Tariff Board. Otherwise we will suffer from "sugaratus" as we suffered from "hosieratus". At present we cannot go beyond the recommendations of the Tariff Board.

Coming to the *khandsari* sugar, this is the point I would like to discuss at greater length when specific recommendations are taken up. There is one point which they seem to have forgotten that the *khandsari* sugar is made out of the juice which is extracted in the old fashioned manner. By this method, you cannot extract more than 50 or 60 per cent out of 100 maunds of sugar-cane. In the case of the sugar factories, they extract from 80 to 90 per cent and even 95 per cent, I am told. Therefore, it is really unfair to treat it in the same way as sugar. And, then, another thing is that the rich people use factory sugar, and I do not think that any Member of the Assembly would use *khandsari* sugar for his tea, and I think the respectability of the tea table will be lowered if you put *khandsari* sugar on it. I would like to take it up afterwards when we come to the amendments. I say that, so far as the price of sugar-cane is con-

cerned, I am glad we are taking up this question, because it has been a standing complaint against the sugar manufacturers. The Tariff Board Report suggested eight annas and a minimum price of seven annas, but the price which has actually been paid is four annas and sometimes even three annas per maund at the factory; and considering the enormous losses that the sugar-cane producers have been having, I think it is fair that we ought to take some action in this matter. We should not be unfair to the millowners, we should see that they should get a profit, but what is the meaning of "reasonable profit"? Reasonable profit in these days is six per cent on the capital. Anyone getting that is practically right and I can today mortgage all the mills in India at a six per cent profit provided they continue to put the same energy into their work as they are doing now, because I am perfectly certain that even by paying very high excise duties they can make at least 25 per cent on the figures I have calculated. Do not rely on my figures, but on those in the Tariff Board's Report. With these words, I support the motion that the Bill be taken into consideration.

**Bhai Parma Nand** (Ambala Division: Non-Muhammadan): Sir, this Bill can be considered best from two different points of view. One point of view is that we should sit down and examine the figures and, by means of those figures, the cost of production of sugar in India and the cost of production in Java as well as an estimate of profits and dividends made by these factories and then on the basis of these profits we ought to fix the proper amount of excise duty on the sugar produced by them. I think, Sir, the consideration of this point is yet quite premature. The sugar industry is as yet in a fluid state and it is not possible for us at this stage to find out exactly what the cost of production of sugar will be and what would be the amount of profits or dividends that will accrue to the factory owners. It is only this year that about 77 new sugar factories have been established and have begun to work. Their accounts are not yet before us and were not before the Select Committee; therefore, as I said, the consideration of this point is premature. Besides, there is another reason against the view which the Government side took in the Select Committee. They produced before us one set of calculations about a model factory and from that model factory they gave us the cost of production, the cost of cane, the amount of profits and the amount of interest, along with the sale price of sugar. I think this model factory may be an ideal thing, but if we look at what actually takes place in practice, it is very hard to say that all those factories that have been recently established or anyhow a large number of them would be able to make such profits and would work up to that ideal of a model factory on the basis whereof the estimates had been made. On this ground I think it is not quite possible for me to take those figures and draw inferences therefrom.

Now, Sir, there is a second point of view from which we can consider this Bill and that is whether the proposal to impose an excise duty on sugar is consistent with the objects and the policy as enunciated by the Government during the last year when they thought of giving protection to this industry. Sir, in order to explain this point of mine, I will take a quotation from the speech of the Honourable the Finance Member and draw the attention of this House to what he said. The Finance Member said:

"I say at once that if this measure that we are introducing can be demonstrated to be inconsistent with the policy that was introduced by the Honourable the Commerce

[Bhai Parma Nand.]

Member in 1932, then we must go back on the measure. We must amend the measure and we must acknowledge our mistake."

The Honourable Sir George Schuster repeated this with emphasis. He said:

"We still adhere to that policy of protection of the sugar industry whatever it costs. That is the policy which we have adopted and we must adhere to our word."

Sir, herein we find the enunciation which has been made by the Honourable the Finance Member even after having introduced this measure in the House. I may be quite mistaken, but as far as I can see, I got a clear impression that this measure is not consistent with the professed policy of the Government as we find it stated in the Sugar (Protection) Act. I have put it down in my note of dissent. I would beg the indulgence of this House just to let me quote one or two sentences from that note:

"In order to explain my point clearly, I want to take a free extract from the Sugar Industry Act, 1932. It begins 'Whereas it is expedient in pursuance of the policy of discriminating protection of industries in British India, with due regard to the well-being of the community, to provide for the fostering and development of the sugar industry for a period ending with the 31st day of March, 1946' "

and so on, and then there follows the provision as to how it is to be done.

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

It is quite clear in this Preamble—that the Government had a very definite idea in their mind. They wanted to protect the sugar industry in British India and also to provide for the fostering and development of the industry for a period of fifteen years till March, 1946. Now, Sir, it is argued that the Government, as I quoted the Honourable the Finance Member's remarks from his speech, were not going back on their work, but they were trying to counteract the additional advantage that this industry had received on account of the surcharge. My point is very simple. This Protection Bill was introduced in September, 1932. In 1930, we had the import duty on sugar at the rate of six rupees per cwt. This duty had been levied since the year 1894. For the first few years, it was levied on imported sugar at the rate of five per cent. which was afterwards raised to ten per cent. and then to 25 per cent. In 1920, it was made an *ad valorem* duty of Rs. 4-8-0 and in February, 1930, it was raised to six rupees. It was then purely a revenue duty and gave a certain amount of protection by the way to the sugar industry. But, at that time the Government had not declared their policy of discriminating protection and had not imposed any protection duty on imported sugar. In 1931, there was the Emergency Finance Bill before us and it was at that time that we got this surcharge on import duty along with others. This surcharge was already there in September, 1932, when the Honourable the Commerce Member, Sir George Rainy, introduced that Bill with the words which I have just quoted to this Honourable House. If the Government at that time had in their mind that this surcharge should be counteracted somehow or other, I think their course of action was plain. They should have told us or told the people that this surcharge would be taken as a part of the protective duty and nothing more. Sir, this state of things went on for a year and a half. No doubt the Honourable the Finance Member gave a hint during the last Budget speech but I do not think it could very well follow from that hint that this surcharge could not remain part of the duty for all the time. At any rate it was not made clear that there was going to

be an excise duty the very next year. Even supposing that the Honourable the Finance Member wanted to make that surcharge a part of the import duty and equalise it to the amount that was fixed by the Tariff Board, it would have been a better thing to do in 1932. In that case, another clear way was open to us, as the remedy was already supplied in the Sugar (Protection) Bill of 1932. Clause 4 of the Protection Act clearly provided as follows:

"If the Governor General in Council is satisfied after such inquiry as he thinks fit that the sugar not manufactured in India is being imported into British India at such a price as is likely to render insufficient the benefits intended to be conferred upon the sugar industry by the duty imposed by section 2, he may by notification in the Gazette of India increase such duty to such an extent as he may think it."

