

21st February 1927

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

Volume I

FIRST SESSION  
OF THE  
THIRD LEGISLATIVE ASSEMBLY, 1927



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# LEGISLATIVE ASSEMBLY.

*Monday, 21st February, 1927.*

The Assembly met in the Assembly Chamber at Eleven of the Clock,  
Mr. President in the Chair.

## MEMBERS SWORN:

The Right Honourable V. S. Srinivasa Sastri, P.C., M.L.A. (Madras:  
Nominated Non-Official);

Nawab Sir Zulfiqar Ali Khan, Kt., C.S.I., M.L.A. (East Central  
Punjab: Muhammadan), and

Mr. Albert Melville Hayman, O.B.E., M.L.A. (Railway Board:  
Nominated Official).

## QUESTIONS AND ANSWERS.

### THE PANAMA IMMIGRATION LAW.

525. \***Mr. Gaya Prasad Singh:** (a) Is it a fact that the Panama Immigration Law has been passed by the Legislature of the Panama Republic, on the 26th October, 1926, whereby Indians, along with some other coloured nationalities, are forbidden to immigrate in future to the Republic, and those who are already domiciled in the Republic will not be allowed admittance if after the enforcement of this law they even temporarily leave the territory of the Republic, or happen to be away before the enactment of this measure?

(b) Is it not a fact that the total number of Indians in Panama is about 10,000, a large number of whom have been resident there for several generations?

(c) Will the Government kindly state if the Panama Immigration Act has yet to receive the assent of His Majesty's Government?

**Mr. E. B. Howell:** (a) Yes, Sir.

(b) Government are obtaining definite information. According to that already in their possession there exists in Panama and Colon what is described as "a fair-sized colony of Indian merchants almost all of whom are from Hyderabad in Sind".

(c) No, Sir. The legislation of a Foreign State does not require the assent of His Majesty's Government.

NUMBER OF POSTS IN STATE-MANAGED RAILWAYS ON MORE THAN RS. 200  
A MONTH HELD BY INDIANS, ANGLO-INDIANS AND OTHERS.

526. \***Mr. Mukhtar Singh:** Will Government be pleased to state the number of posts carrying a salary of more than 200 rupees a month held in

(1935)

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the years 1924, 1925 and 1926 by (a) Indians (Anglo-Indians not included), (b) Anglo-Indians and (c) others in the different Railways managed by the Government?

AMOUNT OF MONEY DRAWN IN SALARIES BY INDIAN, ANGLO-INDIAN AND OTHER EMPLOYEES DRAWING MORE THAN RS. 200 A MONTH IN STATE RAILWAYS.

527. **\*Mr. Mukhtar Singh:** Will Government be pleased to state the amount of money drawn in salaries by the employees getting more than 200 rupees a month in the Government Railways in the respective years 1924, 1925, 1926 by (a) Indians (Anglo-Indians not included), (b) Anglo-Indians and (c) others?

PERCENTAGE OF INDIANS, ANGLO-INDIANS AND OTHER EMPLOYEES GETTING MORE THAN RS. 200 A MONTH ON STATE-MANAGED RAILWAYS IN THE YEARS 1924, 1925 AND 1926.

528. **\*Mr. Mukhtar Singh:** Will Government be pleased to state the percentage of (a) Indians (Anglo-Indians not included), (b) Anglo-Indians and (c) other employees getting more than 200 rupees a month in the Government Railways in the years 1924, 1925, 1926 respectively?

**Mr. A. A. L. Parsons:** I propose, with your permission, Sir, to answer Questions Nos. 526 to 528 together.

The Honourable Member will find all the information we have in Appendix F of Volume 1 of the Report of the Railway Board on Indian Railways for 1925-26. We take Rs. 250, and not Rs. 200 as the pay limit for our statistics, and we do not show Anglo-Indians separately from other classes of statutory Indians who are not Hindus or Muslims.

CUSTOMS DUTY ON SUGARCANE BOILING PANS.

529. **\*Mr. Mukhtar Singh:** Is it a fact that sugarcane boiling pans are charged with customs duty when they are imported into the country? If the answer be in the affirmative will Government be pleased to state their reasons for so doing and not treating them as agricultural implements free from duty?

**The Honourable Sir Basil Blackett:** Sugarcane boiling pans are liable to duty at 15 per cent. *ad valorem*. The question of including them in the list of agricultural implements that are free of duty under the tariff is engaging the consideration of the Government of India.

MUSALMAN OFFICERS EMPLOYED IN THE OFFICE OF THE RAILWAY BOARD AT DELHI.

530. **\*Maulvi Muhammad Yakub:** What is the total strength of the officers working at the main office of the Railway Board at Delhi and how many of them are Musalmans?

**The Honourable Sir Charles Innes:** The total number of officers in the office of the Railway Board is 17 and none of them is at present a Musalman.



**MUSALMAN OFFICERS EMPLOYED IN THE OFFICE OF THE FINANCE DEPARTMENT OF THE GOVERNMENT OF INDIA.**

581. **\*Maulvi Muhammad Yakub:** What is the total strength of the permanent Indian officers working at the main office of the Finance Department of the Government of India and how many of them are Musalmans?

**The Honourable Sir Basil Blackett:** The total strength of the permanent Indian gazetted officers is 7, of whom one is a Musalman.

**USUAL TENURE OF AN OFFICER ON SPECIAL DUTY AT THE HEADQUARTERS OF THE GOVERNMENT OF INDIA.**

582. **\*Maulvi Muhammad Yakub:** What is the usual tenure of an officer on special duty at the headquarters of the Government of India?

**The Honourable Sir Alexander Muddiman:** No general rule has been prescribed or is required, as the tenure of such an officer depends upon the nature of the special work to be undertaken and the time it will take to complete it.

**OFFICERS EMPLOYED ON SPECIAL DUTY FOR LONG PERIODS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.**

583. **\*Maulvi Muhammad Yakub:** Is there any officer on special duty in the office of the Director-General of Posts and Telegraphs holding his present appointment for a considerably long period? What are his special qualifications for holding the present post and what is his substantive appointment?

**The Honourable Sir Bhupendra Nath Mitra:** There are four officers on special duty in the office of the Director General, Posts and Telegraphs, whose appointments date from the 1st December, 1924, 27th November, 1925 and the 6th and 9th August, 1926, respectively. They are considered the most suitable officers for their special duties.

**NUMBER OF MUSALMANS EMPLOYED AS SUPERINTENDENTS OF POST OFFICES**

584. **\*Maulvi Muhammad Yakub:** How many Superintendents of Post Offices were recruited directly and how many were promoted from the Department during the year 1926? How many of them are Musalmans?

**The Honourable Sir Bhupendra Nath Mitra:** In 1926, one officer was directly recruited as a probationary Superintendent and another officer was promoted from the Department. Neither was a Musalman.

**SPEECHES DELIVERED BY THE MAHARAJA OF BURDWAN IN ENGLAND.**

585. **\*Maulvi Muhammad Yakub:** (a) Will Government be pleased to state in what capacity the Maharaja of Burdwan attended the Imperial Conference?

(b) Are Government aware that there is a great disappointment in this country at the speeches delivered by the Maharaja in England?

**The Honourable Sir Alexander Muddiman:** (a) As a representative of India.

(b) No.

**Mr. Chaman Lal:** Is it a fact that the Maharaja of Burdwan has been described as the chorus girl of the Empire?

**The Honourable Sir Alexander Muddiman:** I beg the Honourable Member's pardon. I did not hear the question.

**AGENTS APPOINTED IN OTHER COUNTRIES UNDER SECTION 7 OF THE INDIAN IMMIGRATION ACT, 1922.**

586. **\*Mr. M. S. Aney:** (a) Will Government be pleased to state in what States of Asia, America and Africa and the self-governing Colonies as well as Crown Colonies in the British Empire in which Indian emigrants have settled, the Governor General in Council has appointed agents under the terms of section 7 of the Indian Emigration Act of 1922?

(b) If there are countries or Colonies, in which Indian emigrants have settled, without any Agent of the Governor General in Council, will Government give the reasons for not making any appointment of such agents?

**Mr. J. W. Bhore:** (a) Agents have been appointed in Ceylon and British Malaya only under the provisions of section 7 of the Indian Emigration Act, VII of 1922.

(b) If the Honourable Member will refer to the terms of section 7 he will see that the purpose of appointing an Agent is to safeguard the interests of emigrants. The answer to his question therefore depends in each case upon a variety of circumstances including the number of the emigrants, the conditions under which they live and the necessity of special arrangements to safeguard their interests. In some cases the question of appointing an Agent is under consideration.

**Mr. M. S. Aney:** Does the Government want this House to assume that in those countries where the condition of the emigrants is satisfactory, agents are not appointed? And if not, why does not the Government appoint them?

**Mr. J. W. Bhore:** The concluding portion of my reply indicates that in some cases the question of appointing an agent is under consideration.

**Mr. M. S. Aney:** Will the Honourable Member give us the names of those countries where the question of appointing an agent is under consideration?

**Mr. J. W. Bhore:** I would be glad if the Honourable Member would refrain from asking that question to-day.

**Mr. M. S. Aney:** Will the Honourable Member consider the advisability of recommending to Government the necessity of having British Consulates instead of agents, to look after these men?

**Mr. J. W. Bhore:** I am afraid I have nothing to do with British Consulates.

**ANNUAL REPORTS OF THE AGENTS IN CEYLON AND THE MALAY STATES REGARDING THE MORAL AND MATERIAL PROGRESS OF INDIAN EMIGRANTS.**

587. **\*Mr. M. S. Aney:** (a) Will Government be pleased to state whether the Government of India receives annual reports from the agents in Ceylon and the Malay States giving detailed information regarding the moral and material progress of the Indian emigrants permanently or temporarily settled there?

(b) If so, do Government propose to publish for the information of this House at least important extracts from these annual reports of the agents in the aforesaid two countries bearing on the moral, economic and political condition of the Indians there for the years 1924-25 and 1925-26?

(c) Will the Government be pleased to explain why the expenses of the two aforesaid agencies in Ceylon and Malay including the establishment charges have suddenly risen from Rs. 80,000 in 1923-24 to more than Rs. 65,000, since 1924-25?

**Mr. J. W. Bhore:** (a) Yes.

(b) The Annual Reports received from the Agents for the year 1925 including financial statements for the year have been published and copies are available in the Library of the House. Government do not consider it worth while to print up and publish extracts from the Reports for 1924, but if the Honourable Member desires information on any particular point regarding the condition of Indians in those Colonies during this period it can be supplied to him.

(c) The chief reason is that the Agents were appointed from 1st September, 1923, and the expenditure incurred in 1923-24 is for 7 months only while the expenditure in 1924-25 and subsequent years is for the whole financial year.

#### REFUNDS OF MONEY ORDER COMMISSION.

588. **\*Mr. M. S. Aney:** (a) Will Government be pleased to explain why a sum amounting to Rs. 12,000 or thereabouts is annually deducted from the postal receipts under money order commission and shown as refunds of money order commission?

(b) To what accounts is the sum so deducted from postal receipts being annually credited?

(c) Will Government give the details that go to make up the total amount of Rs. 12,000, for annual refunds under money order commission?

**The Honourable Sir Bhupendra Nath Mitra:** (a) to (c). The sum deducted from postal receipts and shown in the accounts as "Refunds of money order commission" represents the commission paid on money orders that owing to errors for which the Post and Telegraph Department accepts responsibility are not discharged and the amounts of which have to be returned, with the commission, to the senders. The actual refunds on this account are, from their very nature, subject to considerable variation from year to year. In the budget estimates for the year 1925-26 a provision of Rs. 12,000 was made for such refunds, the actuals in 1923-24 having been Rs. 11,852. The actual refunds in 1925-26 however amounted to only Rs. 2,176.

#### LACK OF PROPER ARRANGEMENTS FOR CROSSING THE RAILWAY LINE AT HAPUR STATION ON THE EAST INDIAN RAILWAY.

589. **\*Mr. Mukhtar Singh:** (a) Are Government aware that the inhabitants of the adjoining villages of the East Indian Railway station, Hapur, District Meerut, cross the railway line near the platform as this is the shortest cut to go on the other side?

(b) Are Government aware that an undertaking was given by the then Collector of Meerut when the original Meerut Hapur Road was diverted from its original position to about a mile towards the west that proper arrangements for the crossing of the railway would be made at or near the place of the original metalled road? If so, will Government be pleased to place a copy of the undertaking on the table for the information of the House?

(c) Are Government aware that on account of the above undertaking referred to in part (b) the inhabitants are crossing the railway line from one side to another?

(d) Are Government aware that no arrangements for building a crossing bridge over the railway line has so far been made for the convenience of the public?

(e) Will Government be pleased to state the number of accidents that have happened during the last five years at the Hapur station on account of the want of proper arrangements for crossing the railway line at this place?

(f) Are Government contemplating the building of a crossing bridge at Hapur station for the convenience of the public?

**Mr. A. A. L. Parsons:** Government have no information, but are sending a copy of the Honourable Member's question to the Agent, East Indian Railway.

#### UNDERGROUND BRIDGE FOR TRAFFIC AT THE RAILWAY CROSSING NEAR MEERUT CITY STATION.

540. **\*Mr. Mukhtar Singh:** (a) Are Government aware that the whole traffic on the Meerut Bagpat metalled road is held up sometime for more than an hour continuously at the crossing of the railway line near the Meerut City station and is a great inconvenience to the public in general?

(b) Have Government received any complaints in this matter? If so, what steps have Government taken to remove this existing complaint?

(c) Are Government prepared to take immediate steps to construct an underground bridge for the traffic?

**Mr. A. A. L. Parsons:** Government have no information and have received no complaints. They suggest that the matter be referred to the Agent of the Railway concerned through the Local Advisory Committee.

#### DISCONTINUANCE OF THE USE OF OIL-CLOTH CUSHIONS IN INTERMEDIATE CLASS COMPARTMENTS ON THE EAST INDIAN AND NORTH-WESTERN RAILWAYS.

541. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to say since when oil-cloth has been discontinued for the cushions of benches supplied in the compartments meant for intermediate class passengers on the East Indian and North-Western Railways?

(b) Will Government be pleased to state the difference of cost between the price of the oil-cloth that was used previously and the cost of canvas used now for the purpose?

(c) Has the attention of Government been drawn to the fact that the canvas cushion now used becomes dirty very soon and presents a disgusting look to the passengers?

(d) Do Government propose to consider the advisability of either using oil-cloth for the purpose or discontinuing the use of cushions altogether in the intermediate class compartments and making the benches more comfortable in other ways?

**Mr. A. A. L. Parsons:** The Government have no information and do not propose to take any action. The matter is one which should be brought to the notice of the Railway Administrations through their Local Advisory Committees.

EXCLUSION OF INDIAN SEAMEN FROM THE UNITED STATES OF AMERICA  
UNDER THE NEW AMERICAN IMMIGRATION BILL.

542. **\*Mr. Gaya Prasad Singh:** (a) Is it a fact that a new Immigration Bill has already passed the Senate, United States, which would exclude from American ports all foreign ships employing seamen of other countries, who are ineligible to enter the United States as immigrants?

(b) Is it a fact that under the above law, lascars would be prohibited from coming to America on any vessel, except one flying the flag of India?

(c) Do Government propose to make any inquiry into the above matter, and state how far the Bill, if passed into law, will affect the position of Indian seamen proceeding to the United States?

**The Honourable Sir Charles Innes:** Government have seen reports in the Press to the effect that a new Immigration Bill has already passed the Senate of the United States of America which would exclude from American ports all foreign ships employing seamen of other countries, who are ineligible to enter the United States as immigrants. Enquiries have been made, but no official confirmation has yet been received.

RECRUITMENT FOR THE INDIAN ARMY FROM BIHAR AND ORISSA.

543. **\*Mr. Gaya Prasad Singh:** Will Government kindly give a statement, showing separately the number of persons recruited in the Indian Army from various Districts of the Province of Bihar and Orissa, during the last 5 years?

**Mr. G. M. Young:** I am afraid I cannot give my Honourable friend the information he desires because, as stated by Mr. Burdon on the 22nd February, 1926, in answer to starred questions Nos. 931 and 932, our statistics do not show the numbers recruited by Districts, but by Provinces. The total numbers recruited from the Province of Bihar and Orissa during the period are contained in the statement which I laid on the table on the 27th January in answer to starred question No. 25.

REALIZATION OF THE LOAN ADVANCED TO THE ARMY CANTEN BOARD  
BY THE IMPERIAL BANK OF INDIA.

544. **\*Mr. Gaya Prasad Singh:** (a) Is it not a fact that the Army Canteen Board has now been dissolved? If so, what are its assets and liabilities?

(b) Is it a fact that a loan was advanced to the Army Canteen Board by Government, or the Imperial Bank of India? If so, how much? Has the money been realized; and if not, what steps are in contemplation to realize the money?

**Mr. G. M. Young:** (a) The Army Canteen Board is in process of liquidation, as was announced in a press communiqué, dated the 3rd of this month. The second half of the question does not arise.

(b) Yes, Sir, by both. For the amounts advanced from time to time the Honourable Member is referred to the answers given to the following questions among many others:

Unstarred questions Nos. 29 and 38 on the 22nd January, 1925.

Unstarred question No. 120 on the 9th February, 1925.

Unstarred questions Nos. 141 and 142 on the 23rd February, 1925.

Starred questions Nos. 1148 to 1150 on the 6th March, 1925.

Starred questions Nos. 91 and 144 on the 21st and the 26th January, 1926.

The money advanced by Government has been recovered with interest, as was stated in reply to unstarred question No. 38 on the 22nd January, 1925. The steps taken to realize, as far as possible, the advances made to the Board by the Imperial Bank on the guarantee of the Government of India, consist of the process of liquidation to which I have just referred.

#### RELEASE OF POLITICAL DETENUS IN BENGAL.

545. **\*Mr. Gaya Prasad Singh:** Will Government kindly state what steps they have taken to give effect to the Resolution passed by this House recently regarding the release of political detenues in Bengal?

**The Honourable Sir Alexander Muddiman:** I would refer the Honourable Member to the reply given by me to the short notice question on this subject on the 9th February.

#### DECLINE IN PASSENGER TRAFFIC ON THE BOMBAY, BARODA AND CENTRAL INDIA AND OTHER RAILWAYS.

546. **\*Sir Purshotamdas Thakurdas:** (a) Are Government aware that the Chairman of the Bombay, Baroda and Central India Railway Local Advisory Committee said that the passenger traffic on that Railway showed that in spite of the reductions in fares, which had been introduced with effect from 1st April, 1926, there had been a decrease of over 1½ millions in the number of passengers carried over the whole system including the local section for the first seven months of the year?

(b) Will Government be pleased to state the reason of this decline, and place on the table of the Assembly corresponding information regarding other Railway systems?

(c) Will Government be pleased to state the amount of loss of revenue to the Railways in India by this falling off in passenger traffic despite lowering of rates?

**Mr. A. A. I. Parsons:** (a) Yes.

(b) The decline in number of passengers is possibly due to less trade activity than in the previous year and also to serious breaches on the line

in August and September. I am sending the Honourable Member a statement giving corresponding information for the first 8 months of the financial year for the principal railways.

(c) In the first 8 months of the financial year the earnings from passenger traffic were less by some 67 lakhs than in the corresponding period last year, as compared with the estimated loss of Rs. 78 lakhs for the full financial year owing to reduction in fares.

NUMBER OF REPRESENTATIONS RECEIVED IN CONNECTION WITH THE EXCHANGE RATIO.

547. \***Sir Purshotamdas Thakurdas**: Will Government be pleased to place on the table a statement giving a list of representations received by them by letter and by telegram from private individuals and Chairmen of public meetings in connection with the exchange ratio, stating simultaneously the opinions thus conveyed to Government either for an 18d. ratio or a 16d. ratio as the case may be?

**The Honourable Sir Basil Blackett**: The information is not available as in a large number of cases, particularly when the representations came from private individuals, the telegrams and letters have been treated by me as personal and have not been preserved in the records of the Finance Department. The list circulated with my answer on the 7th instant contained all the protests against the 1s. 6d. ratio received from commercial and public bodies. A large number of protests have also been received from public meetings held in various parts of the country.

**Rai Bahadur Tarit Bhushan Roy**: How many of such representations have come from Bengal?

**The Honourable Sir Basil Blackett**: I am afraid the answer to that is that the information is not available.

CHIEF STOREKEEPERS OR PURCHASING OFFICERS OF STATE RAILWAYS.

548. \***Mr. Jamnadas M. Mehta**: Will Government be pleased to state:

- (a) The names of the chief storekeepers or purchasing officers of State Railways?
- (b) How many of these have been appointed during the last three years to their place?
- (c) In filling up these posts have Government made an attempt to secure the services of Indians?
- (d) What steps were if any, and what is the nature of difficulties experienced in securing Indians to fill these posts?

**The Honourable Sir Charles Innes**: (a) The names of existing incumbents are Messrs. C. F. Langer, G. A. Meade, A. E. B. Forbes and G. W. Burn.

(b) Two.

(c) and (d). Appointments to these posts are made by selection, irrespective of nationality.

RENEWAL OF LOCOMOTIVE BOILERS.

549. **Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- (a) If they have adopted the recommendations of the Raven Committee to renew locomotive boilers after seventeen years instead of twenty-five years?
- (b) How will this affect the number of boilers to be renewed during the next five years?
- (c) In view of this very large number of boilers have Government thought of finding a firm of boiler makers to put down a plant in India?
- (d) Have they in the alternative decided to manufacture boilers in the State workshops?
- (e) Whether they propose to call for estimates and a report on the subject?

**Mr. A. A. L. Parsons:** (a) Government consider that there is much to be said in favour of the view of the Raven Committee but they have laid down no hard and fast rule that locomotive boilers should be renewed after 17 years. They have decided that when repairs are necessary to boilers which have attained that age Railway Administrations should carry out a special investigation regarding the estimated cost of such repairs with a view to deciding whether it is economical to retain the boiler in service.

(b) As it is not proposed to renew boilers on an age factor only, Government are unable to sale.

(c) No, as practically all the material for their construction would have to be imported.

(d) No, for the reasons stated against paragraph (c) of the question.

(e) Government do not propose to call for a report on the subject.

**Lieut.-Colonel H. A. J. Gidney:** Will the Honourable Member kindly inform the House whether it would not be possible to make boilers in the workshops attached to the Railways?

**Mr. A. A. L. Parsons:** I think, I can best answer that by saying that a representative of the Tata Iron and Steel Company, in his evidence before the Tariff Board, stated that they would not be able to make the steel for boiler plates for some time. He said they might make it eventually, but that there was no immediate prospect of it.

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UNSTARRED QUESTIONS AND ANSWERS.

PAY OF THE SUBORDINATE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL,  
POSTS AND TELEGRAPHS.

102. **Mr. Amar Nath Dutt:** Is it a fact:

- (a) that in dealing with a petition from Babu B. B. Bose, late a clerk in the office of the Director-General, Posts and Telegraphs, praying for the removal of an anomaly in the fixation of his pay in 1921, Mr. Brayne, the then Financial Adviser, at paragraph 2 of his notes dated the 1st May, 1923, had admitted certain facts, the ignoring or omission of which at the outset had resulted in an injustice done to three clerks of that office?



- (b) that the same injustice was then placed before the then Honourable Member in charge of the Department and the grievances of the officials in question were removed?
- (c) that the anomalies or the "adversely affected cases" as they are called were remedied only in respect of a few fortunate A cadre clerks of that office by the officer who was specially deputed in 1921 for the purpose of giving effect to the Government sanction on the fixation of pay of the subordinate staff of the Director-General's office based on the Booth Committee recommendations?
- (d) that the most important and beneficial part of the Booth Committee recommendations at paragraph 72 of Chapter III of their Report and vital to a few senior clerks was ignored by the then Public Works Department, thereby placing the senior clerks on the same footing with the juniors when transferred from B to A cadre?
- (e) that the effect of giving transfers to those senior clerks from B to A was long delayed (till March 1922), though the working arrangement of the office under the Booth Committee recommendations was given effect to from April, 1921?
- (f) That these senior clerks transferred from B to A were also denied the benefit of counting their acting allowance in their old grades towards the fixation of their pay in the time-scale—the benefit which their colleagues in the old A cadre were allowed to enjoy?
- (g) that although the Booth Committee recommendations referred to at (d) were evidently made to obviate the necessity of counting the acting allowance towards increments in respect of those senior clerks transferred from B to A neither of these benefits were given in case of the unfortunate few clerks?

**The Honourable Sir Bhupendra Nath Mitra:** The information is being collected and will be furnished to the Honourable Member in due course.

#### PAY OF THE SUBORDINATE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

103. **Mr. Amar Nath Dutt:** Is it a fact:

- (a) that as drawn up in the Memorandum submitting a proposal to the Honourable Member in charge of the Department for rejecting an appeal from a clerk in the office of the Director-General, Posts and Telegraphs, to the Government of India, claiming his legitimate dues by having his acting allowance counted towards fixation of his pay in 1921, the Director-General's office noted in September 1925, that "if Babu A. N. Bose is allowed to count his percentage increase on old pay Rs. 40 plus war allowance Rs. 5 plus acting allowance Rs. 10 the same concession will have to be given to a large number of clerks (*viz.*, those shown at slip J, as well as to many of the B cadre clerks who got promotions to the A Cadre from 1st March, 1922), or in other words paragraph 6 of the Public Works Department letter No. 417-P. W., dated the 16th

September, 1921, would have to be modified so as to allow percentage increase over salary (not pay) *plus* war allowance''?

(b) if the answers to above are in the affirmative, will the Government be pleased to state—

(1) whether paragraph 5 of the said Government sanction was strictly applied in all cases of the A cadre clerks of that office and in no case absolutely was any departure made;

(2) if really any departure was made in any individual or collective cases the reasons for the same;

(3) do the Government propose to extend the same concession to the anomalous cases of those B cadre clerks who were drawing acting allowance for 6 months or more before the time-scale of pay was introduced, as those "adversely affected" in the sense that they were placed on the same footing with others far junior in service;

(4) is it a fact that although the principle of counting acting allowance towards increments has been adopted throughout the whole Posts and Telegraphs Department, by modifying Government sanction of 1920, when the Civil Service Regulation was in force and also in the cases of a few A cadre clerks of the Director-General's office itself when the Fundamental Rule came into being, that on no legitimate grounds or any definite rules or rulings the cases of the clerks referred to in (a) were shelved; and

(5) whether any consideration or attempt was or is being made to remedy their longfelt grievances?

(c) Will the Government be pleased to furnish to the House a statement showing in detail in the following form (i) the names of each clerk still in the B cadre who was drawing acting allowance for 6 months or more in his old grade of pay in February 1921 and (ii) others correspondingly of the same category but were transferred from B to A cadre in March 1922?—

(1)	(2)	(3)	(4)	(5)
Names of clerks.	Service in February 1921.	Pay with allowances.	Pay to be fixed in the time scales by counting acting allowance on 1st March, 1921.	Pay actually fixed in March 1921 and percentage of increase granted on (3).

**The Honourable Sir Bhupendra Nath Mitra:** The information is being collected and will be furnished to the Honourable Member in due course.

**PAY OF THE SUBORDINATE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.**

**104. Mr. Amar Nath Dutt:** Will the Government be pleased to say whether:

(a) when the scales of pay of the subordinate staff of the office of the Director-General, Posts and Telegraphs, were revised in 1921

- their pay was fixed in the time-scale (i) under any Article of Chapter VII of the Civil Service Regulations, or (ii) under any regulations specially laid down by Government?
- (b) the pay of the whole of the subordinate staff of the Posts and Telegraphs Department having been revised in 1920, when the Civil Service Regulations was in force, their pay was fixed under special regulations laid down by Government and not under any Article of the Civil Service Regulations?
- (c) later on the principle of counting acting allowance towards increments under Article 155 of the Civil Service Regulations or Fundamental Rule 32, was specially defined and adopted in the case of the Departmental staff except in the case of the B cadre clerks of the Director-General's office?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Under special orders issued by Government.

(b) The revisions of pay of 1920 were introduced under the specific orders of Government.

(c) The orders of Government made no reference either to Article 155, C. S. R., or to F. R. 32. With respect to the 'B' class clerks of the Director-General's office, the Honourable Member's attention is drawn to part (d) of his starred question No. 684 which was replied to on the 8th September 1925.

**RECOVERIES FROM THE TRAVELLING ALLOWANCE BILLS OF CERTAIN CLERKS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.**

105. **Mr. Amar Nath Dutt:** Is it a fact:

(a) that an Audit objection in Deputy Accountant-General, Posts and Telegraph's Audit Memorandum No. <sup>P. A. C.</sup><sub>1297-H. M.</sub> dated Calcutta, the 9th July, 1923, was received by the Director-General, Posts and Telegraphs, in which certain retrenchments were proposed from the travelling allowance bills of certain clerks of the Director-General's office?

(b) that the Audit objection was received after 8 months of the disbursement of the bills of the officials concerned?

(c) that although the travelling allowance bills of the officials concerned were scrutinised in office before payment in October 1922, the recoveries of certain sums in certain cases were made, in contravention of rules 156 (4) (1), 157 (b) and 774 of the Audit Code and despite the following clear rulings of the Financial Adviser, Mr. Ebdon, which were endorsed by the then Honourable Member in charge of the Department, only on the ground that the amounts were overdrawn:

"The principle to be applied is that in paragraph 157 (b) of the Audit Code, *vis.*, that if a man in good faith received money and has retained it unchallenged (either by Audit or administrative warning) for six months, it is to be held that this money has been absorbed into his general expenditure and he must not be required to refund"

- (d) if the answers to above are in the affirmative, will the Government be pleased to say why the same Audit objection was not challenged by the Director-General in spite of the appeals with adequate explanations from the officials concerned and why those officials were thus made to suffer for no fault of their own?
- (e) that the Audit objection in question was not placed before the Auditor General for having the retrenchments waived under proper rule 156 (4) of the Audit Code? and
- (f) that the appeals in this connection from the officials concerned were rejected on the ground that if in one or two cases the retrenchments were waived there were other cases in connection with which the same action should have to be taken?

**The Honourable Sir Bhupendra Nath Mitra:** The information is being collected and will be furnished to the Honourable Member in due course.

**PROCEDURE RELATING TO THE SCRUTINY AND COMPLETION BY AUDIT OFFICERS OF THE AUDIT OF POST-AUDIT BILLS.**

**106. Mr. Amar Nath Dutt:** Will the Government be pleased to say whether:

- (a) there is any rule in the Audit Code under which there is a certain time limit within which the Audit officers should scrutinise and complete the audit of the post-audit bills?
- (b) there are certain provisions under which the Audit officers have been vested to use their discretions to waive any retrenchments arising out of the audit of the post-audit bills?
- (c) objections and observations arising out of the audit should be communicated at the earliest opportunity and that within a certain time limit after which all recoveries should be waived with the Auditor General's orders?
- (d) if the Audit objections are found improper and not subject to any rule of the Audit Code, the Departments concerned can challenge such Audit objections?
- (e) there is any such rule in the Audit Code under which on any retrenchment before being enforced, an explanation of the Government servant retrenched must be obtained by the Audit officers concerned which may cause the recovery to be dispensed with?
- (f) unless an explanation of the Government servant proposed to be retrenched is obtained the retrenchment order of the Accountant-General cannot be enforced by the office in which such a Government servant is working? and
- (g) if such a retrenchment is enforced without giving the Government servant concerned an opportunity to explain that Government servant is entitled to appeal to the Auditor General?

**The Honourable Sir Basil Blackett:** I shall be glad to arrange to lend the Honourable Member copies of the Audit and Civil Account Codes so that he can study these questions for himself.

### DISTINCTIONS BETWEEN CHECKERS OF THE INLAND SECTION AND PAIRERS OF THE PAIRING SECTION.

107. **Mr. Amar Nath Dutt:** (a) Is it a fact that the checkers of the Inland section have been placed in the Upper Division?

(b) Is it a fact that the Pairers of the Pairing Section have been placed in the Lower Division?

(c) Will Government please state whether pairing is more important than checking? If the answer be in the affirmative, do Government propose to remove the distinction at an early date? If not, why not?

### DISTINCTIONS BETWEEN THE REGISTRATION AND REQUISITION CLERKS OF THE MESSAGE ROOM.

108. **Mr. Amar Nath Dutt:** (a) Is it a fact that the Registration clerk of the Message room has been placed in the Upper Division?

(b) Is it a fact that the Requisition clerk of the Message room has been placed in the Lower Division?

(c) If so, will Government please state the reasons for this differentiation between Registration and Requisition work?

### DISTINCTIONS BETWEEN THE REQUISITION AND REGISTRATION CLERKS OF THE REFUND SECTION.

109. **Mr. Amar Nath Dutt:** (a) Is it a fact that the Requisition clerk of the Refund section has been placed in the Upper Division?

(b) Is it a fact that the Registration clerk of the Refund section has been placed in the Lower Division?

(c) Do Government propose to remove the distinction? If not, why not?

### DIFFERENTIAL TREATMENT OF TRACERS OF THE MESSAGE ROOM AND THE COMPLETING CLERKS OF THE PAIRING SECTION.

110. **Mr. Amar Nath Dutt:** Is it a fact that the tracers of the Message Room are placed in the Lower Division with a scale of Rs. 40 to 80 while the completing clerks of the Pairing section enjoy the upper division scale? If so, what is the reason for this differential treatment?

### PAY OF REFERENCE CLERKS.

111. **Mr. Amar Nath Dutt:** (a) Do Government propose to grant the same scale of pay to the reference clerks which they have sanctioned for that class in other audit offices?

(b) If not, why not?

### DISTINCTIONS BETWEEN REQUISITION REGISTERING CLERKS OF THE MESSAGE ROOM AND SUPERVISORS OF THE SUB-SECTION OF THE MESSAGE ROOM.

112. **Mr. Amar Nath Dutt:** (a) Is it a fact that the Requisition registering clerks of the Message Room are placed in the Lower Division, while the supervisors of the Sub-section of the Message Room are enjoying the upper division scale?

(b) If so, do Government propose to remove the distinction at an early date. If not, why not?

**The Honourable Sir Basil Blackett:** I propose to reply to questions Nos. 107 to 112 together. The Government do not propose to call for information on the points raised by the Honourable Member as the results are unlikely to be commensurate with the labour involved.

### STATEMENT LAID ON THE TABLE.

#### NAMES OF DETENUS IN JAIL UNDER THE BENGAL CRIMINAL LAW AMENDMENT ACT.

**The Honourable Sir Alexander Muddiman** (Home Member): Sir, I lay on the table a statement of detenus in jail under the Bengal Criminal Law Amendment Act, 1925, on 4th February, 1927.

*Statement of detenus in jail under the Bengal Criminal Law Amendment Act, 1925, on 4th February, 1927.*

Name.	Date of commitment to jail under the Bengal Criminal Law Amendment Act.
Panchanan Chakrabarti . . . . .	25-10-24
Manindra Nath Sen Gupta . . . . .	25-10-24
Kshetra Mohan Singh . . . . .	25-10-24
Pratul Chandra Bhattacharji . . . . .	25-10-24
Kshitish Chandra Banarji . . . . .	25-10-24
Nripendra Nath Mazumdar . . . . .	25-10-24
Purnananda Das Gupta . . . . .	25-10-24
* Jogesh Chandra Chatterji . . . . .	25-10-24
Abdul Raschid . . . . .	8-11-24
Ajit Kumar Maitra . . . . .	17-11-24
Jitesh Chandra Lahiri . . . . .	10-12-24
† Surendra Mohan Ghosh . . . . .	10-1-25
	25-10-24
† Trailakhya Charan Chakrabarti . . . . .	19-1-25
	28-11-24
† Madan Mohan Bhaumik . . . . .	19-1-25
	25-10-24
† Hari Kumar Chakrabarti . . . . .	19-1-25
	25-10-24
† Satyendra Chandra Mitra . . . . .	10-1-25
	25-10-24

*Statement of detenus in jail under the Bengal Criminal Law Amendment Act, 1925,  
on 4th February 1927—contd.*

Name.	Date of commitment to jail under the Bengal Criminal Law Amendment Act.	
† Subhas Chandra Basu . . . . .	19-1-25 25-10-24	
† Angshu Prakash Banarji . . . . .	19-1-25 25-10-24	Was in domicile about 6 months since arrest.
† Anukul Chandra Mukharji . . . . .	19-1-25 25-10-24	
† Ranajit Kumar Banarji . . . . .	19-1-25 25-10-24	
† Ganesh Chandra Ghosh . . . . .	19-1-25 25-10-24	
† Sachindra Nath Sanyal . . . . .	25-2-25	
Sushil Kumar Banarji . . . . .	25-2-25	
Negendra Nath Sen . . . . .	27-3-25	
Ramesh Chandra Acharji . . . . .	31-3-25	
Ashutosh Kahali . . . . .	8-5-25	
Charu Bikash Datta . . . . .	18-8-25	
Shyama Kumar Ghosh . . . . .	20-8-25	
† Narendra Nath Sen . . . . .	10-10-25 19-9-25	
Girija Sanfkar Chaudhuri . . . . .	24-11-25	Was in domicile about 6 months since arrest.
Jatindra Nath Das . . . . .	25-11-25	
Niranjan Sen Gupta . . . . .	7-12-25	
Panna Lal Mukharji . . . . .	8-1-26	
Bibhuti Bhusan Chatarji . . . . .	30-12-25	
Rajendra Kumar Das Gupta . . . . .	15-2-26	
Nalini Ranjan Sur . . . . .	10-6-26	
Sachindra Nath Dutta . . . . .	19-6-26	
Goetha Behari Mukharji . . . . .	19-6-26	
Santosh Kumar Ganguli . . . . .	19-6-26	
Khagendra Nath Chatarji . . . . .	19-6-26	
Bimal Chandra Banarji . . . . .	19-6-26	
Chaitanya Deb Chatarji . . . . .	25-6-26	
Bhumes Chandra Chatarji . . . . .	25-6-26	
Bankim Chandra Chatarji . . . . .	19-6-26	

*Statement of detenus in jail under the Bengal Criminal Law Amendment Act, 1925,  
on 4th February, 1927—contd.*

Name.	Date of commitment to jail under the Bengal Criminal Law Amendment Act.
Ashutosh Bhattacharji . . . . .	26-6-26
Nirmal Chandra Sen . . . . .	29-7-26
Jashada Ranjan Chakrabartti . . . . .	29-7-26
Biswanath Mukharji . . . . .	16-8-26
Dhirendra Chandra Mukharji . . . . .	16-8-26
Jogesh Chandra De . . . . .	16-8-26
Surja Kumar Sen . . . . .	8-10-26
Manmatha Kumar Sarkar . . . . .	10-10-26
Kshitish Chandra Chakrabartti . . . . .	10-10-26
Siba Prasad Mukharji . . . . .	10-10-26
Narendra Nath Das . . . . .	18-10-26
Prafulla Kumar Chakrabartti . . . . .	25-11-26
Surendra Mohan Kar . . . . .	25-11-26
Anil Kumar Guha . . . . .	12-12-26
Jatindra Nath Bhattacharji . . . . .	19-12-26
Pratap Chandra Rakshit . . . . .	4-1-27
Prabin Chandra Barua . . . . .	5-1-27

\*Under trial prisoner held concurrently under Bengal Criminal Law Amendment Act.

†Formerly State prisoners. Date of arrest under Regulation III is noted below date of detention order under Bengal Criminal Law Amendment Act.

‡Convict prisoner held concurrently under Bengal Criminal Law Amendment Act.

Note.—This statement does not include the names of five detenus at present in jail under section 13 of the Bengal Criminal Law Amendment Act.

## STATEMENT *RE* SETTLEMENT REACHED AT THE CONFERENCE RECENTLY HELD IN SOUTH AFRICA.

**Mr. J. W. Bhore** (Secretary, Education, Health and Lands): Sir, with your permission, I would like to make a statement in regard to the settlement which has been reached at the Conference recently held in South Africa.

1. It was announced in April 1926, that the Government of India and the Government of the Union of South Africa had agreed to hold a Round Table Conference to explore all possible methods of settling the Indian question in the Union in a manner which would safeguard the maintenance of western standards of life in South Africa by just and legitimate means. The Conference assembled at Cape Town on December 17th and its session finished on January 12th. There was, in these meetings, a full and frank exchange of views which has resulted in a truer appreciation of mutual difficulties and a united understanding to co-operate in the solution of a common problem in a spirit of friendliness and good-will.



Both Governments reaffirm their recognition of the right of South Africa to use all just and legitimate means for the maintenance of western standards of life.

2. The Union Government recognises that Indians domiciled in the Union who are prepared to conform to western standards of life, should be enabled to do so.

3. For those Indians in the Union who may desire to avail themselves of it, the Union Government will organise a scheme of assisted emigration to India or other countries where western standards are not required. Union domicile will be lost after 3 years' continuous absence from the Union, in agreement with the proposed revision of the law relating to domicile which will be of general application. Emigrants under the assisted emigration scheme who desire to return to the Union within the 3 years will only be allowed to do so on refund to the Union Government of the cost of the assistance received by them.

4. The Government of India recognise their obligation to look after such emigrants on their arrival in India.

5. The admission into the Union of the wives and minor children of Indians permanently domiciled in the Union will be regulated by paragraph 8 of Resolution XXI of the Imperial Conference of 1918.

6. In the expectation that the difficulties with which the Union has been confronted will be materially lessened by the agreement now happily reached between the two Governments, and in order that the agreement may come into operation under the most favourable auspices and have a fair trial, the Government of the Union of South Africa have decided not to proceed further with the Areas Reservation and Immigration and Registration (Further Provision) Bill.

7. The two Governments have agreed to watch the working of the agreement now reached and to exchange views from time to time as to any changes that experience may suggest.

8. The Government of the Union of South Africa have requested the Government of India to appoint an agent in order to secure continuous and effective co-operation between the two Governments.

I am laying on the table of the House an annexure to the announcement I have just made. This annexure gives in greater detail the terms of the agreement which has now been reached between the Government of India and the Government of the Union of South Africa. The following comments might help Honourable Members to follow the annexure more easily.

The first point—and the House will recognise its paramount importance—is the declaration by the Union Government that they firmly believe in and adhere to the principle that it is the duty of every civilised Government to devise ways and means and to take all possible steps for the uplifting of every section of their permanent population to the full extent of their capacity, and accept the view that, in the provision of educational and other facilities, the considerable number of Indians who remain part of the permanent population should not be allowed to lag behind other sections of the population. This should dispel any apprehension that the "maintenance of western standards of life" does not include the upliftment

[Mr. J. W. Bhore.]

of the Indian community to those standards. As earnest of their good-will, the Union Government propose (1) to advise the Government of Natal to appoint a Commission on Indian education; (2) to give attention to the provision of suitable hostel accommodation for Indians at the College at Fort Hare and to consider sympathetically other proposals to increase the attractiveness of that institution for them; and (3) to investigate the position in respect of sanitation and housing in the "peri-Durban" area where the problem is understood to be acute and, possibly, elsewhere, and to consider in consultation with local authorities the most appropriate means of dealing with the situation, including (i) the formation of advisory committees of representative Indians; and (ii) the limitation of available municipal land sold with restrictions under the Durban Land Alienation Ordinance, No. 14 of 1922, and the Natal Boroughs and Township Land Ordinance, No. 5 of 1923. These Ordinances enable municipalities in Natal to transfer, with the consent of the Administrator, land belonging to them under restrictive conditions of a racial character as to occupation or ownership. It is hoped that, as a result of this investigation, the principle of consultation between the Indian community and local bodies in matters of municipal administration affecting the former may be established, and more municipal land of a suitable nature be made available for Indians for housing purposes. Industrial laws, like the Industrial Conciliation Act, 1924, and the Wages Act of 1925 will be administered so as to enable Indian employees in industry to take their place on the principle of equal pay for equal work.

The second point is the new scheme of assisted emigration which the Government propose to organise for those Indians who may desire to avail themselves of it. Honourable Members are doubtless aware that section 6 of the Union Act, No. 22 of 1914, known as the Indians Relief Act, provides for the grant of a free passage from any port in the Union to any port in India to any Indian who makes a written request for such passage and signs as a condition of the grant of such request a statement that he abandons on behalf of himself and his wife and all minor children (if any) all rights possessed by him or them to enter or reside in any part of the Union together with all rights incidental to his or their domicile therein. This is an essential feature of the existing scheme of voluntary repatriation. Under the new scheme, Union domicile will not be lost except by three years' continuous absence from the Union in conformity with a proposed revision of the law which will be of general application, and an assisted emigrant wishing to return to the Union within the period of three years will be allowed to do so on repayment of the bonus and cost of passage including railway fares which he may have received on his own behalf and, if he has a family, on behalf of his family. Any objection that there might be to the existing scheme of voluntary repatriation on the ground that it requires of Indians wishing to avail themselves of it an irrevocable surrender of their Union domicile is thus removed. Another feature of the new arrangement is that each person of 16 years or over will be free to choose for himself whether he will or will not avail himself of the scheme of assisted emigration. At present for purposes of voluntary repatriation from South Africa, 21 years is treated as the age of majority and the Union domicile of a person under that age has to be signed away by the father if the latter wishes to avail himself of a free passage to India. It will be observed that the agreement provides for schemes of assisted emigration to be

organised "to India and other countries". The phrase is intended to cover the emigration of Indians who may return to India from South Africa, to the Federated Malay States and to Ceylon under schemes of emigration from India to those countries which are now operative.

The third point is that in regard to the entry into the Union of the wives and minor children of Indians resident in the Union, the principle underlying the Reciprocity Resolution of 1918 will be maintained, and that the prohibition of the entry of this class of persons after the 1st August, 1930, which was contemplated in the Areas Reservation and Immigration and Registration (Further Provision) Bill, is no longer envisaged.

The fourth point is that, in order to ensure effective and continuous co-operation between the two Governments, the Government of the Union of South Africa have requested the Government of India to appoint their agent in the Union. Direct relations between the two Governments will be permanently established if the Government of India accept the proposal which is now receiving their earnest consideration.

Lastly to inaugurate under the most favourable auspices the agreement which has now happily been reached between the Government of India and the Government of the Union, the latter have decided not to proceed further with the Areas Reservation and Immigration and Registration (Further Provision) Bill. Honourable Members who have studied the provisions of that measure will appreciate with what relief this decision will be received by the Indian community in South Africa.

It is unnecessary to attempt an elaborate appreciation of the results of the Conference, of which a brief summary has been given. Honourable Members must judge for themselves. In doing so it is hoped they will bear fully in mind the position as it was a year ago. The Government of India are of opinion that the agreement reached is eminently satisfactory, and they have ratified it. They are confident that the considered judgment of the Indian Legislature will be in favour of the action they have taken.

The agreement reflects the utmost credit on our delegation which negotiated it. The Government and the people of India owe a great debt of gratitude to the whole delegation for the sagacity, skill and expedition with which they accomplished a difficult and delicate mission. Nor must we forget the services of the Paddison Deputation whose admirable preliminary work made a Round Table Conference possible. But it will be readily admitted that these satisfactory results could not have been secured unless the Government of South Africa had entered the Conference in a spirit of friendliness and good-will. In the reception which they gave to our delegates to the Conference, and in the courageous and sympathetic statesmanship which their representatives brought to bear on the solution of the Indian problem in South Africa, we have received unmistakable proof of the earnest desire of the Government and people of the Union to cultivate friendly relations with the Government and people of India. The agreement which has to-day been announced to the House is a convincing proof of their good-will. Let us treat it as such and endeavour to make it the basis of lasting friendship between India and South Africa. It is not suggested that all outstanding questions between the two countries have been solved. But the Government of India are confident that if the spirit that prevailed at the recent Conference at Cape Town endures, ultimate solution of the Indian problem in South Africa in a manner that will be satisfactory and honourable to both countries is assured.

*Annexure containing summary of the conclusions reached by the Round Table Conference on the Indian question in South Africa.*

**I. Scheme of assisted emigration.**—(1) Any Indian of 16 years or over may avail himself of the scheme. In case of a family, the decision of the father will bind the wife and minor children under 16 years.

(2) Each person of 16 years of age or over will receive a bonus of £20 and each child under that age a sum of £10. No maximum shall be fixed for a family. A decrepit adult who is unable to earn his living by reason of a physical disability may, at the discretion of the Union authorities, receive a pension in lieu of or in addition to the bonus. The pension will be paid through some convenient official agency in India out of a fund provided by the Union Government to such amount as they may determine. It is expected that the amount required will not exceed £500 per annum in all.

In every case the bonus will be payable in India on arrival at destination or afterwards, through some banking institution of repute.

(3) Free passage, including railway fares to port of embarkation in South Africa and from port of landing in India to destination inland, will also be provided.

(4) Emigrants will travel to India *via* Bombay as well as *via* Madras. Emigrants landing at Bombay will be sent direct from the ship to their destination at the expense of the Union Government.

Survey and certification of ships shall be strictly supervised and conditions on the voyage, especially in respect of sanitary arrangements, feeding and medical attendance, improved.

(5) Before a batch of emigrants leaves the Union, information will be sent to some designated authority in India at least one month in advance giving (a) a list of intending emigrants and their families, (b) their occupation in South Africa and the occupation or employment which they would require in India, and (c) the amount of cash and other resources which each possesses. On arrival in India emigrants will be (i) advised, and so far as possible, protected against squandering their cash or losing it to adventurers, and (ii) helped, as far as possible, to settle in occupations for which they are best suited by their aptitude or their resources. Any emigrant wishing to participate in emigration schemes authorised by the Government of India will be given the same facilities in India as Indian nationals.

(6) An assisted emigrant wishing to return to the Union will be allowed to do so within three years from the date of departure from South Africa. As condition precedent to re-entry, an emigrant shall refund in full to some recognized authority in India the bonus and cost of passage including railway fares received on his own behalf and, if he has a family, on behalf of his family. A *pro rata* reduction will, however, be made (i) in respect of a member of the family who dies in the *interim* or a daughter who marries in India and does not return, and (ii) in other cases of unforeseen hardship, at the discretion of the Minister.

(7) After expiry of three years Union domicile will be lost in agreement with the proposed revision of the law relating to domicile which will be of general application. The period of three years will run from the date of departure from a port in the Union and expire on the last day of the third year. But to prevent the abuse of the bonus and free passage by persons who wish to pay temporary visits to India or elsewhere, no person availing himself of the benefits of the scheme will be allowed to come back to the Union within less than one year from the date of his departure. For purposes of re-entry within the time limit of three years, the unity of the family group shall be recognised, though in cases of unforeseen hardship the Minister of the Interior may allow one or more members of the family to stay behind. A son who goes with the family as a minor, attains majority outside the Union, marries there and has issue will be allowed to return to South Africa, but only if he comes with the rest of his father's family. In such cases he will be allowed to bring his wife and child or children with him. But a daughter who marries outside the Union will acquire the domicile of her husband and will not be admitted into the Union unless her husband is himself domiciled in the Union.

**II. Entry of wives and minor children.**—To give effect to paragraph 3 of the reciprocity Resolution of the Imperial Conference of 1918, which intended that an Indian should be enabled to live a happy family life in the country in which he is domiciled, the entry of wives and children shall be governed by the following principles:

- (a) The Government of India should certify that each individual for whom a right of entry is claimed, is the lawful wife or child, as the case may be, of the person who makes the claim.

- (b) Minor children should not be permitted to enter the Union unless accompanied by the mother, if alive, provided that
  - (i) the mother is not already resident in the Union, and
  - (ii) the Minister may, in special cases, permit the entry of such children unaccompanied by their mother.
- (c) In the event of divorce, no other wife should be permitted to enter the Union unless proof of such divorce to the satisfaction of the Minister has been submitted.
- (d) The definition of wife and child as given in the Indians Relief Act (No. 22 of 1914) shall remain in force.

III. *Upliftment of Indian community.*—(1) The Union Government firmly believe in and adhere to the principle that it is the duty of every civilised Government to devise ways and means and to take all possible steps for the uplifting of every section of their permanent population to the full extent of their capacity and opportunities, and accept the view that in the provision of education and other facilities the considerable number of Indians who remain part of the permanent population should not be allowed to lag behind other sections of the people.

(2) It is difficult for the Union Government to take action, which is considerably in advance of public opinion, or to ignore difficulties arising out of the constitutional system of the Union under which the functions of Government are distributed between the Central Executive and the Provincial and minor local authorities. But the Union Government are willing :

- (a) in view of the admittedly grave situation in respect of Indian education in Natal, to advise the provincial administration to appoint a provincial commission of inquiry and to obtain the assistance of an educational expert from the Government of India for the purpose of such inquiry ;
- (b) to consider sympathetically the question of improving facilities for higher education by providing suitable hostel accommodation at the South African Native College at Fort Hare and otherwise improving the attractiveness of the institution for Indians ;
- (c) to take special steps under the Public Health Act for an investigation into sanitary and housing conditions in and around Durban which will include the question of
  - (i) the appointment of advisory committees of representative Indians ; and
  - (ii) the limitation of the sale of municipal land subject to restrictive conditions.

(3) The principle underlying the Industrial Conciliation Act (No. 11 of 1924) and the Wages Act (No. 27 of 1925) which enables all employees including Indians to take their places on the basis of equal pay for equal work will be adhered to.

(4) When the time for the revision of the existing trade licensing laws arrives, the Union Government will give all due consideration to the suggestion made by the Government of India Delegation that the discretionary powers of local authorities might reasonably be limited in the following ways :

- (1) The grounds on which a licence may be refused should be laid down by statute.
- (2) The reasons for which a licence is refused should be recorded.
- (3) There should be a right of appeal in cases of first applications and transfers, as well as in cases of renewals, to the courts or to some other impartial tribunal.

IV. *Appointment of Agent.*—If the Government of the Union of South Africa make representations to the Government of India to appoint an agent in the Union in order to secure continuous and effective co-operation between the two Governments, the Government of India will be willing to consider such a request.

**Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muham-  
madan Urban): May I ask, Sir, if a day will be allotted for the discussion  
of this question?

**The Honourable Sir Alexander Muddiman** (Home Member): Sir, it is not the intention of Government themselves to put down a Resolution, but if any considerable body in this House desires to put down a Resolution, then, Sir, I would suggest the following procedure for your concurrence. The position is this. We are now getting very close to the Budget and we should desire to bring this on, should it be the desire of any considerable body in the House to have such a discussion, on the 1st of March. That would involve you, Sir, taking a little shorter notice of a Resolution than is usual. We on our side also would take shorter notice; and I would suggest to Members that in return for that they should come to a decision whether they do desire to discuss this matter and, if so, give notice of any Resolution they wish to move before the House meets on Thursday next. If that proposal meets with general approval then the 1st of March would be a convenient date to take it and I am prepared to make it available if necessary.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadian): Sir, may I beg to enquire if facilities will be given by the Government to circulate to Honourable Members the statement which has just been read out to the House?

**The Honourable Sir Alexander Muddiman**: I understand it is being handed round at this very moment.

**Sir Hari Singh Gour**: It is only the annexure that is being handed round.

**The Honourable Sir Alexander Muddiman**: What does the Honourable Member refer to?

**Sir Hari Singh Gour**: The statement which has been made by Mr. Bhore.

**The Honourable Sir Alexander Muddiman**: That will appear in the proceedings of which my Honourable friend can have copies.

**Sir Hari Singh Gour**: But we shall not get printed copies of the proceedings before Thursday.

**Mr. J. W. Bore**: May I say, Sir, that I shall do my best to make the statement available to Honourable Members of this House as soon as possible.

**Mr. B. Das** (Orissa Division: Non-Muhammadian): May I enquire, Sir, if the Government of India have so far taken any action on the statement which was just read out by Mr. Bhore, or will they wait till this side of the House has expressed some opinion on the floor of the House?

**Mr. President**: The Honourable Member should have followed the statement: Mr. Bhore made it perfectly clear that so far as the Government of India were concerned they had ratified the agreement.

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#### MOTION FOR THE ELECTION OF A PANEL FOR THE STANDING COMMITTEE TO ADVISE ON SUBJECTS IN THE DEPARTMENT OF INDUSTRIES AND LABOUR.

**The Honourable Sir Bhupendra Nath Mitra** (Member for Industries and Labour): Sir, I beg to move:

"That this Assembly do proceed to elect in the manner described in the rules published in the Home Department notification No. F-49, dated the 22nd August,

1922, as amended by the Home Department notification No. D-794-C., dated the 3rd January, 1924, a panel consisting of 9 members from which the members of the Standing Committee to advise on subjects in the Department of Industries and Labour will be nominated."

**Mr. R. K. Shanmukham Chetty** (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I regret that notice of this motion was not received by us in time to enable us to give the requisite two days' notice of any amendments. I would like to know, Sir, whether you would permit us to move an amendment to this Resolution at this stage.