The underlying idea is quite clear that if the import duty of Rs. 6 per cwt. *plus* the surcharge would not have been enough, and if, with that duty, the import of Java sugar into this country would have gone on, then clause 2 of the Protection Act provided that the Governor General, after making an inquiry into the matter, could levy an additional duty on the import of sugar so as to maintain the benefits that were to be conferred on the manufacturers or on the industry by the imposition of the protective duty.

What I want to say, is this. In the first place, it should have been made clear in 1932 that the surcharge would become a part of the import duty, so that if, after this, Java sugar came into this country, the manufacturers could approach the Governor General who was authorised under the Act to impose a fresh duty. Surely they would have been in an advantageous position. They could never imagine at that time and for all this time, that this new device would be found out and such a heavy excise duty would be levied on the produce of sugar by these factories. There is another point that has been mentioned by my Honourable friend, Diwan Bahadur Ramaswami Mudaliar. He has told us that even admitting that the surcharge gives a certain additional advantage, and, in order to counteract the effect of that surcharge an excise duty has to be levied, a duty of Rs. 1-5-0 would be a much heavier burden than what would fall on foreign sugar on account of the surcharge. I think it is not in effect the same thing—to levy Rs. 1-5-0 per cwt. on the produce and to levy a duty of Rs. 1-5-0 or even Rs. 1-13-0 on the import of sugar. These two things cannot be equalised in their commercial effects. I think the manufacturers would be much better off, if there were one compact duty and they had to compete with larger foreign imports by having it reduced than having recourse to this process of levying a heavy excise duty on their produce of sugar.

My Honourable friend, Dr. Ziauddin Ahmad, says that we should only take the Report of the Tariff Board and we cannot but follow the recommendations of the Tariff Board in this respect. I would like to ask him that when this protective duty was levied in 1932, why did he not come forward with his objections to this increase recommended by the Tariff Board. The surcharge was already there as a revenue measure. It was his business or the business of those people who support the Government now to have come forward and told us: "You cannot have more than what is recommended by the Tariff Board." The recommendation was already there, and this duty was levied in addition to the amount of surcharge. The only argument that the Honourable the Finance Member has given us is that he does not want to let the benefit of this surcharge to be enjoyed

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any more. Our view is that if he takes away the surcharge from all other taxes and duties, we will gladly welcome it and nobody could then raise any objection to his proposal to incorporate this surcharge into import duty as he himself has said in his speech. He says that according to Sir George Rainy:

“The effect of that measure was to make the revenue duty of Rs. 7-4-0 a cwt. permanent, and it would remove the basic duty of Rs. 7-4-0 a cwt. from the power of myself as the Finance Member to vary it downwards if the financial exigencies dictated such a course.”

The idea is that Sir George Schuster has promised to us that this Rs. 7-4-0 would become a permanent duty whether the surcharge is removed on other taxes or not. It is quite true that this is one simple advantage, but as long as the surcharge is there and as long as certain people relying upon that surcharge started these factories and invested their money in these factories, we have to give them some time to think, at least during the period as long as the surcharge continues, to enable their industry to become stable and fit to stand on its own legs. Therefore, I quite agree with the view of my Honourable friend, Mr. Mudaliar, in this respect that this duty was not fair and we should in no case have allowed this duty; but because we were powerless and we could not effectively oppose it we could not simply look to the Finance Member. I think the Finance Member should have shown a spirit of compromise in the matter and should not have been so adamant as to refuse even the unanimous demand made by the Members of the Select Committee and even go so far as to propose an amendment on the majority recommendation of the Select Committee. I hope the Honourable the Finance Member would kindly consider again the position and at least allow the recommendation of the majority of the Select Committee to stand as it is.

**The Honourable Sir George Schuster:** Let me say at the outset that I think on the whole this case has been very fairly argued and I fully sympathise with the point of view of Honourable Members who have spoken against the higher level of duty. I have no doubt that they feel that they are right, but I must emphasise on my side and I do this particularly in reference to what my Honourable friend, who has just sat down, has said, I must emphasise on my side that this is not a case of our sticking obstinately to the maximum that we can get, it is not a case of greed, it is definitely a case where we thought that this was the right provision and that makes it all the more difficult to agree to a compromise. I entirely agree, if I may say so, with my Honourable friend, Dr. Ziauddin Ahmad, when he says that where you have got a Tariff Board Report and a certain measure of protection recommended, then the only safe thing to do is to stick to that. That should be your test and that should be your guide, and if you depart from that and try and adjust the position according to the sort of debate which is possible in this House and according to the sort of discussion that is possible in the Select Committee, then you get on to very dangerous paths indeed and if the measure of protection is not enough, then my Honourable friend said, let there be another Tariff Board enquiry. We have not the material with which to check over the whole business again. Having said that, I think I need say very little except possibly to clear up some point on which the discussion has chiefly centred. We have had perhaps more discussion about the position of the *khandsari* sugar makers than about anything else.

Now, I want to be very frank with the House about this. There is no doubt that it is a very difficult position to deal with. On the one side, we do not, and I say this quite definitely, we do not want to do anything which is going to stamp out a genuine agricultural industry (Hear, hear), so far as it is a small cottage industry we recognise that it is serving a very useful purpose in areas where cane growers have got no other markets and we do not want to stamp out a genuine cottage industry. On the other side, one must take account of a very strong argument of principle that it is not right to give an artificial stimulus to a comparatively inefficient method of manufacture and where there is a definite manufacturing industry of *khandsari* sugar in competition with a modern large scale sugar factory, then it would definitely be wrong for the Government to adopt any course which artificially diverted the energies into the more inefficient type of manufacture. Those two more or less apparently conflicting considerations are what makes this such a difficult case.

I want to be frank on another point, namely, the question of what our intentions were when we introduced this measure. It has been  
 5 P.M. argued by certain speakers that we had no intention of touching the *khandsari* sugar there. My Honourable friend, Mr. Mudaliar, has cleared up that point and he has shown that we have left the Bill exactly as it was except that we made a distinction in favour of the *khandsari* sugar and the rates of duty on it. We certainly intended to catch definite factory made *khandsari* sugar. Now, the question was how much were we going to catch and there we were in great difficulty owing to the fact that we have no reliable statistics on which to work. We deliberately took the low figure, we had not reckoned on catching more than about 25,000 tons. Now, when the duty has been hard, I do not propose to alter our estimates of revenue, and that means that now we should be estimating on catching about 50,000 tons of *khandsari* sugar. We may catch more, we may catch less. It is very difficult to say. We stood in between those two conflicting considerations which I have mentioned and we thought that the soundest thing to do was to adopt the definition of a factory from the Factory Law and to work on that, and it remains to be seen what that will produce, but one thing I can say and that is that we do not intend that the Act shall be administered in such a way as to drive out of existence the small cottage concerns. (Hear, hear.) I think it will be found in practice, as we gain experience, and, possibly, then, as a result of experience, we may be able to devise some clearer measure which will perhaps in some way be more satisfactory.

Another point I should like to state and that is, I entirely agree with my Honourable friend, Mr. Morgan, when he said that the real thing for the country to go for is an improvement in the quality of cane and we ought to try and help both the grower and the industrialist in that way as much as we can. I have already made clear when I spoke this morning that Government's intention is to help on work of that kind. Another point on which I feel I ought to say something is what my Honourable friend, Mr. Mudaliar, said about our financial estimates. Now, Sir, the point I want to put to my Honourable friend is this that it is one thing if we lose our resources, because our calculations go wrong, and quite another thing for this House to come and deny us the resources which we think necessary according to our calculations. If our calculations go wrong, obviously we have to carry out our commitments and then the Government, unless we have a margin absolutely necessary by way of surplus, the Government Budget will show a deficit. What we, as a Government, cannot

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consent to is to embark upon a programme where our commitments are greater than what we could reasonably estimate our revenue to be. That, I think, clears up that particular point. I think I need say no more, and I would ask the House to view this matter in a businesslike way, influenced neither by sentimental considerations of those who ask us to spare the factory industry, because it is so young, or those who plead that we should spare the *khandsari* industry, because it is so old. We must deal with this on business lines, and I think that we have got a businesslike measure. This I have already told the House in one respect, and in another respect I shall have to move an amendment.

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

"That the Bill to provide for the imposition and collection of an excise duty on sugar, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

**Mr. M. Maswood Ahmad**: Sir, before the Raja Bahadur moves his amendment No. 3, I want to point out that it will be better to discuss clause 3 now, because this amendment is consequential on some other amendment. Because, if a certain principle is accepted by Government, then the amendment will come in.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Consequential on what amendment?

**Raja Bahadur G. Krishnamachariar**: Sir, I do not move amendment No. 3 now, because, as my friend, Mr. Maswood Ahmad, said, it is really a consequential amendment dependent upon the amendments of my friend, Mr. Reddi, and upon the amendment of Mr. Maswood Ahmad, regarding clause 3. So, if you will allow. . . .

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Chair must be told on what amendment it is consequential.

**Raja Bahadur G. Krishnamachariar**: On Mr. Reddi's amendment No. 2.

**Mr. President** (The Honourable Sir Shanmukham Chetty): That has been passed over, because the Honourable Member was not in his seat when it was called. So this also goes out.

**Raja Bahadur G. Krishnamachariar**: Then I will refer to Mr. Maswood Ahmad's amendment to clause 3 which is No. 12.

**Mr. M. Maswood Ahmad**: Amendment No. 14 has not been passed over. Unless that amendment is moved, how can it be discussed?

**Raja Bahadur G. Krishnamachariar:** With reference to the amendment, may I, with your permission, submit what I visualise is the whole process. My position is that if in the amendment of Mr. Maswood Ahmad this House agrees that *khandsari* sugar should be exempted entirely from clause 3, sub-clause (1), then I would not move any amendment, to omit the definition, but I would move an amendment regarding clause 2 asking that the duty provided for *khandsari* sugar may be omitted. I do not know if I made myself clear. My scheme is this, and I put it subject to your ruling. My point is that *khandsari* sugar must entirely go out of this Bill. How I understood the position is that if Mr. Maswood Ahmad's amendment upon sub-clause (1) of clause 3 be agreed to in this House, it will read, "on all sugar except *khandsari* and *palmyra*". So that, when that first sub-clause is passed, the result will be that *khandsari* sugar will not be taxed at one rupee. Then, there is another clause which says that *khandsari* sugar will be taxed at ten annas. I want that that clause should be wiped out with the result that sub-clause (1) for *khandsari* sugar would altogether escape duty.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Honourable Member's point is that if the House agrees to delete altogether the duty leviable on *khandsari* sugar, then there is no need to have a definition of *khandsari* sugar, and the Honourable Member will move his amendment.

**Diwan Bahadur A. Ramaswami Mudallar:** Sir, I may point out that the definition is necessary in any case and the Honourable Member should really not move the amendment. If *khandsari* sugar is to be excepted, as Mr. Maswood Ahmad points out, even then the definition is necessary. The Honourable Member should not move this amendment at all.

**Raja Bahadur G. Krishnamachariar:** All right, I shall not move it.

**Mr. President** (The Honourable Sir Shanmukham Chetty): If the Honourable Member moves his amendment now, the result will be that there will be no definition of the words "*khandsari* sugar" in the Bill; and that will defeat the very object that he has in view.