**The Honourable Sir Alexander Muddiman** (Home Member): To meet the Honourable Member's views I will put this item of business down on another day. That will give him the time he wants.

**Mr. President:** Is it proposed to postpone this item? \*

**The Honourable Sir Alexander Muddiman:** Yes.

**Mr. President:** Does any Member move its postponement?

**The Honourable Sir Alexander Muddiman:** I do. I move that, to meet the point about short notice, the consideration of this motion be deferred.

**Mr. President:** The question is:

"That the consideration of this motion be deferred."

The motion was adopted.

### THE STEEL INDUSTRY (PROTECTION) BILL—*contd.*

**Mr. President:** The Assembly will now resume further discussion of the Bill to provide for the continuance of the protection of the steel industry in British India, as reported by the Select Committee. The question is:

"That clause 2 do stand part of the Bill."

**Mr. Jamnadas M. Mehta** (Bombay City: Non-Muhammadan Urban): Sir

**The Honourable Sir Charles Innes** (Member for Commerce and Railways): Might I, Sir, before we proceed to Mr. Jamnadas Mehta's amendment, ask what action you propose to take in regard to these new amendments of which notice was received by me only on Saturday evening?

**Mr. L. Graham** (Secretary, Legislative Department): I should like to say, Sir, that they were handed in at the office at 1-30 P.M. on Saturday.

**Mr. President:** That question does not arise at present. Mr. Jamnadas Mehta.

**Mr. Jamnadas M. Mehta:** Sir, I beg to move:

"That for sub-clause (1) of clause 2 of the Bill the following be substituted:

(1) For sub-section (4) of section 3 of the Indian Tariff Act, 1894, the following sub-section shall be substituted, namely:

'(4) If the Governor General in Council is satisfied, after such inquiry as he thinks necessary, that articles chargeable with duty under Part VII of the Second Schedule are being imported into British India, at such a price as is likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India, he may by notification in the Gazette of India increase such duty to such extent as he thinks necessary.'"

[Mr. Jamnadas M. Mehta.]

Sir, I would have moved this amendment without any long speech. Even now I propose to be as brief as possible, but since I move my amendment for reference back of this Bill to the Select Committee several observations have been made by Sir Charles Innes and my Honourable friend Mr. Jinnah about certain figures and about the conclusions I drew from those figures; and I therefore feel compelled to take notice of those observations.

Sir, I am sorry that the House did not accept the reference back to Select Committee. So long, however, as the principle of Imperial Preference persists in the Bill we are determined to fight it inch by inch and step by step; our determination to resist Imperial Preference at every stage is undying and deathless. Sir Bhupendra Nath Mitra—who I am sorry is not here—and my Honourable friend Sir Charles Innes, who is here, contended that the protection that was being given under this Bill to the steel industry was adequate and that the apprehensions which I had shown in 1924 had proved to be groundless. As a matter of fact I will show by a brief reference to the facts that the apprehensions which I had then entertained have proved to be absolutely well-founded and that the same will be the case about this present Bill, namely, that it will not give sufficient protection to the Tata industry. As will be found from paragraph 18, Table III, on page 12 of the Tariff Board's Report, as a result of the sum of Rs. 57·87 per ton in addition to the works cost which was assured to the Tatas in 1924 they should have got by the end of 1926-27 on a production of 927,000 tons during the course of these 3 years on the basis of the protection guaranteed as aforesaid in addition to the works costs a sum of Rs. 582 lakhs. As a matter of fact they will realise only Rs. 4,18,00,000, so the protection afforded to the industry will fall short by Rs. 1,13,00,000 in the course of these 3 years. The Tariff Board try to minimise that shortage and by various steps which are by no means convincing they bring it down to a sum of Rs. 16 lakhs. Even accepting that—I do not accept that for a moment though—the protection has fallen short by Rs. 16 lakhs only it shows that the industry cannot flourish. Sir, in the course of these three years of protection, Tatas have paid to the country and to the Government on behalf of this industry nearly Rs. 150 lakhs on account of customs duty, income-tax, railway freight and other things on their goods which they have ordered, carried and sent down the country. (An Honourable Member: "Railway freight?") Yes; Tatas have paid that sum. If my Honourable friend wants the figures very much in detail I have no hesitation in giving them to him, but I thought I might summarise all the figures; those figures show that Tatas have paid in the course of three years (I am taking the average of the first two years; the third year's figures are not yet available) the following sums to the country and to the Government as a result of the existence of their industry and these figures represent the customs duty, income-tax, railway freight and other items: the sum is not merely Rs. 150 lakhs, but nearly Rs. 250 lakhs. They have paid Rs. 150 lakhs as interest on the loans which they had borrowed for the purpose of running the industry, and they have paid Rs. 425 lakhs to labourers who are earning their wages there. As a result of the investment of a capital of Rs. 15 crores or Rs. 16 crores, this industry has paid to the Government a sum of Rs. 250 lakhs in three years; to their creditors a sum of Rs. 150 lakhs and to their wage-earners a sum of Rs. 425 lakhs during the same period. As against this, what have the owners of that concern, the people who have invested their money in that concern, got? That will show whether the industry has



got adequate protection. As against a total sum of Rs. 825 lakhs which the industry will have paid in the course of three years to Government, to the creditors and to their employes, the owners of the industry have got in the course of these three years the sum of Rs. 4,50,000 by way of partial dividend on the first preference shares. On a capital of Rs. 18 crores, or on assets of Rs. 19 crores which the Tariff Board have written down to nearly Rs. 13 crores, the owners of this industry, the people who have invested their money have got the magnificent sum of Rs. 4,50,000 in the course of three years and they might get something more this year. Taking things at the maximum sum of Rs. 10 lakhs in the course of three years over a capital of Rs. 18 crores, it works out at the magnificent percentage of less than  $\frac{1}{2}$  per cent. per year. Sir, is this any inducement? Is there any possible attraction to the investor of money to sink his capital more and more in an industry which under the so-called State protection gets a return of  $\frac{1}{2}$  per cent. I have been compelled to go into the figures, because my Honourable friend, Sir Charles Innes, said that I was trying to do too much. Here is the fact that in the course of three years the owners of the industry who have put Rs. 13 crores in it will not have got more than Rs. 10 lakhs on their investment. If this is too much, I fail to see what is too little; and if investors of money are attracted to sink their capital at such great return on their money I really wish them God-speed. Yet, Sir, we have made sacrifices. The people of India have made sacrifices of at least three crores. As a result of three years' working, the owners of the industry have got only Rs. 4,50,000. There is only one more item about this subject of return on capital that I would like to bring to the notice of the House. That relates to the writing down of the fixed assets of the Company which the Tariff Board has done. By certain processes, into the details of which I need not go, they have written down the fixed assets of this company to Rs. 12½ crores. Now, Sir, it is a matter of good fortune that the amount which they have written down happens to have been spent out of the depreciation and other reserves; but if unhappily the amount which they have written down was the paid-up capital of the Company, then to-day the capital of the Tata concern would have been written down by something like Rs. 4 or 5 crores, and there would have been further, discouragement to any investor to sink his money in the Tatas' or any steel industry. That of course is the clear result of the exchange, for which my Honourable friend, Sir Charles Innes, will be very grateful to his friend on his right; but so far as the investor is concerned, he will have not the least inducement where, in spite of State protection, the capital has still to be written down to the extent of Rs. 8 or Rs. 4 crores in the course of three years, even while the protection is running. This is the adequacy of the protection of which my friend Sir Bhupendra Nath Mitra made so much and of which the Honourable Sir Charles Innes talked so much. I am sorry that instead of answering these arguments, Sir Charles Innes got into temper and made a sorry exhibition of himself; he is old enough almost to be my father; and I want to set him an example in controlling his temper, by not abusing him in return. I am prepared to leave the matter at that and thus to show that young men can control their temper where old men cannot. I shall leave the matter there.

Then I must refer to my Honourable friend Mr. Jinnah who was equally emphatic in denouncing me. In fact he argued that I carried a number of books about with me under my arm. (*Mr. M. A. Jinnah*: "Shame.") Very well, Sir; it is a perfect shame that any man should read things before

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talking about them. I am sorry to admit that to me, when I am ignorant about a particular thing, the only way by which I can obtain knowledge is by carrying books which I must read. To Mr. Jinnah where arguments fail, he makes up by gestures and poses, where his head is empty; I do not want to follow his method or to imitate his example. (Mr. M. A. Jinnah: "You cannot do it".) I do not want to. I have no poses; no gestures; I have hard facts which do not enter your brain. But leaving Mr. Jinnah to his gestures and his poses, I must come down to the hard realities of the situation, and they are these. I have already shown that the protection given to Tatas is not sufficient and that it will not attract fresh capital; therefore the only way in which you can attract fresh capital without penalising the consumer is the method on which this amendment will embark the House. Sir, I have already given last week a detailed statement about the amount of bounty that will be required; the receipts from the protective duties will be more than sufficient to give the bounties. No attempt was made to challenge those figures . . . . .

**The Honourable Sir Charles Innes:** May I rise to a point of information, Sir? I take it that the Honourable Member is taking all his three amendments together?

**Mr. Jamnadas M. Mehta:** Not a bit. This amendment will decide the fate of your discriminating duties. If this amendment is passed, it will show that the House is not in favour of discriminating duties and that what the House prefers is only uniform duties on all articles. In that case, my other amendments will simply be moved and voted upon.

**Mr. President:** I should like to know what exactly the position is. The Honourable Member from Bombay moves his amendment No. 7 on the list?

**Mr. Jamnadas M. Mehta:** Yes, Sir.

**Mr. President:** And he does not now move his amendments which stand as No. 11 and No. 18. If this amendment No. 7 is carried, he then proposes, I understand, to move his amendments Nos. 11 and 18. If this amendment No. 7 is lost, I take it that he does not wish to move those amendments.

**Mr. Jamnadas M. Mehta:** Quite right, Sir.

**The Honourable Sir Charles Innes:** That means, Sir, that the whole subject of bounties is open to discussion?

**Mr. President:** The whole subject of bounties is therefore open to discussion.

**Mr. Jamnadas M. Mehta:** Thank you very much, Sir. That is exactly the position. As you have just pointed out, if this amendment is carried, then only I shall move the other amendments standing in my name, except the one to the Preamble.

As I pointed out last week at great length, on the facts and figures of the Tariff Board themselves, if we embark on a joint system of bounties and protective duties, we will secure three things. We will give adequate protection to the industry; we will put the lightest burden on the consumer and we will put the least possible sum in the hands of the Government consistent with these two objects. These three objects will be accomplished if the bounty system is adopted; according to the figures

which I gave that day, the output of Tatas during the next seven years is unvarying and constant. If the Tariff Board is right,—and the Government have proceeded on the basis that the Tariff Board is right,—the output of Tatas during the next seven years is known in advance;—it is an average figure of 5 lakhs of tons,—it is therefore no good befogging the issue by alleging that Tatas' production will increase and therefore bounties cannot be paid. Sir, the strength of my argument lies in the figures of the Tariff Board, namely, that during the next seven years the output of Tatas is the unvarying figure of 5 lakhs of tons a year; we are not called upon to pay bounties on the whole 5 lakhs of tons, but on 2,08,000 tons of structural sheets, plates and bars. On the other output no bounty is needed, because it will be protected by the uniform duty. It is only on these four articles whose average output per year during the next seven years is the constant figure of 2,08,000 tons that bounty will have to be paid, and the amount of bounty which will have to be paid for these is also known, namely, Rs. 25,52,000. This is the average and no more; therefore, the only thing that now remains for the House is to satisfy itself whether this sum of Rs. 25,52,000 is available. It is no use going into the speculative aspect that more output is possible, and so on. That is definitely ruled out. The Tariff Board themselves say that a larger output will not be possible, and this is the most important fact which the Honourable the Commerce Member forgot, namely, that the output of Tatas cannot increase, and any additional steel that is needed for consumption in the country must come from abroad. That is a fundamental fact which cannot be ignored.

**The Honourable Sir Basil Blackett** (Finance Member): What about new companies?

**Mr. Jamnadas M. Mehta:** They will not help you at all, because the Tariff Board themselves say that it will not be possible, even if a new company were started, for it to manufacture steel for five years, and for a further period of five years it will not be possible to find out whether the concern will be successful or not. (*An Honourable Member:* "Question.") You may question the Tariff Board's statement although it is your gospel; when the Tariff Board themselves say that for five years no concern which is started will be able to manufacture steel, and for a further period of five years it will not be possible to find out whether the manufacture of steel will be successful or not, my case is proved; of course it is only right that Government should not accept it when it does not suit them. That is what they have done throughout. But, Sir, for the purposes of honestly coming to a right conclusion on this question, I think it is only right that the House should accept what the Tariff Board have said on this matter. They clearly point out that there is no likelihood of any new concern being started in the near future, as the Legislature does not give any definite assurance to the prospective investors that protection will be maintained not merely until the pioneer company needs it but also so long as any other companies that may come into existence will need it. Therefore, Sir, it is no use saying that the output will be increased by the imposition of any additional duty in the next seven years. That being so, and the output of Tatas being known, and the requirements of the country also being known, namely 12 lakhs of tons and over, Tatas can only produce 500,000 tons per year, the additional steel that will be required must come from abroad, and that will be, on these figures, over 7,00,000 tons. And you have got this available tonnage for taxation if you want to pay bounties to Tatas.

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Now, Sir, I have calculated the figures, and I maintain that those figures are on the whole very accurate. I say that the amount which Government will receive from the import of 700,000 tons, excluding the revenue duty of 10 per cent. will come to about 65 lakhs of rupees in the course of a single year. And it cannot decrease, as Tatas cannot increase their output and if Rs. 25,52,000 is the amount that we have to pay and if 65 lakhs and odd is the amount which we must receive as the protective duty, I ask, Sir, where is the difficulty, where is the harm in adopting the system of bounties and thereby protecting the consumer to the extent of 40 lakhs? That is the point. Now, Sir, if 25 lakhs are to be paid and if 65 lakhs are produced from protective duties, the amount of 40 lakhs will remain as a margin against any possible fluctuation in the figures that I have put forward. Supposing that even 40 lakhs a year are not sufficient there still remain the sum of a crore of rupees with the Government out of the duties already collected; all these additional duties on Continental steel then become unnecessary and these additional duties which I want to avoid, approach a figure somewhere near 40 lakhs. I say, the consumer in this country has a right to demand from the Legislature that it will not place on his shoulders the burden of a single rupee more than is needed for the protection of the industry. Therefore, Sir, I maintain that the Tariff Board really went out of their way in recommending the additional duty on Continental steel; I maintain their recommendation was *ultra vires*, and in making their recommendation they have gone beyond their terms of reference. They had to consider what was necessary for the protection of the industry and no more.

Sir, the basic idea behind a policy of protection is that you will consider the industry first and that you will consider the consumer second.  
12 Noon. This is protection. So long as protection is necessary, I will not consider the consumer. But so soon as protection is adequate, certainly the consumer's claim shall be paramount and nobody else's and I blame the Government and the Tariff Board for not having considered the consumer's claim after they had provided for the protection of the industry. Here I have indicated that the industry can be adequately protected and therefore any further burden on the consumer without extending benefit to the industry is entirely gratuitous and one which this House should not endorse. And, Sir, what is the answer to that? The answer to that has been given in those elaborate figures which my Honourable friend Mr. Jinnah gave which shows the danger of a man who lives in the air. He was all the time in the air when he gave those figures. When he was not in the air he was at sea. He was either at sea or in the air; never, I am sorry to say, on solid ground. Therefore, I must bring him down to the solid earth, for the real facts are very different to what he imagined when he was in the air or at sea. Now, Sir, what is the reason for not giving this relief to the consumer? "Oh, the dealers in steel are such undesirable people. They are such greedy people that, whatever difference will remain between the prices of British steel and the lower prices of Continental steel, instead of enuring to the benefit of the consumer, will be swallowed by the middleman and by the dealer and really the consumer will not benefit; therefore raise the duties on Continental steel." This is the argument. Now, Sir, in the first instance, the Tariff Board themselves do not go as far as Mr. Jinnah goes. It is one of the beauties of Mr. Jinnah's argument that he defends the Government against themselves and the Tariff Board against themselves. The Government themselves, though Sir Charles Innes, had admitted that there was Imperial

Preference. My friend, Mr. Moore, pointed out that there was Imperial Preference, however little it may be. Mr. Jinnah says there is none. Similarly, the Tariff Board say, not that the consumer does not get any advantage. What the Tariff Board say is that the consumer does not get the full advantage. But Mr. Jinnah talked of rings. Here on page 58, para. 153, the last four lines, the Tariff Board say:

"Under existing circumstances, therefore, it appears that the consumer does not gain the advantage of the full difference . . . ."

All the Tariff Board say is that the advantage of the full difference between the British price and the Continental price does not enure to the benefit of the consumer. But Mr. Jinnah talked of rings and combinations which raised the price of Continental steel practically right up to the price of British steel. And, Sir, as a result he went so wrong that I do not know when he will become right again. This will be clear by once more referring to Mr. Godrej. I quoted him last time; he is a gentleman who is not dealing in steel; he is a large manufacturer of safes, who uses Continental steel for the purposes of these safes. (*An Honourable Member*: "Safe safes unsafe safes?") Yes, very safe. Even when His Royal Highness the Prince of Wales was here, Mr. Godrej's safes were used. So there is no doubt of the good quality of Mr. Godrej's safes. And it is enough to silence Mr. Jinnah, if he really wants honest testimony on the other side; here is a telegram from Mr. Godrej, dated the 15th,

"Tatas have repeatedly quoted us Rs. 228 per ton in Bombay for steel sheets. That we get from Germany for Rs. 111."

Now, notice. They get Continental sheets for Rs. 111 per ton as against Tatas' Rs. 228 in Bombay, landed in Bombay, c.i.f. without duty. With the present duty, the price comes to Rs. 141. With the proposed basic and additional duties, the Continental price will be Rs. 170 per ton as against Tatas' price of Rs. 228. It proves that, even if you raise the price to Rs. 170 by imposing the higher duty, Tatas cannot sell their steel in Bombay against the Continental steel which will be Rs. 170 against Tatas' Rs. 228. So that Tatas do not stand to gain at all from these additional duties. This proposed duty would therefore prove disastrous without helping Tatas in the least. Moreover, to complete the disaster, the additional duty is subject to enhancement. That is again another feature which Mr. Godrej points out, that to add to the disaster, even additional duty is not the last burden on the consumer. It may even be increased so that there is no limit to the possible burden on the consumer, if the new scheme is ratified by Government. Therefore, I think, I have established to the satisfaction of the House that this additional duty will not help Tatas at all. It will only make Continental steel dearer, when it could otherwise be cheaper.

Then, Sir, supposing even we thought the dealer was such an undesirable person as to swallow all the difference. What is the alternative offered by Government? They put themselves in the shoes of the dealer. What the dealer took, they propose to take for themselves. If as a result of their Bill the Government were going to give any relief to the consumer, we could understand that. But what they propose to do is just to step into the shoes of the dealer and pocket all the difference themselves. This sympathy for the consumer is really wonderful, and now we can understand why they want to sympathise with the consumer because they want to take the profit which the dealer, they allege, now takes. They simply, as I say, place themselves in the shoes of the dealer

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and pocket the difference themselves. (*An Honourable Member*: "For whose benefit?") For their own benefit. (*An Honourable Member*: "For the country's benefit.") Because I maintain that protection is not to be used as a lever for increasing their income by any Government. Under the plea of protection no Government has the right to take more from the tax-payer than is necessary for giving protection to the industry. Sir, I do not want to go on with this point further because I am sure it is patent to anybody, that under the Government scheme neither Tatas gain nor the consumer gains. Only Government get some 40 lakhs by way of revenue.

Then, Sir, there is another point. My friend Mr. Chetty pointed out the other day that in Australia the Government adequately protected their industry. The slogan was "Australia for the Australians." I have another example; of the iron and steel industry in South Africa. A corporation has been formed there with a huge capital for the production of steel. A message, dated 10th February, from Cape Town says:

"The Assembly passed the first reading of the Bill introduced by the Minister of Defence, Col. Cresswell to promise the development of the iron and allied industries within the Union. A South African Iron and Steel Corporation will be formed with a capital of £3,500,000 and a directorate of nine, of whom five will be Government nominees, for the acquisition of the rights relating to the production and treatment of iron and steel and prospecting for deposits, etc.

The capital will comprise two million ordinary pound sterling shares of which the Government will take 500,000. The remainder, and also one and a half millions preference shares, will be offered to the public."

The Government give preference to the investor and though they themselves take £500,000 worth of shares they remain in the background so far as the profits are concerned. The Government invest capital themselves. They give their own capital second place in the scheme of the return on that capital. Then:

"Power is given to augment the capital by £250,000 and also to raise a loan not exceeding £1,500,000. The Bill provides that the iron and steel requirements of South African Railways shall be bought from the Corporation."

Not only do they give their own capital second place, they go further and say:

"The Bill provides that the iron and steel requirements of South African railways shall be bought from the Corporation at a price not over 10 per cent. above the cost of the imported articles."

This is the kind of protection which the Government of South Africa give to their own industry. I have told you of the protection our Government propose to give to the industry where for a capital of 13 crores the magnificent sum of Rs. 4,50,000 has been earned as dividend in the course of three years of protection. For these reasons, Sir, I hope the House will accept the scheme which I have placed before them for acceptance, namely, no rupee that is not needed for the protection of the industry shall be taken out of the pockets of the consumer. So long as the industry needs protection, tax the consumer by all means. The moment it does not need it that tax is undesirable and outside the rights of the Tariff Board to recommend, and thirdly, the Government shall not make this protection a source of adding to the revenue income without benefiting Tatas or the industry.

There is only one more fact to which I shall refer for Mr. Jinnah's edification and then resume my seat. Mr. Jinnah thought that there was no difference in the price of the Continental and British steel in the bazars. I will give you only four sets of figures and they will show that the price of imported Continental beams in Calcutta in 1926 January was Rs. 42 less than the price of the British articles of corresponding quality, so that the consumer got the benefit of Rs. 42 a ton in January on beams. In February he got the advantage of Rs. 48 a ton. In March he got Rs. 47 as the advantage. The difference between the selling price in Calcutta and the imported British price was Rs. 47. Again in April the difference was Rs. 42. Now, Sir, if there is an import of 100,000 tons of beams in Calcutta, at the rate of Rs. 42 a ton the consumer will benefit nearly Rs. 42,00,000 as a result of the difference between the British article and the Continental article. In the case of angles the difference is Rs. 12, Rs. 14, Rs. 14, and Rs. 20 between the Continental selling price and the selling price of the imported British article. On bars the difference is Rs. 31, Rs. 31, Rs. 36 and Rs. 44 in Calcutta in January, February, March and April 1926. In plates the difference is Rs. 19, Rs. 26, Rs. 39, and Rs. 41. These figures will enlighten Mr. Jinnah as to the consumer's benefit without the additional duties. On steel sheets the difference is Rs. 29, Rs. 25, Rs. 24 and Rs. 32. This is the benefit which Mr. Jinnah would deprive the consumer of under the new scheme to which he has given his blessing. While I admit that the prices in Bombay are not so favourable to the consumer as they are in Calcutta, even that much-maligned Bombay importer, whom Mr. Jinnah without the shadow of a foundation charged with having formed a ring, even that much-maligned individual sells on an average Continental steel at Rs. 17-4-0 cheaper than the British article of corresponding type. That is the average and I refer Mr. Jinnah to these figures. If he wants it I can give the statement to him. Therefore, it is clear that in Calcutta the consumer has an advantage not because the Calcutta dealer is an angel but because Tatas can compete in Calcutta and therefore the prices are down. They cannot compete in Bombay and therefore the prices are not down to the same extent as in Calcutta but the difference is all the same there, Rs. 17 in Bombay and Rs. 30 in Calcutta. If this House wants to maintain this difference and thereby benefit the consumer, then I suggest that they should accept my amendment and having done so protect the consumer to the extent of Rs. 40 lakhs a year. Sir, I have done.

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): Sir, I congratulate my Honourable friend Mr. Jammadas Mehta for adopting the tone that he has done, barring, of course, the usual exuberance which he cannot help. It is a second nature with him and a habit. Therefore I do not wish to say anything more about it. Now, Sir, his last argument was that in Calcutta the consumer benefits because not only has the Continental steel got the British steel there to reckon with but the Tata steel also gets in and therefore the consumer benefits. But he admits that in Bombay and in other ports where the Tata steel cannot make its way the middleman has the field entirely to himself and that is exactly my argument that it is the middleman and not the consumer in these ports who really benefits.

His next point was this. He said that the Australian Government and the South African Government were putting forward schemes for



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the protection of their industries. He was enamoured of the scheme for the protection of the steel industry in South Africa and he was full of praise for it. Sir, I am not standing here for the scheme embodied in the Bill as the very best or a perfect scheme. The House here is concerned with what?—with three schemes. One is the scheme embodied in the Bill, the other is the scheme of my Honourable friend Mr. Chetty of the weighted average and the third is that of my Honourable friend Mr. Jamnadas. We have got these three schemes and I have to make a choice and I make the choice of the least evil and I say that the scheme embodied in the Bill is the best for all interests concerned. That is my answer. I am not here in a position to start a new scheme which may be better.

The next point of my Honourable friend was this. He says that I have gone further than the Tariff Board in advocating the cause or championing the cause of the recommendations of the Tariff Board. He said that even the Tariff Board says that the consumer does not get advantage to the full extent. Thereby he understands that the consumer does or will get an advantage to a certain extent. Now, Sir, either my Honourable and learned friend has really not carefully read that paragraph or, if I may say so, he has not understood it and I will read it to the House and to him so that he may see whether what he implies can be spelt out from this paragraph. What the Tariff Board says is this, that the consumer does not get the fullest advantage in all parts of India. He does get an advantage in Calcutta but not in all parts of India.

**Mr. Jamnadas M. Mehta:** Where is that?

**Mr. M. A. Jinnah:** That is what my Honourable friend has not understood and not appreciated. I will read the paragraph. If you will read it again in your calmer moments, you will realise it. This is what the Tariff Board say in paragraph 103:

"We have received evidence that in other port towns competition is more limited and less severe than in Calcutta—where it is accentuated by the sale of the Steel Company's products—and that the general level of prices of Continental steel is higher. Under existing circumstances, therefore, it appears that the consumer does not gain the advantage of the full difference between the duty paid price of Standard and Continental material in every part of the country."

That is to say, in other parts of the country he does not get the fullest advantage, but in Calcutta he does, and what is more, Mr. Jamnadas himself pointed it out as his last point that in Calcutta he does. That is what the Tariff Board mean. I was replying to the argument of my friend Mr. Jayakar and other Members who asked "What will happen to consumers in ports like Bombay, Karachi, Madras and Rangoon, where Tata's steel does not get in?" My answer was that in those parts, there is a combine, there is a ring of merchants and it is the middleman who takes the money and the profit, and the consumer does not benefit. That was my answer.

**Mr. M. R. Jayakar** (Bombay City: Non-Muhammadan Urban): Does my Honourable friend admit that in Bombay there is a difference of Rs. 17 in the price of Continental steel, as pointed out by Mr. Jamnadas Mehta?

**Mr. M. A. Jinnah:** I think Mr. Jayakar had not understood the point when he put the question. Mr. Jamnadas gave the figure that in Calcutta



the consumer has got the benefit, because Tata's steel is there. That is a different state of affairs. I am dealing with the question of places where it is suggested that Tata's steel does not get in, namely, Bombay, Madras, Karachi and Rangoon.

**Mr. Jamnadas M. Mehta:** Does my Honourable friend realise that Calcutta also is deprived of this advantage under the scheme of which he is becoming so fond?

**Mr. M. A. Jinnah:** The scheme of Mr. Jamnadas, which we are discussing, is on a very different footing. I object to Mr. Jamnadas Mehta's scheme on the ground that he introduces a vicious principle of bounties, and I say it is a vicious system. Bounties should and can be given only in cases of emergency or for a short or a provisional period. You cannot have a system of bounty introduced in this kind of scheme for seven years, and I have dealt with that point.