**Raja Bahadur G. Krishnamachariar:** I agree, I shall not move that amendment.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The same remarks will apply to amendment No. 4.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

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

"That clause 3 stand part of the Bill."

With regard to clause 3, there is an amendment in the names of Mr. Morgan and Mr. Ramsay Scott which wants to substitute a new clause. The general practice is that new clauses are taken up at the end after the other clauses are disposed of unless it is essential to take up any of them earlier. The Chair hopes there will be no objection to taking up this new clause at the end after the other clauses are disposed of.

**Mr. G. Morgan:** I have no objection, Sir.

**Mr. F. E. James (Madras: European):** Sir, I beg to move:

“That in sub-clause (1) of clause 3 of the Bill, for the words ‘the 1st day of April’ the words ‘the 1st day of August’ be substituted.”

At the outset, I should like to make the position of my Party clear in regard to this matter. We propose to support this amendment and we propose at the same time to support the amendment to be moved by my Honourable friend, Mr. Hardy, to add to the words “one rupee,” the words “and five annas” in sub-clause (2)(ii) of clause 3 of the Bill on condition that this is also agreed to.

I have explained my own position in my note in connection with the Report of the Select Committee. Like my Honourable friend, Diwan Bahadur Mudaliar, I considered this matter in the Select Committee from an entirely independent point of view, and I came deliberately to the conclusion that the manufacturers had not made out a completely satisfactory case for a reduction of the excise duty from Rs. 1-5-0 to one rupee. I am not going into the reasons for that conclusion at the present moment, because this question was dealt with very largely at the consideration stage. It is true that the figures produced by Government were challenged by the manufacturers on the Committee, and at one time I had some doubts as to the matter, and indeed I was responsible on the Select Committee for moving that the duty be fixed at one rupee subject to a further inquiry by the Tariff Board. I made that motion on the Select Committee in order to bring things to a head; but my own feeling was, after the fullest possible discussion in that Committee and after the memoranda with which we were supplied by the Government that a complete case had not been made out for a step which would in effect alter the effective protection recommended by the Tariff Board. At the same time, I did feel and I know that my feeling is shared by my colleagues that there was some ground for the apprehension that the immediate imposition of this duty at the present moment might involve hardship to some factories which had been recently started. We took the view that the rapid and uncontrolled production under the shelter of the high tariff was unfortunate in many respects, but it was a state of affairs for which Government themselves could not escape complete responsibility. Therefore, we came to the conclusion that although there seemed to be no justification for a reduction in the excise duty proposed by the Government originally, there was a case for postponing the execution of this duty from the first of April to the first of August. That, at least, would give some new factories a completed season without the imposition of the duty and it would give the industry time to make adjustments in preparation for the imposition of the duty in time for next season. There is also another reason which certainly influenced me in coming to this decision and that is that it appeared to be clear from our discussions in the Select Committee and it appears to be still clearer since from information we have received from provinces, that this breathing time would not be altogether unwelcome in Government circles where, I understand, there is some doubt as to whether the machinery is absolutely complete. . . .

**The Honourable Sir George Schuster:** I do not know on what ground my Honourable friend makes that statement.

**Mr. F. E. James:** I make that statement on information that I have received.

**The Honourable Sir George Schuster:** Will my Honourable friend produce his information?

**Mr. F. E. James:** I do not want to divulge what went on in the Select Committee.

**The Honourable Sir George Schuster:** Nothing went on in the Select Committee which indicated that Government would welcome a delay in this matter, because their machinery was not ready.

**Mr. F. E. James:** I did not say that. I simply said that there was information which was available which came out during the discussions in the Select Committee, which indicated that Government were not fully prepared with the rules and the necessary machinery for putting into operation. . . .

**The Honourable Sir George Schuster:** Nothing of the sort.

**Mr. F. E. James:** I am bound to accept my Honourable friend's explanation on that point; but I think there were probably other members on the Select Committee who were under the same impression. However, if I am wrong in that, I will accept my Honourable friend's correction. There may be objections advanced, and undoubtedly there will be, to the proposal to postpone the execution of the duty. Perhaps I shall be told that contracts have already been entered into on the basis of the operation of the duty from the 1st April. My answer to that is that such contracts are entered into at ordinary risks and that a consideration of that kind should not necessarily influence our decision in deciding upon the date of the operation of the duty. I shall also perhaps be told that this will involve a certain amount of loss of revenue. My answer to that is: in the first place, it will not involve a very large amount of revenue, because the present season happens to be a short season, and I understand that some factories have already completed their season and most of them will be completed by the end of this month; and it is also expected by some of us that there will be an increase in the revenue beyond that which is estimated by the Government authorities under the imposition of the excise and also under the head of collection of customs duty. I think I ought also to say that I understand that there is a disposition on the part of those, who are representing the manufacturing interests in this House, not to oppose the motion which the Honourable Mr. Hardy is to bring forward at a later stage if Government showed any willingness to accept this particular amendment. Perhaps those who represent the manufacturers will make their own position clear in that regard; but, as far as the interests which we represent in this Group are concerned, I am authorised to state that they will be willing to accept the rate of duty of Rs. 1-5-0 if the operation of that duty were extended to the first of August of this year. I, therefore, sincerely trust that Government will see their way to accept this amendment and make this very small gesture to those factories which have recently been started and which might feel the immediate imposition of the duty somewhat of a hardship under existing circumstances. Sir, I move.

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

“That in sub-clause (1) of clause 3 of the Bill, for the words ‘the 1st day of April’ the words ‘the 1st day of August’ be substituted.”

There is an amendment lower down, No. 7, which substitutes the 1st day of May, and Honourable Members who want to move it may also move it, and the discussion will take place simultaneously on both.

**Seth Haji Abdoola Haroon**: Sir, I have tabled this amendment on different grounds.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Mr. James’ amendment wants the duty to come into operation from the 1st day of August. If the Honourable Member wants the duty to come into operation from the 1st day of May, then he should move his amendment also at this stage, so that discussion will be comprehensive.

**Seth Haji Abdoola Haroon**: My point is this: that if the amendment of Mr. James fails, then I move for the 1st of May.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Quite so. That will be the procedure when the voting takes place. Now the discussion can take place on both. Some Honourable Members want the duty to come into effect from the 1st of August and some from the 1st of May. The Honourable Member’s position is that if that is defeated, he would move his amendment.

**Seth Haji Abdoola Haroon**: I do not want to move it now.

**Mr. President** (The Honourable Sir Shanmukham Chetty): But it will not be allowed to be moved again.

**Seth Haji Abdoola Haroon**: Then, Sir, I move it: I move:

“That in sub-clause (1) of clause 3 of the Bill, for the words ‘the 1st day of April’ the words ‘the 1st day of May’ be substituted.

I do not want to say anything on it at present.

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

“That in sub-clause (1) of clause 3 of the Bill, for the words ‘the 1st day of April’ the words ‘the 1st day of May’ be substituted.

Both these amendments will be discussed together.

**Raja Bahadur G. Krishnamachariar**: Sir, I oppose both the amendments. I say that the Act should come into force with effect from the first day of April, because, in all fiscal enactments, I understand the proper principle is to impose duties from the beginning of the official year, and you never extend the time. Therefore, there is absolutely no reason as to why, the House having agreed to the levy of excise duty, you should extend the date from the 1st of April to the 1st of May or to the 1st of August. It is against all fiscal principles. People might have entered

into contracts expecting that this duty would come into force from the 1st of April, and such people would be placed at a serious disadvantage if either of these amendments is accepted. Therefore, I say that both the amendments are not proper, and the right and proper thing to do would be to start the operation of this Act with effect from the 1st of April.

**Dr. Ziauddin Ahmad:** Sir, I was rather surprised at the speech just delivered by my friend, Mr. James. I thought he had forgotten that he was sitting in the Assembly and not in the Select Committee when he offered us a sort of compromise,—“if you accept this, we would accept that”. That may be a good argument in the Select Committee, but not on the floor of this House, because we have to consider each case on its merits, and to advance any argument of a hypothetical nature and say “I accept that provided you accept this” is not at all right. . . .

**Mr. F. E. James:** Sir, if my Honourable friend will allow me, I should like to point out that I made this amendment in no spirit of bargaining whatsoever. I explained that we were prepared to support the Rs. 1-5-0 excise, and that we all hoped that Government would accept this particular amendment. I made no suggestion of any kind in any bargaining spirit.

**Dr. Ziauddin Ahmad:** If my friend had brought forward the argument that it is unnecessary to enforce this measure as from the 1st of April on the ground that the year is now closing, that most of the factories have already closed,—because after the 15th of April there is practically no work in any sugar factory,—if he had suggested that there was no object in enforcing this measure for only fifteen days, then there might have been some force in it, because long before the machinery is created, most of the factories will be closed. Therefore, it would be much better that we should create the machinery now and enforce the Act as soon as the sugar factories commence their operations in the next season. At the same time, the argument that I advance against my friend is this. In the case of the Tariff (Amendment) Act, when they levied a duty from the 22nd December, we argued from this side of the House that those commodities, which were already in transit before the Bill was introduced, should be exempted, and my friend, Mr. James, opposed it on that occasion. So I think, in order to be consistent, if he adopts one principle in the case of one commodity, he should adopt the same principle in the case of another commodity also. Therefore, if we are to be consistent, we ought to enforce this measure from the very beginning of 1st April, because if we agreed that it should be imposed from the 1st of April, it should be from the 1st of April,—it should be neither before, nor after. It will be certainly a wrong policy on the part of the Government to change the date now in this particular case. I have already pointed out that if I have any personal interest in any commodity, it is in sugar and sugar alone, except the general economic interest and the interests of the consumers whom I represent. Therefore, the arguments advanced in support of the amendments are not correct. It is an argument which the Government could have considered at the Select Committee stage; if they had brought forward a kind of agreed solution, then probably we might have accepted it. Therefore, in view of the fact that the mills are already closed, to create a new machinery to look into past accounts of some of the factories would be cumbersome and expensive.

**Mr. M. Maswood Ahmad:** Sir, I support the amendment moved by my friend, Mr. James, though I do not agree with the arguments he has adduced in support of his amendment. Sir, the date which has been mentioned in the Bill, namely, the 1st day of April, greatly affects the North Bihar area, because, as I have already explained to the House, all the sugar has been taken out of the factories and has been kept in big godowns in towns by the factory owners, and thus they have escaped the duty now. But only the unfortunate factory owners who could not get a sufficient number of wagons would suffer by this measure, because they could not send their sugar out of their factories, though the number of such unlucky factory owners is very small. The real fact is that, in Bihar, on account of the recent earthquake, many factories have been destroyed, and so we are not in a position to collect all the sugar-cane that is available in that area. As numerous questions, which have been put on the floor of the House, will show, there was not a sufficient supply of wagons to take the sugar-cane from the affected areas. Therefore, if this tax is enforced from the 1st of April, it will affect particularly those factories in North Bihar. It is not a general tax for the whole of India for all the factories. Therefore, I would request my friends to consider these points, or to tell us what measure they would propose to give relief to the cane growers in the affected area in Bihar, because only canes from that area are being crushed in the factories, as in other parts the sugar-cane season is over. This is a very important point, and I hope the Honourable Sir George Schuster will give his consideration to it.

**Mr. T. N. Ramakrishna Reddi:** Sir, I also support this amendment for the reason that most of the factories have already completed their work in the present season, and they would have disposed of their stock of sugar by this time, especially when they knew that this measure would take effect from the 1st of April. If, however, there are a few factories still working, they should not suffer on account of the delay in starting their operations. As my friend has stated, in Bihar, on account of the earthquake, a large number of sugar factories have been put out of order, and it would have taken them some time to get them in working order and to commence operations, and such factories ought not to suffer, because those factories, which have escaped the effects of the earthquake, would escape this duty. As the working season is already past, I feel, for the reasons I have given, those few factories, which are now working under some handicaps, should be exempted from this duty.