Then, the next point was that Mr. Jamnadas said that even the Tariff Board have said that new firms will not come in. Mr. Jamnadas is quite wrong. Paragraph 144 of the Report of the Tariff Board distinctly says that the new firms may come in and I will only read a few lines with regard to that. They say:

"We have, therefore, considered, how far our proposals will suffice for the protection of any new works which may be established. We believe that provided modern plant is installed and full advantage is taken of the accumulated experience of steel making in India as well as in other countries, a new works should be able, as soon as a reasonable level of output has been reached, to produce steel at a cost not exceeding our estimate of the Tata Iron and Steel Company's average costs. In estimating the charges for overhead and profit, we have based our figures on the capital cost of erecting a steel works at the present time and our proposals should therefore be generally suitable for a new undertaking. The representatives of the Indian Iron and Steel Company and the United Steel Corporation of Asia, both of which firms have considered plans for erecting steel works in India, have stated in the course of their oral evidence that a system of protection which would be adequate for the Tata Iron and Steel Company would be sufficient for any new works. We believe, therefore, that so far as the scale of duties is concerned, our recommendations are adequate both for the existing Company and for any new works which may be started."

**Mr. Jamnadas M. Mehta:** Will you read further on? Do not stop there.

**Mr. M. A. Jinnah:** Sir, am I to read the whole report for Mr. Jamnadas's benefit?

**Mr. Jamnadas M. Mehta:** For your own edification.

**Mr. M. A. Jinnah:** Mr. Jamnadas wants me to read the whole report. Mr. Jamnadas says that the Tariff Board have not taken into consideration the question of new firms coming in. That is not so. Now, Sir, have we not got already in existence the Hukumchand Steel Company? Have we not got another company which is called the Gumadev Company, which are likely to make bars? Yes, actually they have started.

**Mr. Jamnadas M. Mehta:** Actually when?

**Mr. M. A. Jinnah:** Within a very short time they will. I think they have started making them. I say, Sir, that these companies exist. Now, Mr. Jamnadas knows perfectly well when he talks about the 56 lakhs of rupees which will be in the coffers of the Government which he says can be utilised for the payment of bounties, that it will not continue and

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cannot go round. Mr. Jamnadas' first fallacy is this. Mr. Jamnadas assumes that these prices upon which he proposes his scheme will continue without any variation for seven years. Supposing the price went down by Rs. 5.

\* **Mr. Jamnadas M. Mehta:** That is the amendment.

**Mr. M. A. Jinnah:** Mr. Jamnadas is so full of his own points that he does not even try to understand the other point of view.

(At this stage Mr. Jamnadas M. Mehta stood up to interrupt.)

**Mr. President:** The Honourable Member must not interrupt the Honourable Member, Mr. Jinnah. He knows that during the whole of his long speech Mr. Jinnah never interrupted him in the least.

**Mr. M. A. Jinnah:** Sir, Mr. Jamnadas says fixed duty or basic duty, and then he says give the rest so much definitely by way of bounties on these four classes of steel. Now, Mr. Jamnadas takes it that there will be revenue forthcoming and he assumes that his Rs. 65 lakhs, which according to me is Rs. 56 lakhs, will be forthcoming. But I want to point out to my Honourable friend that supposing steel prices went down, then the bounty which you propose giving will not be adequate. Tatas produce 500,000 tons per year, and if there was a fall of Rs. 5 in price it comes to Rs. 25 lakhs straightaway. How will you give that to Tatas?

**Mr. R. K. Shanmukham Chetty** (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): All the 500,000 tons do not need bounties. My Honourable friend must understand that.

**Mr. M. A. Jinnah:** But my Honourable friend must understand that it does require protection for 500,000 tons of steel.

**Mr. R. K. Shanmukham Chetty:** No.

**Mr. M. A. Jinnah:** Tatas require protection for 500,000 tons. (*An Honourable Member:* "They do not require it.") If the price of steel goes down, they will not get Rs. 120, the fair selling price which you are supposed to be securing, and therefore you will have to make that up, and I say, that alone will come to Rs. 25 lakhs. Then, I say if new firms come in you will have to distribute bounties to them. There is a further argument—and this is the most important argument and I want the Honourable Member to understand it—and it is this. We are now providing for bounties for 4 classes only. Out of those four classes, remember Tatas make only 125,000 tons now and their output will increase by 70,000. Mr. Jamnadas gave the figure, 200,000 tons. The rest of the things that Tatas make are rails, galvanised sheet and tin bars and so on. I ask you this question. If you are going to give bounties to these 4 classes, is it not open to Tatas to say "Why we should manufacture other articles, such as galvanised sheet, tin bars and so on. Why should we not make these 4 classes of articles only and get the bounty?" And instead of 70,000, which Mr. Jamnadas thinks will be the output for 5 years average, Tatas can put forward an output of 80,000 more, because they will get bounties. How will you give the bounties? Where will you get the money from? Tatas will then give up making galvanised sheets and tin bars. If Tatas give up galvanised sheets, why do you want to impose a protective duty on galvanised

sheets which come from the foreign country? For whose benefit? Then you will be forced to give up protective duties on galvanised sheets. What will happen to your revenue? One-fourth of your revenue is from galvanised sheets. Then where will your Rs. 56 lakhs go and how far? And will not the import decrease as the home product or output increases as it must? Will not that decrease the revenue? Sir, we find it is a chimerical scheme. My Honourable friend says that I am talking always in the air, or am at sea. Sir, he is either in the lap of prejudice or he has been misled by the middlemen.

**The Honourable Sir Charles Innes:** Sir, my Honourable friend, Mr. Jinnah, has dealt so faithfully with Mr. Jamnadas Mehta, that it is not necessary for me to add very much.

Mr. Jamnadas Mehta's difficulty is this. We have already discussed this question of bounties *ad nauseam*. We discussed it on his motion that the Bill be recommitted to the Select Committee. That motion was lost and Mr. Jamnadas is too fair minded a man not to know that the only chance his bounty scheme had was to refer it back to Select Committee. I do not propose therefore to follow Mr. Jinnah in his general observations on the bounty scheme. That point has already been discussed and decided against Mr. Jamnadas Mehta. I propose to take the wording of Mr. Jamnadas Mehta's amendment and to show what his scheme means. He mentions four articles on which specified bounties should be paid. Now obviously a scheme of that kind is open to the immediate objection, that as the Tata Iron and Steel Company makes more and more and more steel and gets a stronger and stronger company, under Mr. Jamnadas Mehta's scheme we give it more and more bounties. Mr. Jamnadas Mehta has, in his own amateur way, endeavoured to provide against that danger by putting in a proviso:

"Provided however that the total amount of bounties payable under this section shall not exceed the amount recovered from the protective duties in any year."

What does that proviso mean? Obviously the only meaning that you can place on it is that the total amount of bounties payable in any one year shall not exceed the amount of revenue you get from the duties in Part VII of the Second Schedule. "Protective duties" can only mean the duties in Part VII. That amount of revenue is something in the neighbourhood of two crores a year. Therefore the limit which Mr. Jamnadas Mehta has put as a safeguard in his proviso is no safeguard at all. Naturally we shall not have to pay bounties to the extent of two crores. But the point is that what is intended as a limit is no limit at all. As the Tata Iron and Steel Company produces more and more steel, we shall have to pay more and more bounties. That is absurd. What Mr. Jamnadas Mehta intended by the expression "protective duties" was the amount which we should recover from the duties in Part VII over and above what we would have recovered from ordinary revenue duties. But he has not said it.

Then, Sir, let us take the first sub-clause of his clause 4. I am going to take as my text Mr. Jamnadas Mehta's own statement. He said that it was entirely wrong to take one rupee more from the tax-payer than was necessary for the protection of the industry. Let us take the first point. I take it that Mr. Shanmukham Chetty is satisfied that his weighted average scheme gave sufficient protection to the industry. On structural sections Mr. Jamnadas Mehta wants a protective duty of Rs. 19 plus a bounty of Rs. 11; total Rs. 30. Mr. Chetty proposed an average duty of Rs. 25 per ton, therefore, Rs. 5 per ton are taken out of the pockets of the tax-payer

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unnecessarily by Mr. Jamnadas. On bars Mr. Jamnadas wants a protective duty of Rs. 26 a ton, plus a bounty of Rs. 11; total Rs. 37. On the weighted average system the protective duty proposed is Rs. 35 a ton, thus making Rs. 2 taken unnecessarily out of the pockets of the tax-payer. On plates Mr. Jamnadas proposes a duty of Rs. 20 plus a bounty of Rs. 16, making a total of Rs. 36. Mr. Chetty proposes a duty of Rs. 26. Thus Rs. 10 are unnecessarily taken out of the pockets of the tax-payer.

**Mr. Jamnadas M. Mehta:** The Honourable Member is misrepresenting me.

**Mr. President:** Order, order. If the Honourable the Commerce Member thinks some reply is necessary, he will make way for the Honourable Member.

**The Honourable Sir Charles Innes:** That is not my only objection to the Honourable Member's scheme. The House will observe that he proposes to pay a bounty of Rs. 11 per ton on bars. He does not say what bars. I presume, he means that we should pay a bounty of Rs. 11 per ton on bars of iron or steel manufactured in India. Have I got the Honourable Member correctly? Let me point out that when the Honourable Member said that this scheme of his was going to cost 25 lakhs of rupees, he did not realise that he was working into the bounty scheme bar steel which is sold to the Tin-Plate Company for making tin-plate, and that if this amendment were passed we should have to pay a bounty of Rs. 11 per ton on fifty thousand tons of tin bars produced every year on which we propose no protective duty. Yet the Honourable Member says that he would not take one rupee more than was necessary for the protection of the industry from the pocket of the tax-payer. He has also failed to realise that bars are made by other people than the Tata Iron and Steel Company. The Kumerdubi Engineering Works are making bars of steel and iron from scrap steel or scrap wrought iron. Under Mr. Jamnadas Mehta's scheme we should have to pay a bounty on bars made in the Kumerdubi Engineering Works. I am sure that it is not the intention of this House that we should give any protection at all to this industry. Moreover I happen to know something of the Kumerdubi Engineering Works. I know exactly what those works cost when originally purchased, and the House may take it from me that it does not cost much money to put up works of this kind and to make from scrap steel and scrap wrought iron the steel bars that Mr. Jamnadas Mehta wants to pay a bounty of Rs. 11 a ton on. If this amendment were carried we should not know what our liabilities are. Mr. Jamnadas Mehta proposes a bounty of Rs. 24 on black sheets manufactured by the Steel Company. These black sheets may be sold as black sheets or may be galvanized and sold as galvanized sheet. But we should have to pay bounties on all the black sheets made whether subsequently galvanized or not. That means that we should have to pay a bounty of Rs. 24 per ton on another thirty thousand tons of sheet which would mean another seven lakhs, plus another 5½ lakhs on tin bar, and yet the Honourable Member says that he will not take a rupee more than is necessary for the protection of the industry out of the pocket of the tax-payer. Have I not shown sufficiently that this amendment is absolutely a ridiculous amendment, and that the Honourable Member when he proposed that amendment did not know what he was talking about?

My other objection—and I say this with all the authority at my command for it is I who have worked this steel protection for the last three years—

my other objection is that the scheme is unworkable, that it would be if not impossible, very difficult, very expensive and very inconvenient to attempt to work a scheme of that kind. Audit clerks now check every ingot made by the Tata Iron and Steel Company and see that a stamp is put upon it under this scheme. We would have to have a large staff of clerks in every mill and shop watching every bar, every black sheet, every plate, every structural section made. I hope that the House will realise its responsibility in the matter. The only proper amendment that Mr. Jamnadas Mehta could have made was that the Bill should be referred back to Select Committee.

With those words I oppose the motion.

**Mr. M. K. Acharya** (South Arcot *cum* Chingleput: Non-Muhammadian): Sir, I cannot claim of course to speak either with the authority or the eloquence of the Honourable Sir Charles Innes, but neither authority by itself nor eloquence can always be taken as sound reasoning. There may be authority, there may be eloquence, but if reasons are wanting or are not satisfactory, we on this side of the House shall be excused if we do not give way to authority and eloquence. Sir, the whole difficulty that I as a humble member and others feel is this that Sir Charles Innes has not answered whether, under this scheme proposed by the Tariff Board and adumbrated in the Bill, very much more will not be taken from the consumer of iron all over the country than adequate protection to Tata's industry requires. That, Sir, is the thing that has troubled our minds all along. I am prepared to admit, so far as I have heard, as a common man, that I am satisfied neither with the Bill brought forward by Sir Charles Innes, in spite of his authority and eloquence, nor with the scheme of Mr. Chetty nor with the proposal of Mr. Jamnadas Mehta for that matter. It is unfortunate that many of us are not satisfied with any of the schemes before us, and, as Mr. Jinnah very rightly put it, the whole question is which is the least evil of the three schemes. Sir Charles Innes unfortunately has not enlightened us on this point. He has worked himself up, I fear more than we are accustomed to see him working himself up, to stigmatising Mr. Jamnadas Mehta's proposal as ridiculous. Sir, adjectives are not arguments after all, and I am very sorry Sir Charles Innes has not met this simple difficulty of ours whether under this scheme before the House, whether in the Government Bill very much more is not proposed to be taken from the ordinary consumer in Madras, in Bombay, in Burma, in Karachi, that is to say from the largest bulk of the consumers all over the country, than adequate protection to Tatas requires. It is unfortunate that that question, in spite of the many speeches that Sir Charles Innes has made on the subject in this House, has not been fairly and squarely answered. Sir Charles Innes now says it would be better to send Mr. Jamnadas Mehta's proposal back to a Select Committee. He did not support that motion when it was before the House the other day. Now it is too late to say that the scheme proposed by Mr. Jamnadas Mehta would require to be discussed in all its details in the Select Committee. It is only after defeating that motion that Sir Charles Innes comes and says it is a matter for the Select Committee. I do not know how much weight we should attach to arguments of that kind. I submit there are now only two schemes before us because I believe Mr. Chetty's weighted average scheme is now not before the House; and it was very amusing to me to hear Sir Charles Innes eloquently pointing out that Mr. Jamnadas Mehta's scheme would cast even more heavy burdens on the Government than Mr. Chetty's

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scheme. But Mr. Chetty's scheme has been rejected and the burden of the rejection lies upon Sir Charles Innes more than upon us. We were for the weighted average scheme, but he with his authority and with the weight of his numbers threw that out. Now it is no use going back and saying that better than Mr. Jamnadas Mehta's scheme would have been Mr. Chetty's scheme. Now, therefore, there are only two schemes, the scheme of the Government and the scheme of Mr. Jamnadas Mehta, and I again put this point prominently before the House. I beg of every Member to realise that the question simply is this. We are all agreed that adequate protection must be given to Tatas. Here let me point out again another flaw in Sir Charles Innes' argument to-day. He was wondering whether the Tata Company would not make very much more steel in the coming few years. The other day he was lecturing to us whether we should not accept the findings of fact of the Tariff Board. He lectured to us at great length on that matter, that an expert committee went into the whole question and after many months of careful inquiry, came to the conclusion that, subject to unforeseen circumstances, this would be the average amount of steel that Tatas would be able to make during the next few years, and he asked whether we should not accept that statement. But to-day he is the very person who questions whether more and more and more steel will not be manufactured by Tatas than has been calculated by the Tariff Board; and if a bounty is sought to be given, whether Mr. Jamnadas Mehta's scheme would not mean that the figures would swell up to a very large amount. We should simply proceed on the assumption that Sir Charles Innes made the other day that the averages and the forecasts made by the Tariff Board were on the whole acceptable and were the basis on which we were to calculate. Mr. Jamnadas Mehta is not here to say what is going to happen in a few years, and I believe Sir Charles Innes will not be here during the next three or five years to see whether his prophecy has been fulfilled or not. So it is no use going back and raising that old question. We must discuss this on the foundations of the Tariff Board's Report. Again the argument of Mr. Jinnah also was what would happen if more and more steel is produced? Tatas cannot in the next few years reasonably be expected to produce 10 lakhs of tons. They are now producing only three lakhs and a little more, and the Board says it is reasonable to suppose that they can be expected to produce a maximum of 5 lakhs in the coming few years. Anything beyond that, on the authority of the Tariff Board, is not likely to happen, and therefore it is a little odd that those who are against Mr. Jamnadas Mehta's scheme or any scheme other than the Government scheme should now come and ask us to take into consideration things which may happen which were not foreseen by the Tariff Board or by anybody under the sun. Now, therefore, Sir, the question again I repeat is this and I would beg that somebody will give us a straight and square answer. Does not the Bill, as proposed by Government, take away from the average consumer all over India, from the average consumer of steel in every part of India, far more than is absolutely necessary in the interests of Tatas? To that question I would really like to have an enlightening answer and not mere rhetoric. Much has been said by Sir Charles Innes and by Mr. Jinnah about the wicked middleman of Bombay, and it is said all the profits go to the middleman. I suppose there must always be a middleman. I myself am not much of a consumer of iron yearly, but I do not believe anybody who wants to build a house

or who wants some steel for any other purpose thinks of sending an order straight away to the United Kingdom or elsewhere. We have to provide for a middleman in these matters and the middleman is never I expect anywhere under the sun a philanthropist, certainly not in the United Kingdom, and the middleman being human is likely to desire as much profit as he can get. In places where there is keen competition he gets less profit and where there is less competition he gets more profit. Whether you make the price of Continental steel Rs. 100 or Rs. 120, before the consumer gets his iron or steel, there must be the middleman through whose hands it passes. The middleman will put on 2 per cent. or 10 per cent., or whatever it is, on the cost price before he passes it on to the consumer. The consumer does not and cannot afford to go in for British Standard steel, for the simple reason that the consumer and the maker of various kinds of articles in India do not require British or Standard superior steel for their requirements; they want the inferior steel of the Continent. Therefore, when they want inferior steel from the Continent, they have to get it through the middleman, and the middleman so long as he is a necessary factor in business has to make his own profit. There is no system that is perfect. Under the very imperfect system of Mr. Jammadas or under any other system for that matter there is always going to be the middleman; and if the middleman happens to be only an Indian it will not very much matter, for what he takes in the way of profit he will spend in another way in India itself. Therefore, I do not grudge the middleman his profit. Not that I want it; but if the middleman does make a little more profit than is morally justified, well it cannot be helped. Are English business men here for philanthropic reasons? Are they not here for very tangible rupees and annas? Are the Honourable Sir Charles Innes or Sir Basil Blackett themselves here for the sake of philanthropy? I do not believe it, and the middleman being a much lesser man than either Sir Basil Blackett or Sir Charles Innes, wants perhaps a little more! I say therefore the whole question is that the Government scheme is unsatisfactory. That is evident and patent; and so long as Sir Charles Innes does not answer our objections squarely I take it that he has no answer to give; or that he admits that under the Government scheme the consumer of Continental steel will have to pay very much more than is necessary. (*An Honourable Member*: "It is denied.") Sir, denial is no argument. (*An Honourable Member*: "Nor is assertion!") These are facts and mere denial is no argument. Neither Mr. Jinnah's figures nor Sir Charles Innes's superior authority and eloquence count for argument when it is a question of facts. We are going to have middlemen in the case of Continental steel; Continental steel has to come through the middleman, unless Government undertake to import and sell Continental steel without giving any profit to the middleman. They may make it another branch of the Railway Board and so on. Any such schemes however are not before the House to-day, and there is no use therefore in considering what might happen under some other state of things. What I ask is this. Is it right to vote blindly for the Government Bill? I put this question very seriously to all Members of the House, particularly to those who voted with the Government the other day. Since all these schemes are unsatisfactory I have no objection to the whole thing being withdrawn if Government undertake to bring in another Bill in the course of this Session which is more satisfactory and takes into account everything we have discussed in this



[Mr. M. K. Acharya.]

House during the last few days. I for one should welcome it most heartily and I am sure the majority would welcome it because all of us feel that the Bill before us is unsatisfactory. However, to come back to the argument. (*Cries of "Divide, divide"*.) The question is which is the lesser of the two evils. The Government scheme will inflict a great hardship on the consumer. (*An Honourable Member: "The middleman"*.) With or without the middleman. The Government scheme says all articles imported from the United Kingdom shall pay so much, and all articles imported from elsewhere shall pay that much *plus* an additional duty. I want to know whether that scheme is the best scheme in the interests of the consumer, or whether it would not be better to have a scheme which says since we cannot avoid it, we shall take in the shape of protective duties a certain sum and out of that sum give to Tata's whatever absolute protection they want. If two years hence the protection is found insufficient there is the Tariff Board. Tata's can put in another application and the Tariff Board will have plenty of work for another 8 months. In that time Tata's are not likely to disappear. Then they may come before the House and in the light of circumstances obtaining two or three years hence they will be able to give a wiser judgment than we are asked to give to-day. These arguments based on unseen contingencies that might arise in the course of the next seven years—I do not know how we can possibly solve them now. Here are the facts placed before us by the Tariff Board; here are the averages worked out by the Tariff Board. On those averages, supposing their facts are correct, supposing their estimates are correct, we come to the conclusion that Tatas are likely to produce 5 lakhs of tons on an average during the next 3 years. We come to the conclusion that they want so much protective duty either in the shape of higher duties or in the shape of bounties. Having come to that conclusion the only other thing is how best to give protection to Tatas and how to get money equivalent to the protection that Tatas need. We have been giving bounties to Tatas for the last two years. All the facts that the Honourable Sir Charles Innes or Mr. Jinnah have brought forward cannot get round that fact. Have the heavens tumbled down because we have been giving these bounties to Tatas? It is a system that you have already worked. Why not continue it for another two or three years? I do not suppose there will be anything unforeseen happening during the next few years; and if it does, it will be for this Assembly to return to the question; but till then I say "Let us continue the system which has the very weighty authority of the Tariff Board and which Sir Charles Innes inaugurated in this House two years ago." What is it that has happened now that did not exist two years ago, except—and this is a very important point—that the import of British steel has been going down lower and lower during the last few years and the import of Continental steel has been going up higher and higher? I am not in the secret of things; but it is quite possible that the Government have been unconsciously influenced in this Bill to give an impetus to the importers and manufacturers of British steel. However, that is a question I need not labour here. The only thing that has happened is that imports of Continental steel into India have increased very greatly and British imports have gone down very considerably. At the same time Tatas have been going on; they have been progressing, and, God willing, they may still go on progressing. There have been bounties and



what under the sun is there to make the scheme so ridiculous? Sir Charles Innes will have us believe that the figures of Mr. Jamnadas Mehta are not correct. Well it is quite open to the Government to give us more correct figures. Neither Mr. Mehta nor I have the advantage of the huge department that Sir Charles Innes has under him; as it is from the information placed at our disposal, from the facts and findings of the Tariff Board, we poor laymen must come to certain conclusions. We stick to certain principles. We are not particular whether the bounty is Rs. 9-8-0 or Rs. 9-4-0 per ton or any other sum; but the general scheme which we want to press upon the attention of the House is that the bounties might be continued to Tatas to the extent to which Government and the Tariff Board may consider absolutely necessary,—to that extent and no further. To that extent higher duties may be levied on all articles that come from Great Britain or the United Kingdom or from the Continent or elsewhere. It seems to me therefore from the ordinary common-sense point of view that this is the least objectionable of the many schemes before us. There are flaws in every scheme. The weighted average scheme has been thrown out; and with all respect to Mr. Jinnah, I do not propose to follow him in his tirades against the middleman. I am sorry he is so uncharitable to the middleman.

**Mr. M. A. Jinnah:** I am not uncharitable at all; on the contrary I admire him.

**Mr. M. K. Acharya:** Thank you very much on behalf of the middleman.

**Sir Darcy Lindsay:** May I appeal to the Honourable Member to bring his remarks to a conclusion?

**Mr. President:** Order, order. The Chair will see to it. The Honourable Member need not interfere.

**Mr. M. K. Acharya:** I am glad of the protection you have extended to me, Sir. I do not propose to abuse it by any means. I want, Sir, the gentlemen who will speak after me to make this point clear. I want it made clear because it is troubling my own mind.

**Mr. President:** That argument has been repeated by the Honourable Member half a dozen times.

**Mr. M. K. Acharya:** And yet, Sir, other Honourable Members are opposing it which shows that they have not understood me. However, to turn now to the details of the position, according to Mr. Mehta there will be about 65 lakhs realised, and according to Mr. Jinnah 56 lakhs. That is what I heard. Therefore, if the protection to Tata's is to be 25 lakhs, there will be a margin according to Mr. Mehta of 40 lakhs and according to Mr. Jinnah of 9 lakhs less. My point is that any future companies coming in are not likely to be as huge as Tata's during the next three or four years. If other big companies do come in we will welcome them, but there is 31 lakhs according to Mr. Jinnah or 40 lakhs according to Mr. Mehta out of which bounties may be given to those companies also, provided they are properly examined by the Tariff Board and their cases are recommended satisfactorily by the Tariff Board. Therefore, the argument that other companies may come in, on which the Honourable Sir Charles Innes and my Honourable friend Mr. Jinnah laid so much

[Mr. M. K. Acharya.]

stress, is not such as to lead us to throw out Mr. Jamnadas Mehta's amendment for the simple reason that a fair margin does exist for providing for other companies that may come into existence.

These then are the facts. Firstly, that the Government Bill proposes to take from the consumer very very much more than is required for protecting the Tatas and those large excesses could be utilised by the Government for their own sweet purposes as part of the general revenues. Secondly, that in the shape the Bill before the House now is, it does give a certain preference to iron goods coming from the United Kingdom over and above the goods that might come from elsewhere; and in the circumstances of the case the protection that is needed for Tatas does not require the imposition of these large heavy import duties over and above what may be found absolutely necessary to protect them. For all these reasons, Sir, I do press that some *via media* might be found, if possible, whereby this House will be enabled to come to some conclusion upon the question of giving protection to Tatas which will obviate the difficulties which lie in the way of our accepting any of the various amendments before the House. So far as I am concerned, Mr. Jamnadas' amendment, bad as it may seem, full of flaws as it may seem, is less bad and less full of flaws than the scheme which has been laid before us by the Government, and for that reason, choosing the lesser of the two evils, I commend the amendment of Mr. Mehta to the acceptance of the House.

(Several Honourable Members moved that the question be put).

**Pandit Madan Mohan Malaviya** (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, at this stage, when the Bill is evidently in its last stage, I feel that I ought to emphasise some facts which require to be borne in mind in dealing with any Bill proposing protection to any industry in this country. What has been laid down is that the Government and the Legislature should agree regarding the protection to be given to any industry, and that the Secretary of State will not then stand in the way of it; and I wish to point out that that is a very important fact in the consideration of such Bills. The Government and the Legislature have to agree, and I ask that it should be remembered that that imposes an obligation to agree both upon the Government and this Legislature. It does not mean that we should try by a snatch vote, either on this side or the other side, to carry a Bill or to impose an enactment upon the country. It means that we ought to respect the spirit of the convention and try to come to an understanding—both the Government and the Legislature; and I submit, Sir, that the Government owes it to itself and to the House to see that its proposals are such that they command the confidence and support of the bulk of the House, if not of the entire Assembly. Now, I ask Government to consider whether that is the situation. I do not doubt that the Tariff Board laboured earnestly and honestly at the question. I do not deny that they have given us the best of their recommendations. I do not doubt that the Government have come to the conclusion that they should accept these proposals with the best and honestest of motives. I do not for a moment think that the Honourable Sir Charles Innes or those other Members who have voted with him or agreed with him are prompted by any desire other than the desire to act rightly by the people of India. But I ask them to consider the fact that in this House there is a very large body of opinion which is opposed to the provisions of the Bill and they

have stated the reasons for that opposition. It is not a wilful opposition; it is not a wanton opposition; nobody can say that the Bill is so good a measure that anybody who stands up to propose any different provision from what is embodied in it should be snubbed or rebuked as not knowing what he is talking about or that he should be put to "shame" for giving expression to his opinions and arguments, as unfortunately one or two Members have been. It is a Bill, Sir, on which the widest difference of opinion prevails, and the House had a right to expect that all these differences of opinion should be heard and considered with sympathy, with respect, with consideration. There are two features of the Bill which stand out to which many Members of this House find it difficult to give their support. I may say at once that there is no one here who does not wish to support the Tata steel industry, so far as this side at least is concerned. We all want to give protection to the Tatas because we regard it as a national industry. But we do think that even in our desire to give help to the Tatas we should not impose a heavier burden upon the consumer in the country than is actually necessary. We want to point out to the Government, we are entitled to point out to the Government, that this Bill is open to two objections: one, that it introduces a larger measure of protection than the Tatas need, and secondly, that it imposes a larger burden upon the consumer than the situation demands. It has not been said—nobody has said it, not even the Honourable Sir Charles Innes with all his ability and command of the whole subject has said—that the men who will be hurt by the proposed measure in Karachi, in Bombay, in Rangoon and other places, need necessarily be hurt in order that Tatas should be helped. I have not yet heard why the area of protection should be so much extended. And there is no doubt that the measure will realise a great deal more from the tax-payer than it seems necessary to. If the proposals of the Government are open in these two respects to objection, namely, that a much larger amount of tax will be realised from the people under the Bill than is necessary to ensure protection to the Tata steel and that in places where the Tata steel does not compete, in places far beyond the circle of Tata's operations, there is no justification for putting on the consumer of Continental steel the burden which it is proposed to place on him, that the Tata's steel will not and cannot in the nature of things be protected beyond a certain limit by the proposed measure of protection, because the Tatas produce annually less than 400,000 tons of steel at present, while the total consumption in the country is 12 to 13 lakhs of tons—in view of those facts, I submit that the Government should recognise that the opposition to the Bill is based on some consideration, some regard for the interests of the public. While that is so, we are at the same time face to face with the difficulty that the amendments which have been proposed are also open to objection. It is quite easy for any Member of Government to point out flaws in the amendments that have been proposed. It is a very difficult task for any Member on this side of the House to put forward definite proposals for taxation. We have not the command of the resources which the Government have; they have got their whole Secretariat, the whole body of their expert advisers at their command; they know the ins and outs of the trade and they can calculate to the last figure what exactly is needed and where it is needed. We expect it of them therefore not merely to point out what the flaws are, but also to point out how the flaws might be remedied. It is not enough for the Honourable Commerce Member to run down and rebuke Mr. Jamnadas Mehta because his figures are not correct. (Mr. Jamnadas M. Mehta: "They are correct.") Mr. Jamnadas Mehta claims

[Pandit Madan Mohan Malaviya.]

they are correct. But assuming they are not correct—after all he is human, we are all human, including the Honourable Member for Commerce and Industry—and it is human to err—if there are mistakes in Mr. Jamnadas' figures we expect that those mistakes should be pointed out and corrections made in them, and the proposals discussed on such a basis that the whole House might agree. I submit, Sir, that this has not been done. Mr. Jamnadas has shown that according to his calculation, if the uniform duty proposed by the Government were levied on all kinds of steel which comes into this country, Rs. 65 lakhs will be realised; Mr. Jinnah says it will be Rs. 56 lakhs. It should be easy to settle which of these is the correct figure. Mr. Jamnadas says that under his proposal Rs. 25 lakhs will have to be paid as bounty to the Tatas. You have got their figures of production calculated for seven years; you are dealing with a seven years' programme; you cannot be taken by surprise over these figures; you cannot suddenly be told that the production has increased by a lakh of tons and therefore you must find more money to pay bounties. Having got a period of seven years before you to calculate and deal with, you know and you can calculate to the pie what will be the requirements of the situation within these seven years. The question before the House, therefore, is not whether Mr. Jamnadas' scheme is not open to objection. I assume, on the assurance of the Honourable Sir Charles Innes, that it is open to objection on many points. But I say, Sir, that it is not enough to say that it is open to objections. He has got all the figures. If he wants to help the country he can. If he wants to come to an agreement with the House on the basis of which alone such a Bill should be passed by this House, he can put forward alternative proposals to minimise the evils which he has detected in the system proposed by Mr. Jamnadas Mehta, and I say, Sir, that this House does expect Government to come to its aid to that extent. Mr. Jinnah, I am sorry to say,—I have worked with him for many years,—has indulged in special pleading on this occasion which has disappointed me. We have heard very able speeches from Mr. Jinnah, but his pleading on this occasion has left me unconvinced in spite of all my desire to understand what he has urged and to try to agree with him and with other Members who think like him. But I submit, Sir, it is no argument to say that bounties are condemned. Sir, bounties have built up the huge industries of the United States of America, Canada, Australia and other countries. (*An Honourable Member*: "and Japan".) Yes, in Japan too they have been paid freely. Bounties have been adopted by this Government itself during the last three years, and I cannot understand why bounties are condemned to the extent that they are being condemned today. Bounties have to be resorted to if you are to follow a reasonable policy whereby industries will be helped to develop and grow. Here is a very clear case. You want to protect one important industry in this country. There are two proposals before the House. One is to tax all imports of steel into this country and to extend the burden beyond the circle of Tata operations to all consumers of steel at Karachi, Rangoon, Bombay and other parts of the country; the other proposal is to raise a certain amount by increasing the duty on imports of steel, and to pay bounties to our own steel to a certain extent, and be done with them. It has been asked what will happen if new firms come into existence. First it was urged that under the bounty system the Tatas will find it to their advantage to make one kind of steel rather than another and begin to manufacture more of that steel. Is it likely to be so?

**The Honourable Sir Basil Blackett:** Yes, it is so.

**Pandit Madan Mohan Malaviya:** I am sorry to think that even the Honourable the Finance Member should support that view. Is it not within the power of the Government of India to say to the Tatas for whom we are taxing the country, that if you will act unfairly towards us, you will perish? Is it conceivable that the Tatas, knowing what the Assembly is doing for them, will play the Assembly and the country false? I say they will not. I undertake to say they will not, for if they will do so, they know that they will never again receive support from the representatives of the people in this Assembly. I do not think it is fair to charge them with any desire to do so. Even in ordinary life if you do a kind act to a fellowman, he remembers it and he feels grateful to you. Here not merely gratitude but self-interest itself will compel the Tatas to be honest with the Assembly and the country. I therefore dismiss that apprehension, Sir, with no more consideration than it deserves. I say that Tatas are certain to keep to the conditions that are essential for them to continue to get the support of the Legislature and the country at large. The second point is that other firms may come into existence and the production of the Tatas might increase. Yes, it may increase; but you have calculated a seven years' programme. As has been pointed out, if you pay 25 lakhs in bounties now, you still will have, according to Mr. Jinnah's calculation, 81 lakhs extra, and according to Mr. Jamnadas Mehta's calculation, 40 lakhs extra, out of which to pay further bounties, if it should become necessary to do so. And if the Tatas develop beyond present expectation, or new firms of great magnitude come into existence and begin to flood the country with steel of the kind you require, this Assembly will be able to deal with the situation, the Assembly and the Government of India will still exist, and they will deal with the situation when it arises. Sufficient unto the day is the evil thereof. You have to contend against the present evil of competition from outside. And is it impossible that the Government and the Assembly acting together should not be able to devise means whereby greater protection might be given to a national industry without inflicting an unjustifiably great burden upon the people? I do not know, Sir, why there should be so much opposition, determined opposition, to every scheme, except the one embodied in the Bill. I submit that the Government should recognise the difficulty of those Members of the House who do not see their way to accept the Government measure,—not because we want to hurt our English fellowmen. I should be ashamed if I thought of injuring any English fellowman or any other fellowman. It is not our desire that our English fellowmen should be injured. I wish them prosperity. But the question before me is, whether in wishing them prosperity, I wish them natural, honest, honourable prosperity or I should sacrifice the interest and happiness of my own people in order to make a contribution to the prosperity of my fellowmen outside India. I do not wish to do that. I wish that the consumer should be made to bear only that much of burden which is necessary to protect the steel industry in which we are all interested.

What is wanted now, Sir, in such a situation is a little more patience and a little more earnest endeavour to understand each other on both sides of the House. A measure of this importance which for seven years imposes a heavy burden upon the consumer of steel is under the consideration of this Assembly. There are defects in the scheme that have been put forward: some Members find it difficult to accept Mr. Jamnadas

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Mehta's proposal, while other Members find it difficult to accept the Government proposals. Why should there not be an agreement on both sides to sit down together again and consider what should be done? Has the final day come? Is there no possibility of any further consideration? I see one Honourable Member nods his head. It means he tells me that the final day has come. I do not agree in that view, Sir. We are a Legislature, a Legislature which owes it to the people of this country to sit on from day to day, night and day, for weeks and weeks, if necessary, until it comes to a conclusion which will protect all the legitimate interests of the people and make for their happiness. Why should there be such hurry to rush this Bill through before a particular date? There can be provision made for continuing the present Act; other means can be found by which the situation can be saved. The Government can, if they want to do so, help us to pass the measure within the time they want by pointing out what the flaws in the proposals of Mr. Jamnadas Mehta are and how they should be amended. If they do not, they should at least agree to sit together with us so that we might discuss the matter and we might ourselves, after hearing them, suggest how we can meet their objections. But I submit, Sir, the way in which the Bill is being dealt with is full of pain to me. I do not think that a proposal which affects the people of this country, the poor people of this country, should be passed in the manner in which it is being passed. I have heard complaints, I have received telegrams and letters from various dealers of steel men who are carrying on the steel trade and men who use steel. They complain that if the Bill is passed, the humble trader and consumer will be very seriously injured. A few days ago a meeting was held in Delhi at which many of these men gave expression to their fears and voiced their complaints. We have received similar complaints from various other parts of the country. I ask the Government to consider whether all these complaints of the poor, small trader and industrialist are not worthy of consideration. What is going to be done to protect these people? And why should this measure be passed when there is so much opposition to it in this House? These are the points, Sir, which I want the Government to consider. If Government can tell us—no one else on this side can do it—if Government can make up their mind to tell us what exactly is the difficulty they find in adopting Mr. Jamnadas Mehta's proposal and with what modification they are prepared to accept it, then they can ask you, Sir, to adjourn the further discussion of this measure, and I am sure you will accept their proposal. If this is not done, and if the Government will drive us to vote on the proposals as they stand, many on this side will feel constrained to cast their vote against the Government Bill because of the objections they have to it. We do not like to do so; we should like to avoid it. But if that is practically the only course left open to us, we shall be compelled to adopt it in the discharge of our duty to the country. On the other hand, if the Government would take up the matter in a more sympathetic spirit and remember that the two sides of the House must agree in order that protection should be given in a legitimate and reasonable manner to any industry in this country, they would show greater regard for the opinion of this section of the House, Sir. That is all I have to say.

**Sir Walter Willson** (Associated Chambers of Commerce: Nominated Non-Official): Sir, as the original protagonist in this House of dealing with

this question by a system of bounties, several of my friends on this side of the House have suggested to me that I should address you on the subject. I shall be very brief on the point, Sir, it is simply this. I was, in the first instance, in favour of treating the whole question of protection to the steel industry by the system of bounties and I am so to-day (Hear, hear), but, when I suggested the treatment of the case by a system of bounties, I did not suggest that those bounties should be raised out of a high protective tariff. My scheme was that those bounties were to be found from the revenues of the general tax-payer in order that we should see at all times, in voting the amount which was involved, exactly what the protection was costing the country and have it constantly in our minds. Mr. Jamnadas Mehta's scheme, however, is one that I cannot agree with. Mr. Jamnadas Mehta in his very first minute of dissent, on the very first Steel Bill, took exactly the same view on some points as he takes to-day. He said that the tariff wall that was then proposed in the Bill was in his opinion inadequate, both as regards rates and duration. He has been proved wrong as regards rates, because the Bill before the House to-day finds it possible considerably to reduce the tariff rates. He then brought forward several points such as—that "it was not desirable that the private manufacturer should get rich and prosperous at the cost of the public",—he wanted a scheme of nationalisation or profit-sharing or State purchase, and so on. But we find to-day that by a series of mental gymnastics he has come round to my point of view, that the case should be treated by bounties. But his own system is one which would not work. Sir Charles Innes has dealt with it in detail and I will not weary the House by repeating it.

Sir, when you consider Mr. Shanmukham Chetty's scheme, he speaks as Member for Coimbatore. I also, Sir, am a Member for Coimbatore. I have a Chamber of Commerce there and I have constituents in Coimbatore as has Mr. Shanmukham Chetty. My constituents are situated throughout the whole of India and it is speaking for these consumers of steel throughout the whole of India that I say that of all the schemes that have been put before the House in this Debate the one which now holds the field, namely, the Government Bill, to which I subscribed in Select Committee, is in my opinion the best of the whole lot. (*An Honourable Member* "Question?") Sir, in a nutshell, stripped of all the words we have heard, it is merely this. Supposing you trade in apples and pears instead of steel. What is the good of giving you too much protection for your apples and insufficient protection for your pears? In this Bill you have the minimum of protective duty, namely, Rs. 19, so that Mr. Chetty's constituents at Coimbatore and my constituents at Coimbatore will only have to pay Rs. 19 duty for their steel if it is of standard quality. If it is non-standard quality, they will have to pay Rs. 30 duty. (*An Honourable Member*: "Why?") Because that is the difference between the two grades, as stated. Therefore, that is the only point at issue. And I submit that of all the schemes before the House, the Government Bill is the best of the whole lot and it has my support.

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

**Mr. President:** The question is that the question be now put.

The motion was adopted.

**Mr. President:** The question is :

"That for sub-clause (1) of clause 2 of the Bill the following be substituted :

(1) For sub-section (4) of section 3 of the Indian Tariff Act, 1894, the following sub-section shall be substituted, namely :

- • (4) If the Governor General in Council is satisfied, after such inquiry as he thinks necessary that articles chargeable with duty under Part VII of the Second Schedule are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India, he may, by notification in the Gazette of India, increase such duty to such extent as he thinks necessary."

The Assembly divided :

#### AYES—56.

Abdul Latif Saheb Farookhi, Mr.  
Acharya, Mr. M. K.  
Aiyangar, Mr. C. Duraiswamy.  
Aney, Mr. M. S.  
Ayyangar, Mr. K. V. Rangaswami.  
Ayyangar, Mr. M. S. Sesha.  
Badi-uz-Zaman, Maulvi.  
Belvi, Mr. D. V.  
Bhargava, Pandit Thakur Das.  
Birla, Mr. Ghanshyam Das.  
Chaman Lall, Mr.  
Chetty, Mr. R. K. Shanmukham.  
Chunder, Mr. Nirmal Chunder.  
Das, Mr. B.  
Das, Pandit Nilakantha.  
Dutt, Mr. Amar Nath.  
Dutta, Mr. Srish Chandra.  
Goswami, Mr. T. O.  
Gour, Sir Hari Singh.  
Gulab Singh, Sardar.  
Haji, Mr. Sarabhai N.  
Iyengar, Mr. A. Rangaswami.  
Iyengar, Mr. S. Srinivasa.  
Jayakar, Mr. M. R.  
Jogiah, Mr. Varahagiri Venkata.  
Joshi, Mr. N. M.  
Kelkar, Mr. N. C.  
Kidwai, Mr. Rafi Ahmad.  
Kunzru, Pandit Hirday Nath.

Lahiri Chaudhury, Mr. Dhirendra Kanta.  
Lajpat Rai, Lala.  
Malaviya, Pandit Madan Mohan.  
Mehta, Mr. Jamnadas M.  
Misra, Mr. Dwarka Prasad.  
Moonje, Dr. B. S.  
Murtuza Saheb Bahadur, Maulvi Sayyid.  
Naidu, Mr. B. P.  
Nehru, Pandit Motilal.  
Neogy, Mr. K. C.  
Pandya, Mr. Vidya Sagar.  
Prakasam, Mr. T.  
Rananjaya Singh, Kumar.  
Rang Behari Lal, Lala.  
Ranga Iyer, Mr. C. S.  
Roy, Mr. Bhabendra Chandra.  
Roy, Rai Bahadur Tarit Bhushan.  
Sarda, Rai Sahib M. Harbilas.  
Shafee, Maulvi Muhammad.  
Shervani, Mr. T. A. K.  
Singh, Mr. Gaya Prasad.  
Singh, Mr. Narayan Prasad.  
Singh, Mr. Ram Narayan.  
Sinha, Kumar Ganganand.  
Sinha, Mr. Siddheswar.  
Tirloki Nath, Lala.  
Yusuf Imam, Mr.



## NOES—65.

Abdul Aziz, Khan Bahadur Mian.  
 Abdul Haje, Mr.  
 Abuul Matin Chaudhury, Maulvi.  
 Abdul Qaiyum, Nawab Sir Sulibzada.  
 Abuullah Haji Kasim, Khan Bahadur  
 Haji.  
 Ahmed, Mr. K.  
 Akram Hussain Bahadur, Prince  
 A. M. M.  
 Allison, Mr. F. W.  
 Anwar-ul-Azim, Mr.  
 Ashrafuddin Ahmad, Khan Bahadur  
 Nawabzada Sayid.  
 Ayangar, Mr. V. K. A. Aravamudha.  
 Ayyangar, Rao Bahadur Narasimha  
 Gopalaswami.  
 Bhoze, Mr. J. W.  
 Bhuto, Mr. W. W. Illahibakhsh.  
 Blackett, The Honourable Sir Basil.  
 Clow, Mr. A. G.  
 Coatman, Mr. J.  
 Cocke, Mr. H. G.  
 Crawford, Colonel J. D.  
 Donovan, Mr. J. T.  
 Dunnett, Mr. J. M.  
 E'jaz Rasul Khan, Raja Muhammad.  
 Gavin-Jones, Mr. T.  
 Ghulam Kadir Khan Dakhan, Mr.  
 W. M. P.  
 Ghuznavi, Mr. A. H.  
 Gidney, Lieut.-Colonel H. A. J.  
 Graham, Mr. L.  
 Greenfield, Mr. H. C.  
 Haigh, Mr. P. B.  
 Hayman, Mr. A. M.  
 Hezlett, Mr. J.  
 Howell, Mr. E. B.  
 Hussain Shah, Sayyed.

Hyder, Dr. L. K.  
 Innes, The Honourable Sir Charles.  
 Ismail Khan, Mr.  
 Jinnah, Mr. M. A.  
 Jowahir Singh, Sardar Bahadur .  
 Sardar.  
 Kabul Singh Bahadur, Risaldar-Major  
 and Honorary Captain.  
 Keane, Mr. M.  
 Lamb, Mr. W. S.  
 Lindsay, Sir Darcy.  
 Macphail, The Rev. Dr. E. M.  
 Mitra, The Honourable Sir Bhupendra  
 Nath.  
 Mohammad Ismail Khan, Haji  
 Chaudhury.  
 Moore, Mr. Arthur.  
 Muddiman, The Honourable Sir  
 Alexander.  
 Muhammad Nawaz Khan, Lieut.-  
 Sardar.  
 Nasir-ud-din Ahmad, Khan Bahadur.  
 Natiqee, Maulana A. H.  
 Paddison, Sir George.  
 Parsons, Mr. A. A. L.  
 Rahimtulla, Mr. Fazal Ibrahim.  
 Rajah, Rao Bahadur M. C.  
 Roy, Mr. K. C.  
 Ruthnaswamy, Mr. M.  
 Sassoon, Sir Victor.  
 Singh, Rai Bahadur S. N.  
 Suhrawardy, Dr. A.  
 Sykes, Mr. E. F.  
 Tonkinson, Mr. H.  
 Willson, Sir Walter.  
 Yakub, Maulvi Muhammad.  
 Young, Mr. G. M.  
 Zulfiqar Ali Khan, Nawab Sir.

The motion was negatived.

The Assembly then adjourned for Lunch till Twenty-Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty-Five Minutes to Three of the Clock, Mr. President in the Chair.

**Mr. Mukhtar Singh** (Meerut Division: Non-Muhammadan Rural): Sir, I beg to move.

**The Honourable Sir Charles Innes:** I rise to a point of order as to whether two clear days' notice was given in regard to this amendment.

**Mr. President:** Has the Honourable Member given two days' clear notice?

**Mr. Mukhtar Singh:** Yes, Sir.

**Mr. L. Graham:** Notice was received in the office at 1-30 P.M. on Saturday.

**Mr. President:** The Honourable Member must resume his seat when another Member rises.

The office received notice of the Honourable Member's amendment at 1-30, and therefore it could not be in time.

**Mr. Mukhtar Singh:** Notice of the Resolution, Sir, that I want to move was given and that has already been printed.

**Mr. President:** The fact that the amendment has been printed does not entitle the Honourable Member to move it if it is found that proper notice was not given.

**Mr. Jamnadas M. Mehta:** This is dated the 12th February, and it cannot be on Saturday last.

**Mr. President:** The Honourable Member is referring to amendment No. 8 on the list.

**The Honourable Sir Charles Innes:** There is no objection to No. 8, Sir.

**Mr. President:** I take it that the Honourable Member drops all amendments of which he gave notice only the day before yesterday. He is entitled to move amendment No. 8.

**\*Mr. Mukhtar Singh:** Sir, I beg to move:

"That in sub-clause (1) of clause 2 of the Bill after the proviso to the proposed sub-section (5) the following further proviso be inserted:

'Provided further that small articles such as bolts, nuts, toys, utensils, cutlery, etc., manufactured by *bona fide* Indian manufacturers out of steel of non-Indian origin purchased in the market will be given a rebate of the duty charged under the Act.'

Sir, I have the good fortune of moving this Resolution at this very opportune time when all are agreed not only to take measures for the protection of the steel industry in India but also when we are trying to protect the British steel industry as well. Sir, by passing this Bill as it is, the result will be that a good many industries of the country will come to grief. In order to illustrate my point, Sir, I take first the bolts and nuts industry. The importance of this industry will be quite clear from the fact that in 1925 we imported bolts and nuts worth Rs. 27,58,580. That shows that the country is importing a very large quantity of bolts and nuts. It is practically in every city that bolts and nuts are manufactured. There is a firm, Messrs. Kirloskar Bros., Limited. They have purchased a plant worth Rs. 1½ lakhs.

**The Honourable Sir Charles Innes:** It might shorten the Honourable Member's arguments if I am permitted to point out that the application for protection for bolts and nuts is now being considered by the Tariff Board.

(Several Honourable Members: "Withdraw, withdraw.")

**Mr. Mukhtar Singh:** That does not mean that this is not the proper time to move this Resolution. That is all the more reason, Sir, why protection for the bolts and nuts industry is necessary and this is the time to consider that point.

**Mr. President:** Is the Honourable Member not satisfied with the statement made by the Honourable the Commerce Member?

**Mr. Mukhtar Singh:** No, Sir. My amendment concerns not only the bolts and nuts industry but also a good many other articles to which I shall refer just now. No protective or prohibitive duty is levied for bolts and nuts which are imported from outside the country, while a prohibitive duty, practically speaking, has been levied on the raw material from which bolts and nuts are manufactured. It means, Sir, that we are putting the manufacturers to a great loss when we levy a duty on the raw material and when we do not levy a duty on the imported article. I may say, Sir, for the information of the House that the British trade is not much affected as regards bolts and nuts. The House will be pleased to notice that in 1921 import of British Empire bolts and nuts was 19,54,400 and this has been decreased by 11,79,125. So, practically speaking, the British manufacturer is not able to compete in the Indian market as regards bolts and nuts. The result of the duty, Sir, would be that we shall be levying a duty of about Rs. 2 per cwt. on mild bars which are needed for the manufacture of bolts and nuts. If we take other cases, Sir, we find this. Take the case of toys. Delhi is noted for the manufacture of metal toys. They are made out of different kinds of tin-plates and the result would be that they would be hit very hard. Then, there is the manufacture of buckets of tin or galvanised iron. They are also manufactured, Sir, in practically every city. There is domestic hardware which is manufactured at different places. If we raise the duty, the result would be that the raw material would become very costly. If we take the case of safes, we find that in 1921 we were importing safes worth Rs. 5,18,012.

**The Honourable Sir Charles Innes:** On a point of order, Sir, there is no mention of safes in the Honourable Member's amendment.

**Mr. Mukhtar Singh:** I may point out to my Honourable friend that I have used the word, "etc.". (Laughter.) The main point is whether we are going to give protection to those manufacturers who use different kinds of steel as the raw material for the manufacture of small industries. There are various other articles, Sir, which are manufactured in the country. Take the case of locks, lanterns, sheet metal utensils. There are so many articles that are manufactured out of Continental steel and if we do not propose to give any rebate to these manufacturers, they will be really at a loss to know how to make their living. There would have been no necessity for moving this Resolution if all those articles were not imported from other countries. They have not only to compete with manufacturers in the country but the manufacturers have to compete with all the foreign manufacturers, and this is why this Bill at least should not put them to a loss while taking care to protect the steel industry. The only objection that can be taken to my Resolution might be . . . . .

**Mr. President:** Will the Honourable Member speak of his amendment as an amendment, and not as a Resolution.

**Mr. Mukhtar Singh:** There is only one objection that can be taken to my amendment and that is this. It will be very difficult in practice to

[Mr. Mukhtar Singh.]

know how to give this rebate to these people. I would submit that there are two ways in which this rebate can be given. We must satisfy ourselves as to how much raw material has been used and on the basis of that we can calculate the amount of duty that has been charged by Government over and above the revenue duty and in that case we can very easily give a rebate to the manufacturer. Or there might be other rules made under the Act which might be worked out as to how the rebate should be given. So I beg to submit that it is very necessary that we should give protection to these small industries that deserve it. The small manufacturer has a very small capital and every pie to him is very precious. We should not only consider the case of a big manufacturer who can very well lose a few rupees, but here the small manufacturer has a very small capital and has very little to lose, and therefore we should try our best not to put him to a loss by enacting this Bill.

With these few words I commend my amendment to the favourable consideration of this House.

**The Honourable Sir Charles Innes:** The Honourable Member was mistaken in saying that there is only one objection to be taken to his amendment. I will mention only two. First, the amendment is so vague as to be entirely unworkable. How can we give a rebate on an "et cetera"? What is meant by "toys, utensils"? The suggestion is quite unworkable. Are we to have a special staff to give back thousands of rupees to small manufacturers for duty paid on small amounts of imported steel? How are we to prove that the imported steel is not Indian steel? Who is to decide whether a manufacturer is a *bona fide* Indian manufacturer? I must therefore oppose the amendment as being altogether vague and entirely unworkable.

**Mr. President:** The question is:

"That in sub-clause (1) of clause 2 of the Bill after the proviso to the proposed sub-section (5) the following further proviso be inserted:

'Provided further that small articles such as bolts, nuts, toys, utensils, cutlery, etc., manufactured by *bona fide* Indian manufacturers out of steel of non-Indian origin purchased in the market will be given a rebate of the duty charged under the Act.'

The motion was negatived.

**Mr. President:** Mr. Das.

**The Honourable Sir Charles Innes:** Sir, I rise to a point of order. I object to Mr. Das's amendment on the ground that it is outside the scope of the Bill, which deals with the increase of import duties in order to provide for the continuance of the protection of the steel industry.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): I have adopted this safeguard as I think that we cannot accept this Bill without introducing this sub-clause in clause 2 of the Bill. It merely amplifies the matter and binds down the Government to give effect to the recommendations of the Tariff Board as a whole. I think I am justified in my amendment.

**Mr. President:** The difficulty of the Chair in regard to this amendment is not the one pointed out by the Honourable the Commerce Member. The

real difficulty is in regard to the words "Municipal and Local Boards" in the amendment. The question is whether this Legislature is entitled to legislate on provincial subjects without the sanction of the Governor General.

**The Honourable Sir Charles Innes:** On a provincial transferred subject.

**Mr. B. Das:** In the Government of India there are no transferred subjects, and although the transferred subjects are under the Provincial Governments, the Government engineers rule the whole show that has been transferred to the Municipal and District Boards, and for that reason I have brought it into my amendment.

**Mr. President:** The question the Honourable Member has to answer is whether this Legislature is entitled to make or take into consideration any loss regulating a provincial subject without the sanction of the Governor General.

**Mr. B. Das:** I beg to submit that this Legislature being the Central Government are quite competent to advise Provincial Governments and the transferred departments of Provincial Governments.

**Mr. President:** Will the Honourable Member read section 67?

**Mr. B. Das:** I am sorry, Sir, I have not got a copy of the Act.

**Mr. President:** I must rule the amendment as it stands out of order under section 67 of the Government of India Act. But I do not wish to be harsh with the Honourable Member. If he is prepared to drop the words "Municipal and Local Boards", I will allow the remaining part to stand.

**Mr. B. Das:** I thank you, Sir, and bow to your ruling, and consent to drop the words "Municipal and Local Boards". I hope, however, that the provincial Legislature will take a note of the observations we make here.

I beg to move the amendment that stands in my name, namely:

"That after sub-clause (1) of clause 2 of the Bill the following new sub-clause be inserted:

- (2) The Governor General in Council may, by notification in the Gazette of India and in the local official Gazettes, declare that the purchase of steel of Indian origin shall be given preference to by all the Government Departments, Railway Board, State-aided Railways, the Military Department and the Indian Stores Department in India."