**Maulvi Muhammad Shafee Daoodi** (Tirhut Division: Muhammadan): Sir, the cane growers are not going to suffer if the duty were levied from the 1st of April or from the 1st of August. It is quite immaterial to them. The duty will be levied on the factories which will manufacture sugar, and if it is levied from the 1st of April, the cane growers will have a share out of it with which they will be organised on a co-operative basis for which we have got another Bill before us. The recent earthquake has really put most of these people to great trouble, but that trouble is being met by the factories being enabled to work in the affected areas and by sugar-cane being transmitted from one place to another, and that process is going on at a very brisk pace. I know for certain that a good supply of wagons is available in the earthquake-stricken area since Sir Guthrie Russell had been there. He has arranged to pool the resources of all metre gauge

lines in the earthquake area. He has put ten wagons at each railway station where there is a sufficient supply of cane. Therefore, on that ground, my Honourable friends should not have any difficulty, but if there are other difficulties, that is a different matter. I have risen only to explain the situation of the cane growers in that area.

[At this stage, Seth Haji Abdoola Haroon rose to speak.]

**Mr. President** (The Honourable Sir Shanmukham Chetty): Probably the Honourable Member did not understand. The Honourable Member's point was that he would like to support Mr. James's amendment and if it fell through, he would like 1st of May to be substituted. That is what the Chair wanted him to do and the Chair thought that he did not want to make a speech.

**Seth Haji Abdoola Haroon:** This is an important point, and I request that I may be allowed to speak on both the amendments. I support Mr. James's amendment. I have already tabled another amendment No. 11 in which I say:

"Provided, further, that sugar factories in North Bihar affected by the earthquake shall be exempted from the duty till 31st August, 1934."

I may inform my Honourable friend, Mr. Maswood Ahmad, that only eight days back, some three or four factories have commenced work after having effected repairs. The Honourable the Finance Member, in his Budget speech, stated that he would consider the matter about the affected area in North Bihar. So, this is the time when Mr. James's amendment should be accepted. Again, many factories have been closed, and, by the 15th or 20th of April, nearly all the factories will have been closed. Most of the sugar produced has been transferred from the factories to some other stations or some other godowns outside in the villages. If this amendment is accepted, neither will the Government lose, nor will the manufacturers have any complaint. The trade has already made some bargains or contracts beforehand and there will be a lot of dispute. Within these three or four months, the market will be settled and all sorts of difficulties will be avoided if the Honourable Member accepts the amendment of Mr. James. In my opinion, this is a very reasonable amendment and must be accepted.

**Mr. Jagan Nath Aggarwal:** I support the amendment moved by Mr. James that the date for the levy of this duty should be the 1st August. When this Bill was presented to the House, we were at the end of February or the beginning of March, and it was expected that the Bill would be through before the end of March and that normally the duty would be collected from the beginning of April. We are now in the middle of April and this Bill would have to be given retrospective effect, and it is not proper to give a measure, especially a taxing measure, retrospective effect. I have another reason why I say that the operation of this duty should be postponed. Even though the majority recommendation of the Select Committee was not for having the duty from the 1st August, that is a matter for which there was a reason which I may well mention to the House. We expected that, as a matter of compromise, Government would probably accept it—though we gave them a lower duty from the 1st April, they would accept it in a spirit of compromise. But since they have not accepted it, I am afraid I must give my reasons for supporting "1st August".

[Mr. Jagan Nath Aggarwal.]

It is well known to the Government and to the House that many factories have closed earlier this year than usual. This is owing to the earthquake in North Bihar, and also to the fact that cane has not been so plentiful. A good many factories have closed by now. Again, there has been a disease in the cane which has also restricted the utilisation of cane as freely and as fully as it was last year. If that is so, it means that most of the factories have closed, and, as is apparent from the trend of questions proceeding from Mr. Maswood Ahmad, there has been an attempt to put the output of such factories out of the reach of the duty. And Mr. Maswood Ahmad made no secret of it. He complained of the action of the railways. In cases where the produce could be removed without the help of the railways, that has been done, but because in Bihar it could not be done without the help of the railways, and the railways have not been able to supply wagons, the Province is in a difficulty. The effect of this duty would be that those who have been vigilant or rather clever have avoided the incidence of the duty, and others who have been unfortunate enough not to have been able to get wagons, etc., would be hit hard. As a matter of fairness, the measure must apply equally to all. This is a measure of justice and equity, and it should not be given retrospective effect, and it should be from the first of August. Why I take the "1st August" is that it will be the close of one season, and perhaps not the exact beginning of another, but it will rope in all those who may antedate their operations for the next season, because the sugar-cane season is finished about the end of April, and, during this period, no large manufacture of sugar will go on. Mr. James mentioned one particular point that probably "1st August" would be acceptable to Government as the inspectorate is not ready. That point was contradicted by the Finance Member. Perhaps the Finance Member had mentioned it at one stage that their own inspectors were out. What kind of inspectorate was out? I have an idea of it from a letter from a friend of mine in Bombay. The gentleman writes:

"In the Bombay Presidency, the Bombay Government have sent three constables with a head constable and an excise inspector to stay at each of the factories. These excise inspectors expect that all the weighment should take place only in their presence and deliveries also will be checked. Any sugar made while they were not present is to be re-weighed. These officers are expected to be housed by the factory owners. The whole procedure seems to be not only inconvenient, but very humiliating."

If this is the kind of arrangement contemplated by the inspectorate, consisting of policemen and excise inspectors, then it is time that Government looked into the matter carefully and put their arrangements on a more satisfactory footing.

**Mr. N. M. Joshi:** Who else can collect the excise duty?

**Mr. Jagan Nath Aggarwal:** I am surprised at Mr. Joshi. He has had experience of the excise duty on cotton. He knows how the excise people for that duty trusted the factory accounts and only paid surprise visits and subjected these people to no humiliating treatment. Here you quarter a dozen policemen and a head constable and an excise inspector who come in as your guests over night and your masters by day. That is a proposition which, I submit, no decent man, not even labour, can tolerate. After all, there is such a thing as decency in the world.

**Mr. Gaya Prasad Singh:** Do they stay as their guests?

**Mr. Jagan Nath Aggarwal:** My friend, Mr. Gaya Prasad Singh, has been so long away from Bihar that he does not know what is happening. Mr. Gaya Prasad Singh knows very well that if these people pay these visits, they have no other place to go to and they will naturally depend on the hospitality of these factory owners.

Then, there is another matter which I should like to mention in this connection, and I hope I am not revealing any secret of the Select Committee. Although there are 600 *khandsari* factories, we have no data as to how many could come under the definition of factories and it was revealed somewhere in the Select Committee's Report that the inspectorate in the United Provinces was either inefficient or so undermanned that they could not get more than 55 of these concerns registered. There are 300 of them in the Bareilly town alone, and 600 of them in one Division. The inspectorate is not ready to cope with the work that will be put upon their shoulders, and if my friend, Mr. James' amendment is accepted, it will give time to the Government to appoint a better staff of inspectors. I think this is a very fair proposal to which no objection could be taken. It will give people all round the breathing time that they require, and I do trust that Government will accept this amendment to collect the duty from the 1st of August.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): As I understood the attitude of the Government in the Select Committee, they were for accepting an amendment like this as has been proposed by Mr. James; but when they subsequently found the Select Committee accepting a lower rate of duty than Rs. 1-5-0, they changed their mind.

**The Honourable Sir George Schuster:** My Honourable friend is not entitled to disclose the discussions in the Select Committee, but I would say that he is not giving the House a very fair account of the situation.

**Mr. S. C. Mitra:** I am giving an absolutely correct version of what happened. I challenge the Finance Member to say whether I am incorrect. He can put up a better explanation if he meant it otherwise. We, in the Select Committee, so far as some of the elected Members are concerned, thought that Government were agreeable to accept the first of August as the date for the operation of this Bill, but when subsequently the Committee, by a vast majority, turned down the rate from Rs. 1-5-0 to one rupee, they suddenly changed their opinion. My argument now is this. They are now convinced that they will carry the other amendment that has been tabled by Mr. Hardy to raise the rate to the original rate in the Bill. So I like to understand whether Government are resiling from their former position. If they got the rate which they originally proposed, namely, Rs. 1-5-0, would they still insist on the operation of the Bill from the 1st of April? What is the new ground that has arisen during these few days for changing the attitude to which the Government were committed in the Select Committee. If in anger a responsible Government changes their views, because the Select Committee, in the best interests of the country, thought of reducing the duty, it lies heavily on the Government to show what are the new grounds on which they can support their present altered attitude. I support the amendment of Mr. James, because I know that Government will carry the other amendment about the high rate.

**The Honourable Sir George Schuster:** I am not going to follow my Honourable friend who has just spoken in discussing what happened in the Select Committee. The only thing I wish to say is this, that Government attitude in these matters is neither dictated by temper nor by manoeuvre. If we take a line in these things, it is because on consideration we think it is the right line. In this case—and I admit that this is one of the amendments which is most open to argument—but in this particular case we definitely think there is no reason for postponing the date as has been proposed. One of my Honourable friends, who has spoken, referred to the special circumstances of factories in Bihar that might have been seriously upset in their operations owing to the recent earthquake. It was a point that was raised in the general discussion. Our attitude on that matter is this. We have not received any carefully made out cases for special assistance of factories that have been affected by the earthquake. We have only heard general talk. I have had no application saying that a particular factory has been unable to get its sugar away, because of lack of trucks, a lack which was due to the fact that it was situated in the earthquake area. If there are any really hard cases of that kind and they are put up to us by the Government of Bihar and Orissa, we shall be perfectly prepared to consider them, and we have power in the Bill to make special exemptions in those cases; but they must be well established cases of damage suffered as a result of the earthquake, and I would repeat again that they must be put up to us with the recommendation of the Government of Bihar and Orissa. Then, my Honourable friend, Mr. Jagan Nath Aggarwal, objected to the present position, because, if this measure were passed now, it would give retrospective effect to it if we collected the duty from the 1st of April. I would remind my Honourable friend that this is a condition which exists in connection with the Finance Bill every year. The Finance Bill is never passed until towards the end of March, but if there are any new taxes, they are generally given effect to from the date that the Budget is introduced, and this is an exact parallel to what is happening now. There is no difficulty as regards the collection of this duty from the 1st of April, and when my friend complains of a case in Bombay, where an excise officer was sent down to look into the matter, I would like to know from him what sort of agency he would have to collect an excise duty except an excise officer.

**Mr. Jagan Nath Aggarwal:** You cannot send a head constable and a dozen constables also.

**The Honourable Sir George Schuster:** The excise officer was the best judge of whom he wanted to accompany him.

There is another point that I want to make. I do not want to over-stress it, but I should like the House to realise that there are two sides to this question. Since our proposals were introduced on the 27th February, as far as I can understand, trading transactions have been conducted on the basis of the imposition of this duty. Honourable Members in the House, I know, have received a great number of telegrams from one side or the other on the whole of this Excise Bill, and here is a telegram which I have had from what I have ascertained to be a very substantial firm of merchants in Cawnpore:

“Understand Select Committee recommended reduce sugar duty to one rupee and period 1st August next”

—they were wrong, of course, in the latter point—

“We strongly object and protest as it is totally ruinous to sugar business causing heavy loss to merchants. Sugar mills, in spite of making huge profits, have sold heavy lots forward delivery including duty after your proposal on 27th February. Now, if duty abolished or reduced or period extended, mills will be doubly-profitd.”

—I suppose they mean mills will get double profit—

“While merchants will suffer heavily. Also Government lose accordingly. Therefore, requested not reduce duty nor extend period. (Duty) must be levied from 1st April to meet ends justice.”