Sir, in our discussion of this Bill we have often quoted the recommendations of the Tariff Board, 1926, as the gospel to be followed. I find, however, that the Bill is drafted so that it only gives effect to half of those recommendations, that is, reducing and levying a certain amount of tariff rates on steel to give protection to the steel industry. But it does not give effect to the other half of the recommendations of the Tariff Board which are described in paragraph 166 on page 97:

"Our proposals may be considered not as separate recommendations as to the duty appropriate for each class of steel, but as a considered and connected scheme for the grant of protection to the Steel industry as a whole."

[Mr. B. Das.]

That scheme is referred to on page 74, paragraph 134 :

"The success of the policy of protection will largely depend upon the co-operation which the Government receives from railways, the largest purchasers of steel in India, and it is of the utmost importance that they should offer every possible encouragement to the use of Indian material. As we have emphasized in a previous Chapter, it is essential that the railways should arrange to purchase the whole of their requirements of rails in India so far as they can be produced in the country. The disposal of structural sections at present is of less importance, since the Steel Company has no difficulty in selling the whole of its output."

Further on it says :

"The expansion of the industry will be largely affected by its ability to dispose of an increasing output of structural material and within a few years this question will constitute a serious problem. It is therefore important that the railways should now undertake the revision of their designs for bridges, buildings and other works so as to facilitate the use of a larger proportion of Indian structural sections in the future."

Sir, I may here just refer to another quotation from the first Report of the Tariff Board in 1924, where they say :

"The object of protection is to secure the Indian market for the Indian producer, and the Government purchases of iron and steel constitute a large part of the effective demand."

Sir, in 1924, in the debates, some of us tried to impress on the Government that the Government should give us an undertaking that the Government departments would purchase, as far as they could and as far as are available, all their requirements of iron and steel in India. But no such undertaking was given, and as far as I recollect, the Honourable the Commerce Member said they could not give a guarantee to carry out every part of the recommendations of the Tariff Board. But we are luckier this year and the Honourable the Commerce Member has told us that the Tariff Board's recommendations should be given effect to as a whole and the Tariff Board themselves have said that their recommendations should be given effect to as a whole. One part of their recommendations is that a duty should be put on steel so that the steel industry should receive adequate protection, but the producer of steel must find purchasers. In India it is the Government Departments that purchase the largest amount of steel and iron, and we know the Indian Stores Department is controlled by the Honourable Sir Bhupendra Nath Mitra and the Railway Department is controlled by the Honourable the Commerce Member. We know the Indian Stores Department has made some rules, by which the subordinate Departments are asked, if they can, to buy articles of Indian manufacture, but they do not put their whole heart into it and do not buy articles of Indian origin. If Honourable Members who were in the last Assembly recollect aright, we once discussed with the Honourable Member for Railways the question that the Stores Departments of the Railways should make some effort to buy certain articles of Indian produce. The Honourable Member for Commerce quoted certain rules by which the Railways were asked that they may purchase preferentially goods of Indian origin. There was no command from the Government to buy goods and iron and steel of Indian origin. Sir, those kinds of pious expressions found in the Tariff Board's recommendation in 1924 or expressed by the Honourable Government Members on the floor of this House will not give us any assurance that Government are going to fulfil that part of the obligation, and this Bill will not give effect to the recommendation of the

Tariff Board in all its aspects if Government do not incorporate in the Statute the other half of the recommendation which is that Government departments must make their purchases of steel of Indian origin. I do not want to go into the details of the rail purchases now; I will do that subsequently in another amendment. But there also the Tariff Board have recommended that the railways should buy all their rails from the Indian steel firm to give full protection to that industry. We have too new schemes for 6,000 miles of railways, which were mentioned in the speech by His Excellency the Viceroy in Simla last year. We are soon to have 6,000 additional miles of railways. Immense quantities of rails will be purchased for them and structural steel for station yards, buildings and bridges will be required, and unless the Government fulfil that part of the obligation, simply fixing the tariff duty and expressing a pious wish to give protection to the steel industry in India will be of no avail. Tata manufacture standard steel and why should it not be purchased by the Stores Department and the Government departments? I hope the Military Department also will take a lesson from them and in their strategic railway lines or in building structures they will use as far as possible iron and steel of Indian origin. Of course the military contracts we cannot discuss on the floor of this House, but we hope His Excellency the Commander-in-Chief and the Military Department will see that their Department gives preference to steel of Indian manufacture. I do not suggest that, by introducing this clause into the Bill, we are giving a premium to the Tata steel industry. The price of steel is regulated and is well known to the Government, because the Customs Department of the Government knows the prices from the invoices of the importers and the Tata price can be regulated, and even if the price of Tata iron is a few per cent. higher, in order to give protection to steel of Indian manufacture, the State being the largest purchaser, ought to confine their purchases first to the Indian steel and only later take steel from outside. It may be said the public can buy Tata steel, but the public are very small users of steel and they ordinarily use fabricated sections, bars, rods, etc., for their buildings, but usually Continental steel being cheaper, they give preference to that. I may mention that the public purchases are very small compared with those of the Government. Another thing is that in India the structural engineering industry is not getting orders from the Government and the Railways and the military Departments. I do not agree with the Tariff Board when they say Indian engineering firms cannot fabricate more than 15 or 20 thousand tons; they can manufacture even 100,000 tons of structural and fabricated steel if they get the orders. In another amendment of mine I will go into this in detail later on. There are various engineering firms all over India who will be glad to manufacture structural steel provided they are given the chance. They do not get the chance. Firms like Burns, Jessops, Richardson and Crudas and many lesser engineering firms to-day find no work from the Railways and are starving for orders. Yet orders go outside to British firms and Indian engineering firms suffer and Indian workmen find no employment.

If we had suspicion of this Government to-day, I am not talking of that suspicion on the floor of this House. I believe in your *bona fides*. Give us a guarantee of your honesty of purpose and give us statutory guarantee. Why do you not incorporate it in the Statute? Sir Charles Innes will not be here after two months and thereafter, I do

[Mr. B. Das.]

not know who will be the Honourable Member who will sit there as Commerce Member. He may say "I have forgotten; I did not give an undertaking of that kind." I will just illustrate my observations by citing an incident how Government memory after all is very short. The other day I asked my Honourable friend Mr. Parsons why no local advisory committee for the Bengal Nagpur Railway had been set up at Nagpur as was assured us by Mr. Sim on the floor of the House and he said he did not know what Mr. Sim told us on the floor of the House two years ago. Well, Sir, the new Commerce Member may not know what Sir Charles Innes wanted to do or that Sir Bhupendra Nath Mitra told us that it is the definite policy of Government that all Government purchases should be primarily and preferentially confined to articles of Indian origin. Well, Sir, I hope I have not brought in any heat into my speech. I am speaking in the most conciliatory spirit. I hope the Government will understand the spirit of suspicion, the growing spirit of suspicion that is at the back of our minds year after year, and will be honest and fair with us. We are not asking you to-day anything that will lower the prestige of the Government. I ask the Government to fulfil their obligations which have been undertaken on the floor of this House. Let them give effect to the recommendations of the Tariff Board in full, and if they do not do so we shall suspect in our minds that the Government are not going to fulfil the other half of the obligations. The Treasury Benches who sit there live in Simla and Delhi. They have very little time to see that the departments under them carry out the orders that have been issued by them for purchases of articles of Indian steel. The Railway Department, the Agents of the various railways, the store-keepers and the head store-keepers of railways, as also the store-keepers of the Provincial Governments in the various departments, and the various underlings of the Indian Stores Department all try to evade this order and interpret rules framed to suit their own taste. That is why we want it declared on the Statute-book, and I commend my amendment to the Government and to this House.

**Mr. M. S. Aney** (Berar Representative): Sir, I would like to support this amendment on a different ground to the one which Mr. Das made out just now. His amendment seeks to create a statutory obligation on the Government to make purchases of steel of Indian manufacture, I mean Indian manufactured steel. I believe the success of the very scheme for which the Honourable Member pleaded so eloquently and has been pleading so eloquently for the last few days requires that there should be an obligation like that on the Statute-book. If we turn to clause (4) of section 2, we find that this Bill contemplates the possibility of the protection that is given by us at present proving ineffective some time hereafter. In that case power is given to the Governor General in Council to alter the duty in such a way as to make it effective. The question is whether at that particular moment the Governor General in Council will do it or not, leaving the fate of the Indian industry to chance. If this House is really serious, as I think it is, that these powers should be exercised at the proper moment and the Indian industry's fate should not be left to tremble in the balance at that critical hour, then it is necessary that whatever disadvantages are likely to accrue to Indian consumers in this country on account of the protection proving ineffective must also simultaneously accrue to the Government. If we put a statutory obligation upon the Government by compelling them to make purchases of



Indian steel, then they will be co-sufferers along with the Indian people at that time and the necessity for making those alterations for which we have made provision in the law will be more easily appreciated. From that point of view, from the point of view of making this scheme genuinely successful—a desire which the Honourable the Commerce Member has himself expressed—I would urge on this House to accept the amendment which my Honourable friend has just moved.

**The Honourable Sir Charles Innes:** Sir, I do not complain of any heat in Mr. Das's speech: my only complaint is that he spent the last twenty minutes in flogging what I might call a very dead horse. He suggests, as Mr. Aney put it, that we should lay a statutory obligation upon Government to give preference to Indian steel. I may point out that the amendment itself does not lay any obligation of any sort or kind on the Government. It merely says that "the Governor General in Council may by notification in the Gazette of India and in the local official Gazettes declare that the purchase of steel of Indian origin shall be given preference". Now, Sir, what is the use of requiring Government by a clause in this Bill to issue a notification of that kind when Government have already issued a notification to that effect. The Stores Rules say perfectly definitely that "all articles which are produced in India"—I pause here to point out that that covers steel and steel articles—"shall in preference to articles not manufactured in India or wholly or partly manufactured in India, for Government purposes be purchased locally." We have already issued orders in the sense in which Mr. Das asks and I do suggest that it is quite unnecessary to add this clause to the Bill. I may add, for Mr. Das's information and for the information of this House, that these Rules are now under revision by my Honourable colleague Sir Bhupendra Nath Mitra.

Mr. Das suggested that the Railway Department were not buying enough structurals—I think he said—from the Tata Iron and Steel Company; but I think Mr. Das must have overlooked what the Tariff Board say in paragraph 34 of their Report. They point out that at present the Tata Iron and Steel Company is not in a very good position to make structural sections because it has to make them in its old mills. When it has got its new mills running it will be very much easier to make structurals of all kinds. The difficulty at the present time is that the Tata Iron and Steel Company only roll certain sections and those sections do not always fit our railway bridges. We have just started in the Railway Department to carry out the recommendation made by the Tariff Board in paragraph 34, that is, to make revised standardised designs for bridges on the railways. As soon as these standardised designs are out they will be sent to the Tata Iron and Steel Company in order that Tatas may know what sections to roll. In these circumstances I hope my Honourable friend will not press his amendment.

**Mr. President:** The question is:

"That after sub-clause (1) of clause 2 of the Bill the following new sub-clause be inserted:

- (2) The Governor General in Council may by notification in the Gazette of India and in the local official Gazettes declare that the purchase of steel of Indian origin shall be given preference to by all the Government Departments, Railway Board, State-aided Railways, the Military Department and the Indian Stores Department in India."

The Assembly divided :

AYES—38.

Abdul Latif Saheb Farookhi, Mr.  
 Abdul Matin Ochaudhury, Maulvi.  
 Acharya, Mr. M. K.  
 Aiyangar, Mr. C. Duraiswamy.  
 Aney, Mr. M. S.  
 Ayyangar, Mr. M. S. Sesha.  
 Badi-uz-Zaman, Maulvi.  
 Belvi, Mr. D. V.  
 Bhargava, Pandit Thakur Das.  
 Birla, Mr. Ghanhyam Das.  
 Chaman Lall, Mr.  
 Das, Mr. B.  
 Haji, Mr. Sarabhai Nemchand.  
 Iyengar, Mr. A. Rangaswami.  
 Iyengar, Mr. S. Srinivasa.  
 Jayakar, Mr. M. R.  
 Jogiah, Mr. Varahagiri Venkata.  
 Kelkar, Mr. N. C.  
 Kidwai, Mr. Rafi Ahmad.  
 Kunzru, Pandit Hirday Nath.

Lahiri Chaudhury, Mr. DKirendra.  
 Kanta.  
 Lajpat Rai, Lala.  
 Mehta, Mr. Jamnadas M.  
 Misra, Mr. Dwarka Prasad.  
 Moonje, Dr. B. S.  
 Mukhtar Singh, Mr.  
 Murtuza Saheb Bahadur, Maulvi  
 Sayyid.  
 Naidu, Mr. B. P.  
 Neogy, Mr. K. C.  
 Prakasam, Mr. T.  
 Rananjaya Singh, Kumar.  
 Rao, Mr. G. Sarvotham.  
 Roy, Mr. Bhabendra Chandra.  
 Shafee, Maulvi Muhammad.  
 Shervani, Mr. T. A. K.  
 Singh, Mr. Narayan Prasad.  
 Sinha, Mr. Siddheswar.  
 Yusuf Imam, Mr.

NOES—46.

Abdul Aziz, Khan Bahadur Mian.  
 Abdul Qaiyum, Nawab Sir Sahibzada.  
 Ahmed, Mr. K.  
 Akram Hussain Bahadur, Prince  
 A. M. M.  
 Allison, Mr. F. W.  
 Anwar-ul-Azim, Mr.  
 Ashrafuddin Ahmad, Khan Bahadur  
 Nawabzada Sayid.  
 Ayangar, Mr. V. K. A. Aravamudha.  
 Ayyangar, Rao Bahadur Narasimha  
 Gopalaswami.  
 Bhole, Mr. J. W.  
 Blackett, The Honourable Sir Basil.  
 Clow, Mr. A. G.  
 Coatman, Mr. J.  
 Donovan, Mr. J. T.  
 Dunnett, Mr. J. M.  
 Ejaz Rasul Khan, Raja Muhammad.  
 Ghuznavi, Mr. A. H.  
 Gidney, Lieut.-Colonel H. A. J.  
 Graham, Mr. L.  
 Greenfield, Mr. H. C.  
 Haigh, Mr. P. B.  
 Hayman, Mr. A. M.  
 Hezlett, Mr. J.  
 Howell, Mr. E. B.  
 Innes, The Honourable Sir Charles.

Jinnah, Mr. M. A.  
 Jowahir Singh, Sardar Bahadur  
 Sardar.  
 Kabul Singh Bahadur, Risaldar-Major  
 and Honorary Captain.  
 Keane, Mr. M.  
 Mitra, The Honourable Sir Bhupendra  
 Nath.  
 Mohammad Ismail Khan, Haji  
 Chaudhury.  
 Moore, Mr. Arthur.  
 Muddiman, The Honourable Sir  
 Alexander.  
 Muhammad Nawaz Khan, Lieut.-  
 Sardar.  
 Nasir-ud-din Ahmad, Khan Bahadur.  
 Paddison, Sir George.  
 Parsons, Mr. A. A. L.  
 Rajah, Rao Bahadur M. C.  
 Roy, Mr. K. C.  
 Ruthnaswamy, Mr. M.  
 Singh, Rai Bahadur S. N.  
 Suhrawardy, Dr. A.  
 Sykes, Mr. E. F.  
 Tonkinson, Mr. H.  
 Yakub, Maulvi Muhammad.  
 Young, Mr. G. M.

The motion was negatived.

**Mr. President:** The next amendment that I propose to take is amendment No. 10 on the first list, by Mr. Joshi.

**The Honourable Sir Charles Innes:** Sir, I rise to a point of order. I submit that this amendment comes within the mischief of section 67(2) (a) of the Government of India Act in that it is a measure which imposes a charge on the revenues of India and has not obtained the sanction of the Governor General.

**Mr. N. M. Joshi** (Nominated: Labour Interests): Sir, my amendment does not place any burden upon the general revenues.

**Mr. President:** What does it do?

**Mr. N. M. Joshi:** My amendment is that the proceeds from the duty shall not be carried to the general revenues. We are levying an import duty, and I want that the income realised from this protective duty shall not be carried to the general revenues. I therefore think, Sir, that my amendment is in order.

**Mr. President:** Is not the revenue derived from the protective duties part of the general revenues?

**Mr. N. M. Joshi:** I do not think, Sir, that should be carried to the general revenues.

**Mr. Chaman Lall** (West Punjab: Non-Muhammadan): May I point out, Sir, that so far as the Bill is concerned, it already affects public revenues, and this being merely an amendment no previous sanction of the Governor General in Council is necessary. Already the Bill is before us and the amendment only affects the principle of the Bill. Therefore, Sir, no further sanction is necessary under section 67(2) (a).

**Mr. T. Prakasam** (East Godavari and West Godavari curu Kistna: Non-Muhammadan Rural): May I also point out, Sir, that the amendment deals with monies that have yet to be collected, and which have not yet come into the possession of Government. The whole thing is to come into existence in future.

**Mr. President:** Does the Honourable Member suggest that the word "revenue" in the section does not apply to future revenues?

**Mr. T. Prakasam:** Because the whole Bill itself relates to what is to come into existence in future in regard to bounties and protection.

**The Honourable Sir Basil Blackett:** I submit, Sir, that if this is not revenue, it is monies, and no proposal for the appropriation of any monies for any purpose shall be made except with the recommendation of the Governor General in Council.

**Mr. President:** That is perhaps more appropriate.

**The Honourable Sir Basil Blackett:** That is appropriation.

**Mr. O. Duraiswamy Aiyangar** (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, the amendment proposed by Mr. Joshi says that the fund which is collected by protective duties, if in excess of what is realisable by ordinary revenue duties, may be spent by the Governor General. Unless it says that the amount shall be spent, it cannot be a fair charge on the fund. It can become a charge upon that item only when the amendment says "it shall be spent".

**Mr. President:** I am inclined to think that the amendment of Mr. Joshi is clearly a proposal for the appropriation of the revenue or monies for a certain purpose. I do not think the Honourable Member from Bombay will contest that position. In that view I am of opinion that the amendment is out of order. It is, therefore, not necessary to decide whether the amendment comes within the mischief of section 67(2) (a) of the Government of India Act.

The next amendment to clause 2 is amendment No. 2 on the second list.

**Lala Rang Behari Lall** (Delhi: General): Sir, my amendment is to clause 3 and not to clause 2.

**Mr. President:** Is it not to clause 2?

**Lala Rang Behari Lall:** No, Sir; it is to clause 3.

**Mr. President:** Then I take it that there is no other amendment to clause 2.

The question is:

"That clause 2 do stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

**Mr. President:** The question is:

"That clause 3 do stand part of the Bill."

**Lala Rang Behari Lall:** Sir, I propose:

"That in clause 3 of the Bill after the word 'shall', the following be inserted:

'not earlier than the 31st day of March, 1933, except on a representation by the Indian steel industry complaining of the insufficiency of protection given by this Act and '."

Sir, in proposing this amendment I had two objects in view. The first one was to keep the industry alert so that it might be on the lookout if its interests were properly watched and guarded. The next object was to provide for an early inquiry at the instance of parties who have some interest against the industry. I submit, Sir, that in the original Bill the words "not earlier than the 31st day of March, 1933" existed, but in the Select Committee they were deleted on account of the reason that there might be circumstances which were desirable to have an earlier inquiry. I submit, Sir, that an early inquiry should be only in the interests of the Indian industry and on their complaint on account of want of protection. With these remarks, I move my amendment.

**The Honourable Sir Charles Innes:** Sir, the Honourable Member has been very brief and I shall try to follow his example. The Honourable Member is perfectly correct in saying that in the original Bill we did have the provision that he suggested, and I may say that that provision was suggested by the Tariff Board. But, on thinking the matter over again, we decided that it was wrong to have the Bill so rigid and inelastic and that it was wrong for us to bind our successors in that way. We thought it would be much better, and much sounder to leave the matter elastic, as has been done in the revised Bill. That was also, I may say, the unanimous opinion of the Select Committee, and I hope the Honourable Member will allow the present words to stand.

The motion was negatived.

**Mr. President:** The next amendment I propose to take is the one standing in the name of Mr. Chaman Lall.

**Mr. Chaman Lall:** Sir, the amendment that stands in my name reads thus:

"That after clause 3 of the Bill the following new clause be inserted and the subsequent clauses be re-numbered accordingly . . . ."

**The Honourable Sir Charles Innes:** May I suggest, Sir, that clause 3 might perhaps be put first, before the Honourable Member's amendment is taken up because it comes after clause 3.

**Mr. President:** It is not a sub-clause.

**Mr. Chaman Lall:** It is a separate clause, Sir.

**Mr. President:** If it is a separate clause, the Honourable Member should have put it down as 4.

**Mr. Chaman Lall:** I have asked, Sir, that the following clauses be re-numbered.

**Mr. President:** Quite right; unless the new clause is numbered 4, you cannot ask that the other clauses should be re-numbered. The Honourable Member has not put down 4 against his amendment.

**Mr. Chaman Lall:** It is a verbal change, Sir.

**Mr. President:** The question is:

"That clause 3 do stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

**Mr. Chaman Lall:** Sir, the new clause reads as follows:

"After clause 3 of the Bill the following new clause be inserted and the subsequent clauses be re-numbered accordingly:

"The Governor General in Council shall have power to frame rules under the Act in respect of such steel companies operating in India as may from time to time be notified by the Governor General in Council, prescribing the amounts out of the profits of such companies:

- (a) which would be set aside from time to time to form a depreciation fund to be used only for providing against the depreciation of existing plant;
- (b) which should be set aside for the provision of housing, sickness benefits and maternity benefits for workers employed by notified steel companies, whose salaries amount to one hundred rupees or less per mensem."

Now, Sir, my amendment arises out of the recommendation of the Tariff Board itself in one particular. On page 75 of the Report, Honourable Members will find the recommendation that, in so far as the depreciation fund is to be created, provision must be made in order to safeguard that fund:

"For this reason we think that the scheme of protection might well be accompanied by an obligatory provision that a sufficient sum by way of depreciation should be set aside annually and that the depreciation fund should be expended only for the purposes for which it is intended."

Then again, Sir, on page 96, a similar recommendation is made in paragraph 165:

"The future of the steel industry largely depends on the formation of a reserve sufficient not only to provide against the depreciation of the existing plant but also to enable the most modern machinery to be installed. In order to ensure that adequate sums are set aside for depreciation and that the funds so provided are not diverted to other objects, power should be taken to frame rules prescribing the amount which should be set aside from time to time and the manner in which such amount may be expended. Although no immediate exercise of the power may be necessary, it appears to us expedient for Government to arm itself with such power to be exercised should occasion arise."

[Mr. Chaman Lal.]

Now, Sir, I understand from the Honourable the Commerce Member, in various eloquent speeches that he has delivered on the floor of this House in connection with the Steel Bill, that the framers of the Tariff Report are great experts and that their word is almost equivalent to law. Now, if they are experts and if their word is to be judged on the merits of an expert's opinion, then I fail to realise why this particular recommendation which goes to the very root of the matter under discussion has not been accepted by the Government and why some provision has not been made in the Bill itself giving effect to that recommendation by the Tariff Board. Now, as I understand the Report, I understand it to mean this, that the whole scheme of protection will be nullified if power is not taken to see that the depreciation fund is properly used for the purposes of depreciation or for the renewal of plant and the Tariff Board recommend that the Government should take such power into their own hands. The protection that the Tariff Board want to extend is protection to shareholders themselves against their own generosity to themselves. They want to see that the depreciation fund is not frittered away in the shape of dividends paid out in a generous moment by shareholders. Now, Sir, that is one of the grounds on which I would recommend this amendment of mine. We have had a very illuminating debate. One Honourable Member in the lobby told me that it was a profitless debate. My amendment is not profitless since it relates to the profits of the Tata Iron and Steel Company and I want some of the profits that the Tata Company are making for the purpose of making provision for the renewal of plant and machinery.

Now, Sir, the second part of my amendment relates to another matter which unfortunately under the rules had to be ruled out when my friend Mr. Joshi moved his amendment. He wanted to achieve his aim by means of the sums that would be realised out of the protective duties to be imposed under the Bill. But under my amendment we do not touch the general revenues. All we say is that power should be taken under the Act itself in order to get hold of some of the profits made by the Steel Companies and earmark these profits for the purposes of maternity benefits, for the purpose of sickness benefits, and for housing. Sir, in the original debates that were held in 1924, Honourable Members will remember that we laid a great deal of stress upon the condition of the workers and that we also insisted that power should be taken in order to safeguard the interests of the workers in India, not only to protect the steel industry but to protect the workers in the steel industry. Unfortunately, on that occasion we were ruled out of order. But I submit, Sir, that this amendment is in order and we have every right to call upon any steel company operating in India so to use its profits as to ensure that decent conditions are provided for the workers engaged in the steel industry. Now, in view of that, the Tariff Board themselves after the debates that took place in 1924 have gone carefully into the matter and have examined the labour conditions (which they failed to do on the first occasion) at Jamshedpur, and they seem to be satisfied that the condition of the workers there is of such a nature that Tatas are supposed by the Board to be doing everything in their power for the workers. Well, Sir, I beg to differ from these experts as far as that question is concerned just as I defer from them regarding the necessity for protection. I have had the advantage with my Honourable friend over there of having visited Jamshedpur, not once but several times. I have seen the labour conditions there with my own eyes and I may say that,

although the report is optimistic in regard to schemes relating to housing, etc.; no satisfactory housing arrangements are provided for the workers at Jamshedpur. No doubt they are better than they were before, but still there is a good deal to be done. Nearly half the population are without any decent or adequate housing to-day. As far as maternity benefits are concerned, we have it on the authority of people there on the spot that a large number of women are employed by the Tata Company on no more than five to six annas a day. Now what sort of provision can you make for them in the case of a necessity such as is contemplated by my amendment? There can be no provision made, there is no provision made; and is it improper, is it unjust to ask the Tata Company to devote some of their profits to helping these workers—men and women—engaged in the steel industry? Now, Sir, I do not wish to be long in relating the story of the labour conditions in Jamshedpur. All that I want is to leave it to the good sense of this House to see to it that some provision is made in the Bill, for the protection of steel workers as well as for the protection of the steel industry, against the vagaries of shareholders.

**The Honourable Sir Charles Innes:** Sir, my Honourable friend opposite did not state my position quite correctly—I mean my position in regard to the Tariff Board's Report. I have always taken up the same position in regard to a report by an Indian Tariff Board, namely, that we must treat that report with the greatest respect but that we need not treat it as sacrosanct—or every recommendation in it as sacrosanct. The Tariff Board can only advise: the responsibility of having to decide on the Tariff Board's recommendation must rest with the Government. I think my Honourable friend will bear me out that I have always taken up that position. Now, Sir, I quite realise the importance of providing for proper provision being made for depreciation and we have considered most carefully whether we could not include in the Bill some rule-making power or provision on the lines recommended by the Tariff Board. What the Tariff Board suggested was that we should take power to see that proper provision was made for depreciation each year, the reason being, I suppose, that they were afraid lest the shareholders might demand dividends to the detriment of depreciation. Our difficulty in the matter was that we could not see how we could include a provision of that kind in the Bill and make it effective. The Honourable Member opposite proposes to confine his provision to notified steel companies. Well, supposing you have got a notified steel company and you say that it must put aside so much for depreciation, supposing it does not do so, what is your remedy going to be? Are you going to say, we will withdraw that protection? And if so, would that be fair to the other steel companies who had provided for depreciation? That was the difficulty. And for that reason we thought that the wisest thing to do would be to leave the matter to the good sense of the Directors of the Company. After all, Diwan Chaman Lall says that the whole scheme will go wrong if proper provision is not made for depreciation. The real point I think is that, if the Tata Iron and Steel Company do not carry out that scheme of the Tariff Board to which reference is made in Chapter 3 of their Report, I think then they will find that the protection we are giving them under this Bill will become inadequate and this is the best way of dealing with the matter.

The same remarks apply to the proposal regarding the provision of housing, sickness benefits, maternity benefits, and the like. We do not

[Sir Charles Innes.]

see what sanction we could have for a provision of that kind and we think that if measures of that kind are to be taken up, they should be taken up by all the industries as a general measure—this concerns my friend Sir Bhupendra Nath Mitra—and they should not be confined to particular companies whom we may happen to protect. Sir, I oppose the motion.

**Mr. President:** The question is :

“ That the following amendment be made, namely :

After clause 3 of the Bill the following new clause be inserted and the subsequent clauses be re-numbered accordingly :

‘ The Governor General in Council shall have power to frame rules under the Act in respect of such steel companies operating in India as may from time to time be notified by the Governor General in Council, prescribing the amounts out of the profits of such companies :

- (a) which would be set aside from time to time to form a depreciation fund to be used only for providing against the depreciation of existing plant;
- (b) which should be set aside for the provision of housing, sickness benefits and maternity benefits for workers employed by notified steel companies, whose salaries amount to one hundred rupees or less per mensem.”