Well, Sir, I have merely put that forward as illustrating that there are two sides to the question. There is no doubt—and that is a point which has been lost sight of in this debate when we have considered what the position of the sugar manufacturer in future is going to be, that there is no doubt that on the announcement of the excise duty, the general market price for sugar was put up, and the question is—to what extent will the manufacturers be able to put on the public the burden of this excise duty? I do not suggest for a moment that they will be able to put on the whole of that on the consumer. The period, of course, has been short; but the facts, so far as I have been able to ascertain them from a very close watching of prices over the last few weeks, seem to be that a certain proportion of the excise duty has now been added to the selling price. I will mention one very interesting fact. Possibly it may not be sufficient to be conclusive, but I find from recent quotations from Cawnpore that the one class of sugar which has shown a drop recently is *khandsari* sugar, and that showed a drop of eight annas on the 12th April. The Select Committee's Report was signed on the 10th April, and it looks to me as if the knowledge that the Select Committee had reduced the duty on *khandsari* sugar by eleven annas had had a definite effect on the market price of *khandsari* sugar.

Now, all these points must be taken into account. It is not entirely a one-sided matter, as some speakers seem to think, and  
 C F. M. there is, of course, an important consideration on the other side as well, apart from the question of the position of merchants to which I have already referred, and that is the Government's position as regards revenue. It is difficult to calculate exactly what an amendment of this kind would mean to us; but, so far as we can make out, it would amount to a loss to us of something like Rs. 18 lakhs or 20 lakhs. That is a loss which we do not wish to face, and on all these considerations—on the merits of the case, and not, as I would ask my friend, Mr. Mitra, to believe, in any spirit of temper, or in any desire to abuse our position if we have a position in which we command a majority in this House—on the merits of the case, we definitely feel that it would be better to stick to the original date as proposed in the original Bill. Therefore, Sir, I regret I must oppose this amendment.

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

“That in sub-clause (1) of clause 3 of the Bill, for the words ‘the 1st day of April’ the words ‘the 1st day of August’ be substituted.”

The Assembly divided :

AYES—34.

Abdoola Haroon, Seth Haji.  
 Aggarwal, Mr. Jagan Nath.  
 Azhar Ali, Mr. Muhammad.  
 Bagla, Lala Rameshwar Prasad.  
 Bhuput Sing, Mr.  
 Chinoy, Mr. Rahimtoola M.  
 Das, Mr. B.  
 Gunjal, Mr. N. R.  
 Hari Raj Swarup, Lala.  
 Hudson, Sir Leslie.  
 James, Mr. F. E.  
 Jog, Mr. S. G.  
 Lindsay, Sir Darcy.  
 Mahapatra, Mr. Sitakanta.  
 Maswood Ahmad, Mr. M.  
 Millar, Mr. E. S.  
 Mitra, Mr. S. C.  
 Mody, Mr. H. P.

Morgan, Mr. G.  
 Mudaliar, Diwan Bahadur A.  
 Rampswami,  
 Murtuza Saheb Bahadur, Maulvi  
 Sayyid.  
 Neogy, Mr. K. C.  
 Pandit, Rao Bahadur S. R.  
 Parma Nand, Bhai.  
 Patil, Rao Bahadur B. L.  
 Ranga Iyer, Mr. C. S.  
 Reddi, Mr. T. N. Ramakrishna.  
 Scott, Mr. J. Ramsay.  
 Sen, Pandit Satyendra Nath.  
 Singh, Kumar Gupteshwar Prasad.  
 Sohan Singh, Sardar.  
 Thampan, Mr. K. P.  
 Uppi Saheb Bahadur, Mr.  
 Wilayatallah, Khan Bahadur H. M.

NOES—51.

Abdul Aziz, Khan Bahadur Mian.  
 Ahmad Nawaz Khan, Major Nawab.  
 Allah Baksh Khan Tiwana, Khan  
 Bahadur Malik.  
 Anklesaria, Mr. N. N.  
 Anwar-ul-Azim, Mr. Muhammad.  
 Bajpai, Mr. G. S.  
 Bhere, The Honourable Sir Joseph  
 Brij Kishore, Rai Bahadur Lal.  
 Chatarji, Mr. J. M.  
 Clow, Mr. A. G.  
 Cox, Mr. A. R.  
 Dalal, Dr. R. D.  
 Darwin, Mr. J. H.  
 Fazal Haq Piracha, Khan Sahib Shaikh.  
 Ghuznavi, Mr. A. H.  
 Graham, Sir Lancelet.  
 Grantham, Mr. S. G.  
 Haig, The Honourable Sir Harry.  
 Hardy, Mr. G. S.  
 Hezlett, Mr. J.  
 Irwin, Mr. C. J.  
 Ismail Ali Khan, \*Kunwar Hajee.  
 Jawahar Singh, Sardar Bahadur  
 Sardar Sir.  
 Joshi, Mr. N. M.  
 Krishnamachariar, Raja Bahadur G.  
 Macmillan, Mr. A. M.  
 Metcalfe, Mr. H. A. F.

Mitchell, Mr. K. G.  
 Mitter, The Honourable Sir  
 Brojendra.  
 Muazzam Sahib Bahadur, Mr.  
 Muhammad.  
 Mujumdar, Sardar G. N.  
 Mukharji, Mr. D. N.  
 Mukherjee, Rai Bahadur S. C.  
 Nihal Singh, Sardar.  
 Noyce, The Honourable Sir Frank.  
 Rajah, Rao Bahadur M. C.  
 Ramakrishna, Mr. V.  
 Rastogi, Mr. Badri Lal.  
 Rao, Mr. P. R.  
 Sarma, Mr. G. K. S.  
 Sarma, Mr. R. S.  
 Schuster, The Honourable Sir George.  
 Shafee Daoodi, Maulvi Muhammad.  
 Sher Muhammad Khan Gakhar,  
 Captain.  
 Singh, Mr. Pradyumna Prashad.  
 Sloan, Mr. T.  
 Suhrawardy, Sir Abdullah-al-Mámán.  
 Talib Mehdi Khan, Nawab Major  
 Malik.  
 Tottenham, Mr. G. R. F.  
 Yakub, Sir Muhammad.  
 Ziauddin Ahmad, Dr.

The motion was negatived.

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

“That in sub-clause (1) of clause 3 of the Bill, for the words ‘the 1st day of April’ the words ‘the 1st day of May’ be substituted.”

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 18th April. 1934.