The motion was negatived.

Clause 4 was added to the Bill.

The Schedule was added to the Bill.

**Mr. President:** The question is :

“ That this be the Title and Preamble of the Bill.”

**Mr. Jamnadas M. Mehta:** Sir, I beg to move :

“ That in the Preamble of the Bill after the words ‘ fostering and developing ’ the words ‘ the imports of British steel into British India under the guise of giving protection to ’ be inserted.”

Sir, . . . .

**Mr. President:** Order, order. Is the Honourable Member really serious in moving this amendment?

**Mr. Jamnadas M. Mehta:** I am most serious; how can I be otherwise? This Bill is the thin end of the wedge. The whole purpose of this Bill is under the guise of giving protection to the Tata steel industry to give preference to British goods.

**Mr. President:** The Honourable Member has already failed in his attempt to convince the House.

**Mr. Jamnadas M. Mehta:** I thought I should make another attempt, Sir, with your permission.

**Mr. President:** I would ask the Honourable Member to be more serious and not to make any further attempt.

**Mr. Jamnadas M. Mehta:** I bow to your decision, Sir.

**Mr. B. Das:** Sir, I beg to move :

“ That in the Preamble of the Bill after the words ‘ and developing the steel industry in British India ’ the words ‘ and whereas it is expedient that all State purchases of steel shall be preferentially of Indian origin ’ be inserted.”

Sir, I do not wish to make a speech . . . .



**The Honourable Sir Charles Innes:** Sir, the amendment is consequential on amendment No. 9 which has been lost.

**Mr. President:** Does the Honourable Member agree that this is merely consequential to the amendment which has already been lost?

**Mr. B. Das:** I do not agree to that.

**Mr. President:** Whether the Honourable Member agrees or not, the Chair thinks that it is consequential to the amendment which has already been lost.

The question is:

"That this be the Title and Preamble of the Bill."

The motion was adopted.

The Title and Preamble were added to the Bill.

**The Honourable Sir Charles Innes:** Sir, I move that the Bill be passed, and in doing so I do not propose to make any speech. We have had, I think, a very long and severe debate and if I have said anything which my Honourable friends opposite may think to be too strong I hope they will accept my assurance that it was not made in that spirit. I hope, Sir, the House will now pass this Bill and that they will remember that they have now come to the point where they have got to choose between the Government Bill, which is the Bill so far approved by the House, and an industry which comprises 21 crores of Indian money and which, as my Honourable friend Mr. Jamnadas Mehta told us this morning, has spent in the last few years Rs. 425 lakhs in wages. Sir, I move.

**Mr. President:** Motion moved:

"That the Bill to provide for the continuance of the protection of the steel industry, as reported by the Select Committee, be passed."

**Mr. S. Srinivasa Iyengar (Madras City: Non-Muhammadan Urban):** Sir, I think that at this last stage I should express my emphatic dissent from the Bill as put forward by Government. It is my misfortune to have to differ from my Honourable friend, Mr. Jinnah, and others of his way of thinking, but I have not the slightest doubt, after listening most anxiously to the debate and to the various arguments put forward by those who have taken that view, that it is impossible for us to support this Bill. Of course care should be taken to express that the real objection is not against protection. On the other hand we are for protection to such a key industry as this steel industry. But at the same time the methods adopted by this Bill are so hopelessly at variance with the principle upon which protection should be agreed to that I feel bound to express my dissent. I shall do so in the briefest possible way. In the first place, so far as the preference is concerned, there can be very little doubt that it is British preference. I should not like to use the word Imperial Preference, but there is undoubtedly British preference, and I understood the Honourable Member for Commerce, Sir Charles Innes, to concede that position. He did say that there was preference so far as regards the country of origin. I do not know what the course of the debate would have been if he had made that statement at an earlier stage before the motion to refer the Bill to the Select Committee was lost. My Honourable friend Mr. Jinnah

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argued subtly, too subtly I think—and it reminded me of a court of law—that it was not British preference. I was not able to see it. I can only look at the plain language of the Bill and it appears to me to be as much preference as it possibly can be, and if there can be any doubt about it, there is the proviso to clause 2 which says:

“Provided that the duty leviable on any such article shall in no case be less than the duty leviable on a like article of British manufacture.”

and which makes it perfectly clear that it is British preference and nothing but British preference. There is also this further fact. It was agreed, I think, that this preference should not be introduced at all without the consent of the Legislature. Now, the only question is whether it is right for the elected Members of the Legislature, who represent the popular view, to vote in favour of a Bill like the present one which does indicate clearly and in unmistakable language British preference. I say we cannot. A great deal of discussion took place as to whether our objection was economical or political, but I think it is both political and economical, and I cannot see the slightest distinction between these two aspects. They are phases of the same fundamental truth, that self-government, for which we all long. So far as I can see, it is said by the Tariff Board in their Report—otherwise an admirable report, I do not like to lack in payment of that courtesy that it is otherwise an admirable report—there is not the slightest doubt that this is British preference. Only they want to mark a distinction between the economic aspect and the political aspect. It cannot be open to us at this stage after the Imperial Conference Resolution and after what Sir Charles Innes said at that Imperial Conference, to go back upon it and to say, “What was then objected to was a technical kind of Imperial Preference; what is now introduced is a substantial kind of Imperial that is British preference. We are only against the technicality; we are for the substantial preference.” Of course advocates can make black white. We have, I think, learnt during these last six years that we cannot be subtle in matters of this description and it is my great regret that the soft steel of Indian brains and hearts has not become the hard steel, that kind of steel which is according to the British standard specifications. If we had become steel of that type I have not the slightest doubt that a great deal of talk which took place that it is not British preference would never have taken place. I recognise that men like me will have to wait till that soft steel becomes the steel of British standard specifications.

Then I come to the next objection which seems to me to be equally formidable. As has been pointed out by so many speakers, this is certainly a Bill by which the Government seeks to raise revenue directly—much more revenue than is needed for the protection which is to be given to the steel industry. At this stage I do not propose to quote, but merely to refer to, the speech which Sir Charles Innes made on the 26th January 1925, when this excellent Tariff Board made a report that the protective duty should be increased and Sir Charles Innes turned down that proposal using the very same argument which my Honourable friend Mr. Jamnadas Mehta put forward, namely, that you should not give a protection that is out of proportion to the protection that is required for the steel industry and you should not impose a heavier burden than necessary on the consumer. Then apparently the Tariff Board was not the expert body that it

has suddenly developed into. Sir Charles Innes then turned down their proposal. He advocated, and he carried the House with him, that protection lay not in action in that direction, increase of protective duty, but in the manner proposed in his Resolution, namely, the grant of bounties. I think the bounty system that has now been proposed is not a bounty system open to the economic objections which were raised as to the demoralising nature of bounties, because the system proposed was a combined protection and bounty system that has been pursued in the last three years and which has been tried with some measure of success. There is no reason why Government should have suddenly taken a departure in this direction and brought forward this Bill, unless they wanted in the guise of protective duties, in the guise of protecting the steel industry upon which this House had set its heart, an enormous sum of money, much more than would be raised if it came as a revenue duty. And I have got a constitutional objection, I have got a standing objection to put into the exchequer more money than is needed by way of raising revenue, and the ordinary customs revenue must therefore suffice. If they want revenue in the way of protective duties, that must be utilised for the payment of bounties. Then, an extravagant argument was urged the other day by the Commerce Member—and it was abandoned to-day—that Mr. Jamnadas wanted to give two crores away by way of bounties. No such thing. According to Mr. Jamnadas Mehta's amendments all that would have gone is not 2 crores but much less than the sum required to be raised. Incidentally, if I understood the Honourable Member for Commerce aright, it was stated that Mr. Mehta wanted Rs. 19 for structural sections on the one side and he wanted to give Rs. 4 by way of bounties on the other side. No such thing. The Rs. 11 were to come out only of these Rs. 19 protective duties. Government was to get Rs. 8 as revenue duty; Rs. 11 would come out of that Rs. 19 and would be available for payment of bounties. I do not propose to enter into arguments as to these figures. It may be that the amendments of my Honourable friend Mr. Jamnadas might have been worded in another form, so as not to give rise to discussion of figures. In a House like this it is impossible to discuss figures in the first instance. Unless they were discussed in Select Committee and unless the figures were there, it is open to anybody to challenge the accuracy of the figures. Those of us who have bestowed any attention upon this matter know that the figures which Mr. Jamnadas Mehta used, to use my Honourable friend Mr. Jinnah's words, were substantially correct. The amount that was required by way of bounties at present was only Rs. 25 lakhs and it is clear from a paragraph in the Report of the Tariff Board that the total output of steel during the next 7 years would not exceed 800,000 tons; and it was equally pointed out by our leader, Pandit Motilal Nehru, that ten years was required to make steel available in the country. Therefore, it is idle to contend that the system of combined protective duties and bounties is an impossible system. But I do not propose to discuss that. I only give that as a reason why I am bound to oppose this motion that the Bill do pass just now. It is clear that instead of pursuing the course which they have hitherto pursued with success this sudden departure has been taken by them for the purpose of raising duties.

Nor do I think that we can overlook the third objection, which is equally formidable. The consumers of Continental steel would certainly be affected. I do not see why great play should have been made with the word "middleman". Middlemen are Indians and they are as much

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entitled to live in this country and I suppose they have got to get profits. It does not matter to me whether they are consumers, traders or middlemen; all of them are entitled to justice. I brush aside that argument with the consideration it deserves, and it deserves no consideration. But all that I am urging upon the House is to realise that really what we are doing is to kill the Continental steel imports into India, because that is what would happen. Afterwards British merchants would lower or put up their prices as might be suitable and we do not know what would happen and Tata's steel works would have to switch on to one kind of steel or

4 P.M. another kind of steel as the case may be and I do not know what the future may bring. I hope those who have voted with the Government on this matter will not live to regret the fatal mistake they have committed by adopting this British preference and voting in the way they have done. I do not propose to say more. As I said, it is a very melancholy thing that on an issue of this first class importance we should have lost sight of the principle which required that we should keep ourselves stiff and firm in our attitude of uncompromising opposition to any introduction of this British preference, that we should have slackened ourselves and in our partiality for the steel, as though any side of the House was really divided in its opinion as to the necessity for protection of the steel works, that we should have really forgotten our paramount duty. That is my opinion, and I have got the misfortune to differ from those who have taken another view. It may be they are right. But I have not the slightest doubt after giving the most conscientious, the most anxious consideration to this subject and after having looked at the figures with every care, that this is a Bill which should be most emphatically dissented from and which should not be allowed to be passed. There is, I do consider, great danger not only to the consumers but also to the steel works of Tatas. That is how I read it. There have been a great many congratulations offered to the Commerce Member. I am not accustomed to congratulate the Government. Sir Bhupendra Nath Mitra very rightly, if I was disposed to congratulate Members on the other side, Sir Bhupendra Nath Mitra administered a lesson to us the other day in saying that all these congratulations imply an admission of the infallibility of the Government Benches, and therefore I do not propose to congratulate anybody, except of course to make ironical congratulations if they become necessary. The less we congratulate the Members of Government the better. That is my personal view. I certainly think from the way in which the debate has proceeded it appears clear that we have not been able to keep that stiff front which it was our duty to have kept. With these words I oppose, and oppose most emphatically and in an unqualified fashion, this Steel Bill.

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): Sir, I desire to join with my leader Mr. Srinivasa Iyengar in opposing the passage of this Bill, not because I feel that the Tata industry should not be protected, but because I feel that the Bill as now being passed ought not to be passed and that it should be passed in the form in which Mr. Jamnadas Mehta would have cast it or at least in the form in which my friend Mr. Shanmukham Chetty would have cast it. Sir, there is no disguising the fact that this Bill specifically and deliberately gives preference to British goods and in so far as that is con-

cerned Sir Charles Innes frankly admitted that it does give preference and all that he was prepared to add was that they were not going to embark on a policy of Imperial Preference afterwards. So far as this British preference is concerned, I cannot take the airy view that it is merely incidental to the protection which is sought to be given to the Tata steel works; on the other hand I feel that this British preference is part of a policy which has been adopted for the past few years deliberately to give protection to British industry and to British Labour, if necessary, and in many ways to resuscitate British exploitation of India. Sir, at the Imperial Economic Conference at which my friend Sir Charles Innes was a valiant champion of Indian interests this question of giving preference to British industries and British products was considered, and he very frankly said at that Conference, and I pin him to those words:

"I have already said that without preference British goods enjoy the largest share of India's market and India is Britain's best customer. I must leave the matter at that. The Government of India must continue to reserve freedom of action in this matter."

Sir, he has not left it at that. He has now gone further and he is making the tax-payer of this country give preference to British goods at our expense, and I think it is absolutely unjustifiable that a poor country like India should be taxed for the benefit of a rich country like England.

Sir, so far as this aspect is concerned, I have to refer to another matter which appears also deliberately designed to give preference or protection to British products. I refer to the case of the wagon manufacturers. On this question, I do feel that after all that has been said the Honourable Sir Charles Innes has not dealt with the House or with the Select Committee fairly in regard to the real position in this matter. I would desire to draw attention to the fact that when the matter of protecting the wagon industry was before the Tariff Board, the Tariff Board reported that as regards railway wagons the future requirements of Indian Railways are still under the consideration of the Government. The cost of the bounty to be given on these articles is necessarily dependent on the output and in the absence of definite information of the probable future demand it was impossible for the Board to frame any recommendation. On this state of things, the matter went before the Select Committee and my friend, Mr. Jinnah, very pertinently raised this matter and has made a note in his separate minute, in which he says that:

"the Honourable Sir Charles Innes has also stated that the question of wagon bounties would be considered by the Tariff Board and the Tariff Board's report would come up for consideration in September. In the meantime the amount of money available for bounties under the Steel Act was sufficient for the orders that were placed in the current year."

What are the facts? The facts are, as Sir Clement Hindley and the Honourable Sir Charles Innes told the House when the Railway Budget was introduced, that this Government had ordered wagons far in excess of the requirements of this country, and the largest part of those orders were placed in England; and we are now told categorically by Sir Clement Hindley that wagons would not be wanted for railways either next year or the year after next.

**The Honourable Sir Charles Innes:** We are already placing orders for wagons of non-standard type.

**Mr. A. Rangaswami Iyengar:** I am talking of the Indian Standard Wagon Company's wagons. I want to put it to the House, whether it was fair to us to say that the question of giving bounties to the wagon manufacturers in this country would be considered in September and in the meanwhile the bounties would go on, when no wagon orders were intended to be placed in this country for several years to come.

**The Honourable Sir Charles Innes:** We are placing orders for nearly 1,800 wagons this year.

**Mr. A. Rangaswami Iyengar:** That is not the point. The question is whether under the Tariff Board's Report, when the Wagon Company wanted protection for wagon manufacture, after they had put down plant, machinery and capital for a steady supply of wagons to the railways in this country, the Government should turn round and say, "We shall not be wanting wagons for five years" and then to tell the Select Committee at the same time when the question will arise in September when you had already filled your requirements and will not want wagons for some years. If that is the position, it is not treating the House fairly when you say that the wagon question will be considered later. What is the reason for this, that so far as we are concerned, these wagon orders as well as many other orders for British steel goods were placed in England in excess of requirements? I can also instance the question of locomotives. The whole position is that British industries were specifically favoured, I understand, by means of demi-official correspondence, not only as to the actual requirements in this country but also as regards anticipated requirements, and in the case of anticipated requirements orders were placed far in excess of real requirements with the result that we find that wagons are very much in excess, and we are told that this has been a new discovery, a discovery which has been brought to notice by special enquiries made by the Railway Board. We have also been told that workshop improvements have been made which have resulted in so many quantities of excess stores being found to-day. I say that huge quantities of materials have been imported into this country out of proportion to all requirements. I say that that is a direct act of preference to British goods. I therefore say that this Bill has gone further and given a preferential treatment to British steel and we say that this is a very wrong thing, and we cannot associate ourselves with any matter of this sort. If it is true that the wagon industry is not going to get bounties, if the Government are aware of that, then what is the reason again of putting an import duty on wagons imported into this country at only 10 per cent. instead of 17 per cent. as on other similar classes of goods? The position therefore is that the Indian Standard Wagon Company and other companies will not get bounties because there are no orders. On the other hand, wagons produced in England will be brought into this country at a rate of duty lower than it should be. Apart from anything else, the symmetry of the Act requires that steel products included in wagons ought to be put under the same category as other standard steel. Therefore, I feel that this Act as enacted is undesirable. It is a deliberate attempt to give preference to British goods, to place British manufacturers in full supply of orders from this country through the Government. I say we cannot associate ourselves with such a policy by passing this Bill in its present form.

**Mr. M. A. Jinnah:** Sir, I feel I must say a few words before this Bill leaves this House. I can assure my Honourable friends who differ from me that I have, to the utmost of my abilities and my judgment, examined this Bill and I have clearly come to the conclusion that this Bill is in the best interests of India. (*An Honourable Member:* "No.") That is my opinion. I assert it, and repeat it again, that in my opinion it is in the best interests of India as compared with the other two schemes placed before the House. Sir, that being my conviction I have supported this Bill. My Honourable friend, Mr. Srinivasa Iyengar, at least had the grace to say this, that he may be wrong and we may be right. Time will show that, and the verdict of time will either condemn him or condemn me.

It has been said that it is not Imperial Preference but nevertheless it is British preference. It has been said, that Sir Charles Innes admitted, but I even would not admit, that it was British preference. That is the allegation against me. I do not know that Sir Charles made any such admission, but, as I understand British preference, it means that you give a distinct advantage to Britain for her sake. Here there is no such idea if this differential or this discriminative duty which we are proposing is in our own interests, then it is not British preference, and it is economically in the interests of India, and therefore I have no hesitation in supporting this Bill.

There has been a great deal of talk as if we were making a great gift to England. I am not holding a brief for English manufacturers. I do not hold a brief for Government. I hold a brief for India, and I say this, if Honourable Members have looked into the figures, the so-called preference which is sought to be given to Britain or British steel is a mere trifle in money value. The total British steel imported into India is 600,000 tons, twelve and a half crores of rupees worth and the so-called gift which I am charged with being a party to making is with regard to only 80,000 tons of British steel worth 1.8 crores that is to say hardly 10 per cent. of the total British steel that is imported into India comes under the differential duties. Sir, if Honourable Members will take the trouble as I have, a great deal of trouble, the money value of this gift is not even ten lakhs of rupees as against the balance of 500,000 tons of British steel worth 12½ crores of rupees, and the total export of British steel is 4 millions. Do you think that you are encouraging British trade by this trifling difference which is made? I say that trifling difference is being made purely for the purpose of protecting our home steel which has got to compete half and half against the British Continental steel. Sir, I assure the Honourable Members here, that it has given me no pleasure to differ from them. It has given me great anxiety before I decided to differ from my Honourable colleagues with whom I am in general agreement on the majority of questions, but I have differed on this question and I think you will give me the credit, as you have already so expressed which I acknowledge, that I have done so because I believe it is in the interests of India.

**Dr. B. S. Moonje** (Nagpur Division: Non-Muhammadan): Sir, the question has been dealt with from the expert and technical points of view. I shall only speak of it from the political point of view. It looks as if, particularly when Mr. Jinnah has been supporting the Government Bill, from the Government point of view we are in a most unenviable position. Here



[Dr. B. S. Moonje.]

in their consuming anxiety the Government feel that they have put forward a Bill for promoting the best economic interests of the steel trade and of India, and here we are on this side, crooked-minded people as if it were, giving all sorts of opposition to them, putting forth all our protests and ignoring their desire for promoting the best economic interests of the country. The thing is heightened when our colleague in the position of Mr. Jinnah is supporting them. What is it? Is it really a fact that there is something behind the movement for giving protection to the steel industry? Sir Charles Innes in his speech pointed out in a sentence, which clearly ought to have indicated the motive that was inspiring him. He said :

"On the one hand we have these powerful, mature, efficient steel firms in England, Scotland and on the Continent fighting for their very existence in a contracted market and cutting their prices in the struggle. On the other hand you have the Tata Iron and Steel Company passing through, as I have said, the most difficult stage of its existence."

We unfortunately, leaping with joy because Government were making an effort to give protection to Indian steel, entirely forgot what the motive behind that movement was. Three years ago it was protection to Indian steel, three years after it is protection to Indian steel and British steel along with it, because it is in the economic interests of the country. Who knows three years hence it may be in the economic interests of the country to give preference to Continental steel also. In 1924 preference to Indian steel, in 1927 preference to Indian and British steel, perhaps in 1930 it will be Indian preference and Imperial preference. All along we were protesting that the whole Bill was based on the one idea of preference, and equally my Honourable friend Mr. Jinnah was protesting that it was not. All along our Honourable friend over there, the Member for Industry, kept gracefully mum and never spoke or said whether it was preference or not. But when Mr. Jamnadas Mehta's motion was put to the vote and lost then he did speak. Then he spoke out and admitted that there was British preference. My friend there, the Honourable Mr. Jinnah, has been a long-standing Nationalist working for India. He ought now to see whether he has not been captured and caught in the meshes of British diplomacy. If that is so there is time yet for him. The motive of this Bill is more than we can conceive of. I will make a quotation from the *North Eastern Daily Gazette* of Middlesbrough about the position of the British steel trade :

"It is a tale of almost unrelieved gloom. After four years of industrial depression of such severity as to shake the financial credit and stability of even the most powerful of the British steel combines, there were indications of a gradual emergence into the sunshine of returning prosperity, when the Mining Federation delivered its devastating blow. It was the crowning disaster to the British iron and steel industry and the balance sheets of the various companies recently published afford eloquent testimony to the losses of the non-combatants. Of course the iron and steel industry was not the only sufferer. The devastating blight of a stoppage of the fuel supply from the British coalfields permeated with baneful effect almost every branch of industry. But without exception iron and steel manufacture has been the most seriously crippled industry. It was numbered amongst the first of the casualties, and its recovery will be the longest delayed. Falling just short of 2,500,000 tons this year our pig-iron production will be considerably less than half last year's modest total, and rather less than one-fourth the 10,250,000 tons in 1913."

Here is a clear indication, and the thing has been going on for many years after the war, and the Honourable Sir Charles Innes gave us a clear indication in his speech when he introduced the first scheme of preference in British India in the shape in which it was introduced, and we leapt with joy and said, here is a change in the heart of the Government which is:



now coming forward to give protection to our Indian industries. I say it is not too late; mistakes everybody commits, and if my friend Mr. Jinnah over there thinks he has been caught in the meshes of British diplomacy, subtle as it is, there is yet time for him when the Bill goes to the vote, and I hope he will add his strength to our voting side. I oppose the Bill.

**Mr. T. A. K. Shervani** (Cities of the United Provinces: Muhammadan Urban): Sir, I rise to raise my voice at this stage simply to warn certain Muhammadan Members, who in season and out of season harp on the safeguarding of Muslim interests, that by passing this Bill they are hitting hard at 10,000 artisans in my Province alone, who make steel trunks and locks. The final stage has just been reached; they have not committed themselves. I have warned them privately, and now I warn them on the floor of this House that they are hitting hard at these interests that they profess to protect.

**Pandit Dwarka Prasad Misra** (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, as on a former occasion I rise only to make a few observations and do not propose to place figures before the House at this last stage of the Bill. My Honourable friend Mr. Jamnadas Mehta has been attacked from all sides. Sir Charles Innes accused him of exuberance; my Honourable friend Mr. Jinnah also accused him of posing as a great economist. The Anglo-Indian Press is accusing him. . . .

**Mr. President:** The Honourable Mr. Jamnadas Mehta can well take care of himself. Please come to the point.

**Pandit Dwarka Prasad Misra:** I am not beside the point, Sir. He has been accused by the Anglo-Indian Press of having let his embittered sense of politics run away with his sense of economics. But, Sir, I want to point out on the floor of this House with all the emphasis that I can command that it is our embittered sense of economics that is responsible for our embittered sense of politics and not *vice versa*.

• As regards the Bill itself to me, Sir, the whole question appears to be very simple. We are out to protect our steel industry which is in its infancy. We know that if we want to give protection to our steel the consumers and the tax-payers must suffer more or less. We are prepared to go back to the country and ask the consumers to suffer ungrudgingly. But, Sir, the Bill that is before us and that claims to embody our sense of sacrifice and patriotism betrays the interest of both the consumer and of the steel industry.

The other day, Sir, I was much amused to hear my Honourable friend Sir Bhupendra Nath Mitra say that formerly the Tariff Board has been many times complimented on its findings and so why not this time also accept the new proposals of the Tariff Board as the result of its new experience? For my Honourable friend's enlightenment and for the information of the House I will just read a paragraph from an Anglo-India paper which lets the cat out of the bag. The *Englishman* writes in a recent issue:

"It is unfortunate that these considerations are only now, 3 years after the event, beginning to find a place in Tariff Board Reports. Precisely the same arguments were used repeatedly at the time of the first enquiry by ourselves and by our contemporaries, the *Statesman* and the *Pioneer*. Sir George Rainy and his colleagues were at that time suffering very severely from a Tata complex, and, until given a strong hint by Lord Reading during one of his Calcutta visits, continued bent on exceeding and misreading the terms of their reference."

[Pandit Dwarka Prasad Misra.]

Thus, Sir, we see clearly that the present policy is the result, not of any new experience gained by the Tariff Board, but of a strong hint given by no less a person than Lord Reading. I may be permitted to say, Sir, that we non-official Members, at least the Members on this side of the House, are still suffering from a Tata complex which circumstances have almost made a national complex with us and that we are not prepared to take the hint of Lord Reading.

It has been suggested that it is of the highest importance for the industrial development of this country that steel of the highest quality should be used in India's enterprises. Now, Sir, this is the old old story again. Our masters are never tired of prescribing efficiency and quality for us. Not content with having imported the Lloyd-Georgian steel-frame they want that every Indian house should have this steel frame. I do not know, Sir, how long we are going to be the field for England's outdoor relief and dumping ground for England's superfluous steel and superfluous sons over there. It was said by my Honourable friend Mr. Chetty the other day that Belgian and German bridges have not collapsed by using German and Belgian steel. I will not travel beyond the limits of my own province and would ask Sir Charles Innes whether the bridges that were washed away in the Nerbudda floods in my province in the last monsoon were made of Continental steel or British steel?

The most remarkable thing is that the Government Members, are anxious to rush this Bill through this House as soon as possible. I should have been very glad had I seen them showing the same anxiety in the case of the Currency Bill with which, I submit, this question is not altogether unconnected. Had we been in a position to know the prices of Continental and British steel on the one hand, and of Indian steel on the other, we would have been able to solve this question very easily. But so long as the ratio question remains unsettled this can not be done with any amount of certainty. The Government are more anxious to pass this Bill than to give us a stable currency. I strongly oppose the passing of this Bill on this as on other grounds.

The other side of the House have succeeded in capturing some of our friends, and the Honourable Sir Charles Innes on the strength of that said the other day that he could afford to enjoy our criticism. Sir, that shows the high sense of responsibility that the Government Members possess. I want to emphasise that if they persist in this sort of thing—calling the Members of the Select Committee amateurs and ridiculing Mr. Jamnadas Mehta on having produced his scheme within two hours—this sort of thing cannot go on. I want the Honourable Members opposite to entertain a greater sense of regard for the opinions and feelings of Members on this side of the House. I request my Honourable friend Sir Charles Innes that when he gets up next time to reply he will not show the same spirit again. I have noticed that when my Honourable friend Sir Basil Blackett is attacked by Members from this side of the House and Sir Charles gets up to support him he makes a very conciliatory speech; but when he himself is exposed by Members on this side he frets and fumes. The other day he lost his temper and said that Mr. Jamnadas Mehta ought to be ashamed to read the report of his speech at night. Perhaps the House and myself certainly would be interested to know which one of the two was ashamed of his performance. With these words, Sir, I oppose the passage of the Bill.

**Mr. C. Duraiswamy Aiyangar:** Sir, in 1924, my Honourable friend Sir Charles Lanes thought more of this country than of his own country. Now that he is nearing the shores of England he thinks more of that country than of this; and I am sure by this Bill he is paving the way for a great ovation when he reaches the shores of England. Sir, that this Bill would sooner or later come on and thereby the policy of British preference established in this country was prophesied by me even when he brought the first Steel Protection Bill in 1924. On that occasion I asked for the amendment of the Preamble to that Bill by deleting the word "discriminating" and substituting for it "in pursuance" of the declared future policy of protection." On that occasion, Sir, my Honourable friend Mr. Jamnadas Mehta told me that I did not know English. Now he realises with a vengeance what English means. Let me congratulate the other side on having taught him very impressively what English means and what India means in this Bill.

Sir, on that occasion I used the following words:

"The word 'discriminating' in the Preamble is absolutely unnecessary in an independent country, but in a dependent country where the policy of the country and its Legislature has to be shaped according to the interests not of its own but according to Imperial interests, then alone the question of discriminating protection comes in. Therefore I see in this word 'discriminating' consequences of a far-reaching nature."

Sir, I hope the House will have now realised what the prophecy that I made was and how well it has been fulfilled. But at any rate, Sir, things having become almost a settled fact by this Bill, I am inclined to take a philosophic view of these things rather than a practical view or to take into account the practical inconveniences which loom ahead in the eyes of others. Sir, I feel that what we had in the Mughal period and in the ante-Mughal period, we are now getting back in 1927. In that period, Sir, British commercial interests made solicitations, made cajoling requests to the then Emperors; and the then Emperors in their broad-mindedness gave the British a preference then. Now by the force of authority they are taking it, not by request but by command, by power, by influence. Sir, if you only trace briefly to that period the history of the tariff policy observed in India, you will find in the ancient period that the English were let off with a payment of an annual sum of Rs. 10,000, whereas the Danes, the French and the Portuguese were asked to pay  $2\frac{1}{2}$  per cent. import duty plus 6 annas discount per rupee on the value of articles imported. The Muhammadans were not more favoured than the British. They were asked to pay  $2\frac{1}{2}$  per cent. and all other imposts including the inland transit duties. The Armenians were asked to pay  $3\frac{1}{2}$  per cent. and all other imposts. The Hindus were asked to pay 5 per cent. and all other imposts. The most favourable concession given was to the British—even in preference to the Muhammadans and the Hindus of this country—under the rule of the ancient Emperors. Now, Sir, as a reward for that what is it that the British were doing in 1832 in levying import duties on articles that went from India to England? They levied 60 per cent., 70 per cent. and in some cases even 200 per cent. upon articles that were imported from this country into England, in order to promote their own industries, and when the question arose of what kind of preference they could give to imports, they gave preference to their own Colonies and placed India and Indian imports into England on the same level with other nations. Sir, that is the reward which we had from the British Government for all the concessions which the old Emperors were

[Mr. C. Duraiswamy Aiyangar.]

then showing; and now we are going back to those ancient ages and giving this preference. I, therefore, Sir, attack this Bill on that one and only ground.

Secondly, Sir, you will see that this Bill is described as a sort of nectar or sweet milk for this country and that the Honourable Sir Charles Innes is never tired of waving the sword over this Assembly by saying "Either take this Bill or nothing at all." I thought, Sir, he had left this sword behind in the old Assembly Chamber; but I now find that he has brought it along with him even to his seat over here. Now, Sir, we are not afraid of that. What I say and what I want to tell my countrymen is that instead of swallowing one pot of sweet milk which is mixed with an ounce of poison, rather discard the whole milk and be satisfied with the position which we already have.

Sir, when the Honourable the Commerce Member commenced his speech at the consideration stage of this Bill, he said, evidently expecting a good deal of gratitude from this House, that very often from 1924 he had to approach this Assembly for some kind of extension of protection in one way or another. Instead of viewing it with a sense of pride, I thought he should have seen in it a sad confession of how short-sighted, how half-hearted was the protection which he introduced in the first Steel Protection Bill. As soon as the Tariff Board Report was first published in 1924, in April or May, I wrote an article to the *Hindu* of Madras, where in I stated:

"The Tariff Board fixes a short life of three years for its own elaborate recommendations and suggests a fresh investigation in 1926-27. The Board concedes in one place that if internal competition arises by the starting of new companies, such new company will take five years to produce steel. If soon after there is to be another to settle or unsettle a policy of protection, on what foundation will the new company build its hopes? So long as provision can be made for off-setting duties, I am unable to see why a period of fifteen years should not be fixed at the outset for the working of a policy now inaugurated in the country. Inadequate and nominal reforms must run at least for ten years, but the tariff wall must be demolished soon after its construction leaving it to another architect to construct or not a similar wall again."

Sir, in the face of the Tariff Board's Report they fixed only three years as the period of protection. Was it a Tata Bill or a Steel Protection Bill, I ask once again? I asked this question then and I ask it once more. Very often pious hopes are expressed that new capital must flow in and that it is for the sake of developing that policy of inducing new capital flowing into the steel industry that these protections are now and then offered. Do you really expect, Sir, that by these half-hearted and halting protecting Bills you are inducing new capital to flow in? If at all new capital will flow in, it will be foreign capital which will perhaps flow into the Tata concern alone and no other new firm will be started with fresh Indian capital of any kind so long as you are not going to extend the period of protection, thereby sufficiently guaranteeing that those who put their capital in the steel trade will have an expectation that they will be supported. On the other hand, you first introduce three years; and now you are introducing seven years and you are coming very near my expectation; probably you will have to add five years more at the end of the period prescribed in this Bill. Sir, any way I do not find any hope that this Bill will be of any real good to this country. Far from that, we are establishing a dangerous principle, the principle of giving British preference in our trade. Englishmen are the first to preach free trade and deliver us a sermon upon it when it suits

their interests; but whenever it does not suit their interests they come and say "Give us preference. Support our industries and get on with or without yours; but let your first concern be that our industries are protected." Sir, I oppose this Bill.

**Nawab Sir Sahibzada Abdul Qayyum** (North-West Frontier Province: Nominated Non-Official): Sir, I should like to say just a few words in this connection. I have been hearing the eloquent speeches of the Honourable Members very patiently, but I am sorry that I have not yet come to believe that the arguments put forward by the Honourable Members on the other side are really unbiased. I will just refer to the remarks of my friend Mr. Shervani. These remarks have induced me to say a few words. My friend was perhaps not present all the time when long speeches were being made in this House. My experience of the debates in this House is a little different from his experience. I have noticed that every now and then a cry is raised in this House on behalf of the poor tax-payer, but never with any great effect. The Honourable Members on the opposite side say that they are the friends of the poor and that whatever they say is in the interests of those poor people. Similarly, the Honourable Members on this side press the same point and say that the measures that they propose are in the interests of the poor; and I have never been able to come to a definite conclusion whether that side or this side is really the friend of the poor.

Coming to the question of the artisans and their being thrown out of employment by this Bill, I think they will have to suffer to some extent even if the principle of our friend Mr. Jamnadas Mehta was introduced. Mr. Mehta proposes a bounty as the means of protecting the Tata's concern. Well, a bounty must come from the revenues of the country, and it means the same thing or almost the same thing—taxing the poor. If I may go back to the history of this steel protection measure, I think it originally started from the opposite side. I do not know who particularly wanted this protection, which has given rise to the question of showing preference to this or that country. The scheme of protection as originally started was at least praised from the other side, and if it has brought almost the giving of preference to the British steel, I am one who will not oppose that. Protection to the Tatas in itself is a preference at the cost of the poor, whether by the grant of a bounty or by the imposition of a protective duty, and why should we grudge it to the British if it falls to their lot in the ordinary course? I have noticed that preference is already shown by the British to Indian exports in some cases. I am not quite sure of my figures, but I think I can mention the commodities on which preference is given, I mean tea and coffee and some such things, on which preference is already given. Let us begin to give them preference from this side and put them under an obligation to us, so that we may expect the same preference from them to our exports. Somebody must start the preference. Why should we not give this preference so as to claim a return of the same treatment from the other side? Well, I do not think I can say more on this subject, but even if it is a question of giving preference to the British, I should advise the House to avail themselves of this opportunity of giving this trifling preference so that we may establish a claim for a return of this preference.

**Mr. J. Coatsman** (Director of Public Information): I move, Sir, that the question be now put.

**Mr. President:** The question is that the question be now put.

The motion was adopted.

**Mr. President:** Does the Honourable Member in charge wish to say anything?

**The Honourable Sir Charles Innes:** I do not wish to say anything.

**Mr. President:** The question is:

"That the Bill to provide for the continuance of the protection of the steel industry in British India, as reported by the Select Committee, be passed."

The Assembly divided:

AYES—52.

Abdul Aziz, Khan Bahadur M. an.  
Abdul Matin Chandhury, Maulvi.  
Abdul Qaiyum, Nawab Sir Sahibzada.  
Ahmed, Mr. K.  
Akram Hussain Bahadur, Prince  
A. M. M.  
Allison, Mr. F. W.  
Anwar-ul-Azim, Mr.  
Ashrafuddin Ahmad, Khan Bahadur  
Nawabzada Sayid.  
Ayyangar, Mr. V. K. A. Aravamudha.  
Ayyangar, Rao Bahadur Narasimha  
Gopalaswami.  
Bhore, Mr. J. W.  
Bhuto, Mr. W. W. Illahibakhsh.  
Blackett, The Honourable Sir Basil.  
Clow, Mr. A. G.  
Coatman, Mr. J.  
Donovan, Mr. J. T.  
Dunnett, Mr. J. M.  
E'jaz Rasul Khan, Raja Muhammad.  
Ghulam Kadir Khan Dakhan, Mr.  
W. M. P.  
Ghuznavi, Mr. A. H.  
Gidney, Lieut.-Colonel H. A. J.  
Graham, Mr. L.  
Greenfield, Mr. H. C.  
Haigh, Mr. P. B.  
Hayman, Mr. A. M.  
Hezlett, Mr. J.  
Howell, Mr. E. B.

Innes, The Honourable Sir Charles.  
Jinnah, Mr. M. A.  
Jowahir Singh, Sardar Bahadur  
Sardar.  
Kabul Singh Bahadur, Risaldar-Major  
and Honorary Captain.  
Keane, Mr. M.  
Mitra, The Honourable Sir Bhupendra.  
Nath.  
Mohammad Ismail Khan, Haji  
Chaudhury.  
Moore, Mr. Arthur.  
Muddiman, The Honourable Sir  
Alexander.  
Muhammad Nawaz Khan, Lieut.-  
Sardar.  
Nasir-ud-din Ahmad, Khan Bahadur  
Natique, Maulvi A. H.  
Paddison, Sir George.  
Parsons, Mr. A. A. L.  
Rahimtulla, Mr. Fazal Ibrahim.  
Rajah, Rao Bahadur M. C.  
Roy, Mr. K. C.  
Roy, Rai Bahadur Tarit Bhusan.  
Ruthnaswamy, Mr. M.  
Singh, Rai Bahadur S. N.  
Suhrawardy, Dr. A.  
Sykes, Mr. E. F.  
Tonkinson, Mr. H.  
Yakub, Maulvi Muhammad.  
Young, Mr. G. M.

NOES—40.

Abdul Latif Saheb Farookhi, Mr.  
Acharya, Mr. M. K.  
Aiyangar, Mr. C. Duraiswamy.  
Aney, Mr. M. S.  
Ayyangar, Mr. M. S. Sesha.  
Badi-uz-Zaman, Maulvi.  
Belyi, Mr. D. V.  
Bhargava, Pandit Thakur Das.  
Birla, Mr. Ghanshyam Das.  
Chaman Lall, Mr.  
Chunder, Mr. Nirmal Chunder.  
Das, Mr. B.  
Das, Pandit Nilakantha.  
Dutt, Mr. Amar Nath.  
Dutta, Mr. Srish Chandra.  
Iyengar, Mr. A. Rangaswami.  
Iyengar, Mr. S. Srinivasa.  
Javakar, Mr. M. R.  
Jorlah, Mr. Varshagiri Venkata.  
Kolkar, Mr. N. C.  
Fidwa, Mr. Rafi Ahmad.

Kunzru, Pandit Hirday Nath.  
Lahiri Chaudhury, Mr. Dharendra  
Kanta.  
Lajpat Rai, Lala.  
Malaviya, Pandit Madan Mohan.  
Mehta, Mr. Jumnadas M.  
Misra, Mr. Dwarka Prasad.  
Moonje, Dr. B. S.  
Mukhtar Singh, Mr.  
Murtuza Saheb Bahadur, Maulvi.  
Sayyid.  
Naidu, Mr. B. P.  
Neogy, Mr. K. C.  
Rananiya Singh, Kumar.  
Rang Behari Lal, Lala.  
Roy, Mr. Bhabendra Chandra.  
Shafee, Maulvi Muhammad.  
Shervani, Mr. T. A. K.  
Singh, Mr. Narayan Prasad.  
Sinha, Mr. Siddheswar.  
Yusuf Imam, Mr.

The motion was adopted. (Cries of "Shame.")

**Mr. President:** Order, order. The cry "Shame" has become so common in this Chamber that the Chair has decided to put its foot down in the interests of the dignity of this House.

## DEMAND FOR SUPPLEMENTARY GRANT—contd.

## AVIATION—contd.

**Mr. President:** The House will now resume further consideration of the following motion moved by the Honourable Sir Basil Blackett on the 9th February, 1927:

"That a supplementary sum not exceeding Rs. 9,95,000 be granted to the Governor General in Council to defray the expenses that will come in course of payment during the year ending the 31st day of March, 1927, in respect of 'Aviation'."

**Mr. Chaman Lall** (West Punjab: Non-Muhammadan): Sir, we are taken unawares in regard to this motion. But, since it is now going to be discussed, I propose, Sir, to deal at length with this motion. The motion, Sir, is for a supplementary sum and we have been presented with a blue-book entitled "Note on the Policy proposed for the advancement of Civil Aviation in India". And I note, Sir, on page 1 of this memorandum, which has been circulated to Honourable Members, that it is stated in paragraph 2:

"In November last, the Government of India published an important memorandum by the Indian Air Board, a Board constituted some years ago to advise Government on the various aspects of proposals connected with civil aviation, which consists of the Secretary to the Government of India in the Department of Industries and Labour as President, with the Air Officer Commanding in India, the Director General, Posts and Telegraphs, the Director General of Observatories, and two representatives of the Finance Department as Members."

Now, Sir, I do not know what sort of Board this is, whether it is composed of any experts in regard to aviation or not. There is apparently one gentleman on this Board, the Air Officer Commanding in India, who ought to know something about this subject. The others, I take it, are absolute amateurs, including my Honourable friend over there, the head of the Industries and Labour Department. (*The Honourable Sir Bhupendra Nath Mitra*: "He is not on it".) He is not. The Secretary to the Government of India in the Department of Industries and Labour. The Secretary is on it. I take it, Sir, that he is not an expert. Now, this is a Board of people who are not experts in charge of this Department and it is being proposed that we should sanction the appointment of a Director who would be an expert and whose services should be borrowed from Great Britain and who should be brought over here. Rs. 26,000 are being asked for from this House towards the remuneration of this gentleman. Now, Sir, we find in the proposal that there is this Company, the Imperial Airways Company, which wants to extend its airways transport to India. We are being asked to pay certain sums of money towards the furtherance of that object. Sir, I rise to oppose the payment of a single pie towards this object and I shall detail my reasons presently. Now, what are the amounts that are being asked for? The amounts that are being asked for are as follows: (Honourable Members will find them on page 6 of the memorandum).

Firstly, then, there is a site for an airship mooring mast at Bombay—Rs. 3,25,000. Now, I do not know in whose interests and for whose benefit



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this site is being opened up except merely to help a private company which is being subsidised by the British Government. The second item is a site for an airship base at Calcutta,—Rs. 1,41,000. That is, I take it, only a book entry. The transfer of a site at Rangoon which is also going to be a book entry, considering that the land is going to be taken over from the military authorities and handed over for this purpose. Then, Sir, there is another item:

Budget estimate for 1927-28:

Establishment of a civil air route across India—Rs. 1,50,000.

Establishment for office of Director of Civil Aviation—Rs. 26,000.

Now, Sir, one of the main objects of my opposition to this grant is to be found on page 7, the reasons are to be found on page 7, paragraph 2, which I take the liberty of reading to Honourable Members of this House!

"Moreover, apart from this question of internal services, it has been recognised, ever since commercial aviation became a practical proposition, that India's geographical position marks her out as an all-important link in any air route between Great Britain and her Eastern Dominions. Any service between Europe and the Far East or Australia will, on its way, have to cross India, and it is not improbable that the junction of these two routes which will almost inevitably be upon Indian soil, will, ultimately, figure as one of the most vital points in the Empire chain."

This, Sir, in my opinion is a subsidy which we are giving to Great Britain in regard to her Imperial interests in the Far East and we have

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had enough experience of the sort of support that India has been called upon to give to Great Britain in her Imperial adventures in the Far East and I do not think that a single elected Member of this House will be found to give his support to Government in regard to this particular measure. We have the latest and most recent example before us of Indian troops being sent off to China in order to support British adventures in China. Honourable Members opposite are demanding from this House money, sums out of the public exchequer in order to prop up the scheme in order to help in furthering the designs of British Imperialism in the Far East and for the securing of trade interests in the Far East, and one of the most important links in that scheme is aviation. They want bases created in India for the purpose of extension and support that they want for British Imperialism in the Far East. We say that there is no necessity, in spite of the fact that some Honourable Members here may have been very anxious to go and have a joy ride in an aeroplane. I do not think the public at large care two straws whether you have an aeroplane base here or not.

Now, Sir, I turn to another statement on page 7. I find that the one excuse given for the adoption of this scheme and for the founding of air bases in India is that there is a danger that foreign firms might come and exploit this particular service to the detriment of India. Now, I would like to know what this danger relates to. Foreign firms are wanting to connect India with Europe. Well, let them do so. Who will benefit by it? They say we shall benefit by it. Foreign firms may start their operations but why should we be called upon to pay for their operations? If they are so anxious to connect the Far East with Europe by air, let them do it at their own expense. Why should India pay? It is stated on page 7:

"Under the International Air Convention, to which India in common with most of the other great nations is a signatory, no contracting State can refuse to the aircraft of another the right of flight over its territory."



We are not refusing the right of flight over our territory to any other nations. But why should we facilitate the adventures of any other nation, particularly of Great Britain, by voting for money and property for their use when we know perfectly well that there is no benefit that will accrue to us from it. The further statement is made that:

"Unless India is prepared to take her place among the countries which have interest and are interesting themselves in the advancement of this form of transport, there is a real danger that the whole of aerial transportation in India will fall into and be concentrated in the hands of foreign firms and companies, with the result that Indian capital and enterprise will be ousted, and effective control in Indian interests over the terms of the contracts under which the services will ply will be difficult, if not impossible, to achieve."

I say, Sir, this is pure eye-wash. What sort of interest is India going to have? We are told of the Company operating in India—that you are going to ask them for facilities for the training of Indian pilots and mechanics. Have you not got the Air services in India attached to the military? Why cannot you open up those services? Why cannot you ask them to go forward and give facilities for the training of Indian pilots and mechanics. I see no reason why you should go in for an expenditure like this. Even if you want Indians trained as pilots and mechanics, you have got facilities now in India. Make use of all those facilities. Why do you try and pretend this is only meant for the interests of India and that no other companies would give you such favourable terms as the Imperial Airways is giving at the present moment? For I say, Sir, this is eye-wash, and I do think that the real reason is, as I said before, to be found in paragraph 2, that you want bases in India for your operations for strengthening British interests in the Far East. Now, Sir, the Memorandum prepared by the Air Board goes on to state in paragraph 5:

"The Air Board have therefore considered it their duty to review the whole position and to submit their views upon it to the Government of India. In this memorandum they propose to recapitulate briefly the story of Civil Aviation, as affecting India, up to the commencement of the current year, to give their appreciation of the present situation and to state generally what steps should, in their view, be taken to assist and encourage Civil Aviation both within and without the country."

I cannot for the life of me think of Pandit Motilal Nehru wanting to own an aeroplane and going up for joy rides, nor can I imagine any Member except our martial Members of this House, trying to emulate the exploits of the Duke of Pinedo. I can quite realise that the extension of civil aviation as contemplated by this scheme is merely a means towards the strengthening of the military arm of the British Government in India and in the Far East. I am definitely convinced that there is no other object but this one object of the extension of British power in the East and in India. The Imperial Airship scheme is a very curious scheme. It is said in paragraph 18:

"The Imperial Airship Scheme contemplates a regular service by Airship from England to Karachi with a single stop in Egypt *en route*, the completed journey to be accomplished in about four days. Parliament has voted about £14 million sterling for the scheme, of which sum about £250,000 will be spent upon the Indian base at Karachi."

They have already spent £1½ millions out of which £250,000 are intended to be spent upon the air base at Karachi. Why cannot the British Government be asked to spend the money that you are coming to us for at the present moment? Why cannot you ask them to spend all the money, not

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only a part of the money, but every penny of the money demanded by them for the scheme? No argument, as far as I have been able to discover, can be found in favour of India being involved in this adventure. If any money has been needed or is needed, that money should be found not by India but by Great Britain or by the Imperial Airways Company. There is one item, as I said, for the purpose of starting an air base not only in Bombay but also in Rangoon. In Rangoon they are going to take over a certain piece of land from the military authorities. What is the object? They want an aeroplane service between Calcutta and Rangoon. They say that that service will compete with the ordinary steamer service, but it will not compete with the railway service unless night flying is made a practical proposition with that service. Who wants that service? Where is there a demand from the public for this service? You simply talk about that, because there is a great deal of money available in India which you can get hold of for the mere asking from the Indian tax payer. Therefore, it is an adventure which you can indulge in. But I say, Sir, that any man who has come in here on the popular vote and who gives his consent to the spending of a single anna on this adventure will not be doing his duty to the average elector who elected him to this Chamber. Not only that, Sir, it will be a mere waste of money—not an ordinary waste of money—but a dangerous waste of money to allow this adventure to reach fruition on the hard earned money of the Indian taxpayer. I can find in the scheme that is before us nothing to recommend it. I have only found this, that there will be facilities available to the Imperial Airways to land their aeroplanes or their airships as the case may be on Indian soil and that further facilities will be given to them in the shape of observatories, etc., that arrangements in regard to that will be brought up to date in order that their pilots may land in safety or may arrive in safety and go across the land in safety. If it is a commercial proposition, as far as the Imperial Airways are concerned, why should the Indian Government be asked to pay any money towards this commercial undertaking? If it is a commercial undertaking on which millions of pounds are going to be spent—and some millions I dare say have already been spent—why should not the entire scheme be managed and controlled by the Imperial Airways excepting this, that the right to the use of the base in India should be ultimately in the hands of the Indian Government? You can, by any regulations that you desire, make an arrangement whereby you can control the use of these landing places. After all, if you are afraid that from the military point of view a base of that description ought not to be handed over to any private concern, you can by regulations so control the use of those bases that you are their ultimate owner. Why then should you pay for the upkeep or for the purchase of these sites? Why should you make a present of it to the Imperial Airways? What are you going to do? It is said that you are going to charge them a certain rental. At the same time the statement is made that in the earlier period the rental will be handed back to them as a sort of bonus so that you are really going to make a present of it to them. On page 2, paragraph 18 (v), this is what is stated:

"The usual housing charges will be levied from the Imperial Airways Limited for the use of the hangar. The question of whether in the early years of the service, these charges should be refunded (if this is not done the company can, under their agreement, claim the amount from the British Government) is at present receiving consideration. The financial effect will in any event be very small."

You have a statement here that if you do not refund these charges to the Imperial Airways they can claim it from the British Government. Why do you want to pay this money out of your own exchequer to them? You want to have the British Government the payment of this money, a trifling sum as you admit yourself. What is the principle underlying it? The principle is pure generosity and philanthropy. When we come down and ask you for better wages for the railway workers or for the postal peons or for the telegraph peons, what we are told is that there is no money, but there is always money available to make a present of to the Imperial Airways, or for any other British adventure that they may desire to start in India and the Far East.

Then, Sir, on page 8, paragraph 18 (vii) it is stated:

"The Government of India agree with the Board that fair commercial rates should be charged for messages sent in connection with the Aerial services; the further points raised by them, namely, whether these charges should be refunded during the earlier years of the services and, if so, how they should be debited, are, as in the case of the housing charges already referred to, still under consideration."

I suppose there will be a refund even of the charges levied for the messages sent in connection with the aerial service so that what you are really attempting to do is that you are making a present of this sum of money, on your own statement, to the Imperial Airways Company and trying to hoodwink us by saying: "This is a great scheme; it will help transport in India and it will bring India into the orbit of modern civilized countries of the world which are trying to develop aerial transport". Again, Sir, in paragraph 18, it is stated:

"The Government of India concur in the view taken by the Board that the provision and dissemination of meteorological information is a national responsibility (it is, it is believed, so considered in every country) and should not be charged for."

Nothing is going to be charged for. It seems to me that what you are trying to do is to say, "We will charge these sums but for the initial years, we will refund these sums to the Imperial Airways for they are so poor, they have got no money, and we are so rich and so prosperous that it will not hurt us to make this present to them but it will benefit them a good deal." If you really want a commercial scheme placed on a sound commercial basis, run it yourself. But what you are trying to do is to help somebody else to run a commercial scheme and then come to us and try to get our support by saying, "We are going to get a contract from them in which it will be incorporated that Indian pilots and Indian mechanics will be trained by this Company". I say, Sir, and I repeat that if you had an intention of helping Indians to be trained as mechanics and pilots you would have done so under your existing Air Force. And you have not done it and you do not intend to do it, because you know perfectly well the dangers underlying such a step. At page 4, paragraph 19, it is said:

"For the reasons given by the Board it is certain that the necessity for a mooring mast at Bombay will arise as soon as the airmail service is inaugurated."

For whose benefit? The mooring mast is going to cost Rs. 1,15,000. You referred this matter to the Bombay Government and what was the reply

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of the Bombay Government? To put it very vulgarly they said, "Go to Timbuctoo".

Now, you are giving . . . .

**Mr. President:** Why does not the Honourable Member address the Chair?

**Mr. Chaman Lall:** It is very difficult, Sir, in these circumstances to keep addressing the Chair, because I have more respect for the Chair than for the Treasury Benches:

"Hopes were originally entertained that the Local Government might themselves be prepared to acquire and reserve the necessary site; a reference was made to them on the subject, but in reply they expressed their inability to meet the cost from their provincial revenues."

They are not able to see the tremendous civilising advantages. They do not appreciate the magnanimous gesture of the Airways Company in allowing Indians to be trained as mechanics. Not the Bombay Government, but the Indian Government, see benefits, they see advantages where Provincial Governments do not see them. They see as a matter of fact far beyond the possibilities that have been explained in this Memorandum. They are looking upon this with the eyes of Imperialists, with the eyes of those who want to establish securely the power of Great Britain in India and in the Far East. I say every extension of military power in India is a danger not only to the liberties of the people of this country but a definite danger to the people of the Far East. That is about all that I wish to say in connection with this. But I want Honourable Members to realise that the feeling on this side of the House is really very strong in this matter, and I would request Honourable Members not to treat this matter as if it were merely an ordinary question of a Supplementary Grant. This is a matter of policy, of principle, with us, and if any further debate is necessary on this question, I do hope, Sir, that sufficient time will be allowed to this House to discuss the entire policy underlying this scheme which I hope will not be rushed through the House without due consideration being given by or being allowed to Honourable Members on this side of the House.

**The Honourable Sir Alexander Muddiman** (Home Member): Sir, I do not often find any place for agreement with the last speaker but on this occasion I agree with something that fell from my Honourable friend opposite and that was that this debate is of considerable importance. It is a matter which it is exceedingly desirable that the House should come to a reasoned conclusion and should express itself at length as my Honourable friend did. (Laughter.) Coming as it does at the end of a long day devoted to steel, I cannot help thinking that the House is not likely to come to a very satisfactory conclusion on a matter of this importance, and I beg to move, Sir, that this debate be postponed.

**Mr. President:** The question is that this debate be now postponed.  
The motion was adopted.

**The Honourable Sir Basil Blackett** (Finance Member): Sir I do not move the motion\* standing in my name.

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\* That the Bill further to amend the Madras Salt Act, 1889, for a certain purpose, as passed by the Council of State, be taken into consideration."

**The Honourable Sir Alexander Muddiman:** I may explain, Sir, that we do not propose to take any further Government business.

**Mr. President:** Am I to understand that it is dropped?

**The Honourable Sir Alexander Muddiman:** Yes, for to-day. We do not move, Sir, any of the Government motions.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 22nd February, 1927.