

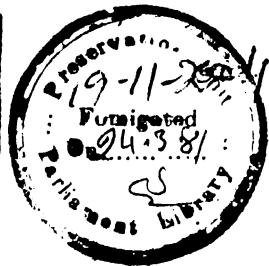
Saturday, 17th September, 1927

THE
COUNCIL OF STATE DEBATES

VOLUME II, 1927

(29th August 1927 to 21st September 1927)

THIRD SESSION
OF THE
SECOND COUNCIL OF STATE, 1927



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COUNCIL OF STATE.

Saturday, 17th September, 1927.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

STRIKE OF THE ASSISTANT HARBOUR MASTERS IN CALCUTTA.

189. THE HONOURABLE RAI NALININATH SETT BAHADUR: (a) Is it a fact that the Assistant Harbour Masters of the Calcutta port recently struck work ?

(b) Is it a fact that they have returned to work out of consideration for the commercial interests of Calcutta ?

(c) Is it a fact that there has been no withdrawal of claims by the Assistant Harbour Masters in resuming work ?

(d) Is it a fact that they are still willing to submit to arbitration for the settlement of their claims ?

(e) Is it a fact that they have resumed work on the understanding that their grievances will receive full investigation and proper consideration at the hands of the authorities ?

(f) Will the Government be pleased to inform the Council what are their grievances, and whether Government propose to consider the same ?

THE HONOURABLE SIR GEOFFREY CORBETT: Government are aware that the Assistant Harbour Masters at Calcutta struck work and subsequently resumed their duties after a few days. The report of the Government of Bengal on the subject is awaited; and when it is received, information on the other points raised by the Honourable Member will be communicated to him.

RECRUITMENT AT THE FOREST RESEARCH INSTITUTE, DEHRA DUN.

190. THE HONOURABLE RAI NALININATH SETT BAHADUR: (a) Has the attention of the Government been drawn to the paragraph under the heading "Communalism in service", which appeared in the *Hindustan Times*, Simla Edition, dated 1st September 1927 ?

(b) Are the allegations therein, regarding the office order, true ?

(c) Was the said office order issued in pursuance of any instruction from the Government ?

(d) Is there any other office order, circular or notice embodying similar principles in any other department of Government ?

(e) Have the Government announced their policy as being that of making appointments solely on efficiency basis and not on communal distinctions? If so, how do the Government reconcile their said policy with the office order, referred to above?

(f) Do Government propose to send instructions to withdraw the said Office Order?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH:

(a) Yes.

(b) The interpretation, placed by the paper, upon the office order is not strictly correct.

(c) The office order does not correctly carry out the instructions of Government on which it is purported to be based.

(d) Not so far as Government in this Department is aware.

(e) The Honourable Member is referred to the reply given by the Honourable Mr. Haig to question No. 159 in this House on the 12th September 1927.

(f) Yes.

PROVISION OF PROPER PLATFORMS AT DAINHAT STATION ON THE EAST INDIAN RAILWAY.

191. THE HONOURABLE RAI NALININATH SETT BAHADUR: (a) Will the Government be pleased to state the number of passengers to and from Dainhat station on the East Indian Railway during the year 1926-27?

(b) Have the Government received complaints that the passengers are put to great inconvenience for want of proper platforms at the said station?

(c) Do Government propose to remove the said inconvenience at an early date? If so, when?

THE HONOURABLE SIR GEOFFREY CORBETT: Government have no statistics for the passengers booked to and from individual stations. If the arrangements at Dainhat are not entirely satisfactory, the matter may be well brought to the Agent's notice by his Local Advisory Committee.

INTERCEPTION OF THE LETTERS OF PRIVATE INDIVIDUALS.

192. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE: (a) Will the Government be pleased to state whether it is a fact that the private letters of certain members of the public are tampered with in the post offices by the agents of the police?

(b) If the answer to (a) is in the affirmative, will the Government be pleased to state whether this tampering is done with the permission of (i) the Bengal Government in Bengal; or (ii) the Government of India for all cases?

(c) Will the Government be pleased to state under what law police officers are empowered to tamper with the correspondence of private individuals?

THE HONOURABLE MR. H. G. HAIG: I would refer the Honourable Member to sections 25, 26, and 27-B. of the Post Office Act of 1898, which

authorises the interception or detention in certain circumstances of articles in course of transmission by post. When action is taken under these sections, it is taken, in accordance with the provisions of the Act, by officers of the Post Office. Action under these sections may be taken under the orders of the Governor General in Council or of a Local Government.

INTERCEPTION OF PRIVATE TELEGRAMS.

193. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE: (a) Is it a fact that copies of telegrams despatched by, or addressed to, certain individuals are regularly made over to the police by the telegraph offices?

(b) Is it a fact that this is done in the case of private as well as press telegrams?

(c) If the answer to (a) is in the affirmative, will the Government be pleased to state whether this is done with the permission of (i) the Bengal Government in the case of Bengal only; or (ii) the Government of India for all cases?

(d) Will the Government be pleased to state under what law copies of telegraphic messages of private individuals are made over to the police without the consent of the former?

THE HONOURABLE MR. H. G. HAIG: I would refer the Honourable Member to section 5 of the Indian Telegraph Act, 1885, which authorises the Governor General in Council or a Local Government to order, in certain circumstances, particular classes of messages shall be disclosed to Government.

PROVISION OF A WAITING ROOM AND RAISED PLATFORM AT BAIDYANATHDHAM STATION ON THE EAST INDIAN RAILWAY, ETC.

194. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE: (a) Will the Government kindly state the number of passengers to and from Baidyanathdham station on the East Indian Railway during the years 1924-25, 1925-26 and 1926-27?

(b) How many extra pilgrim or "Mela" special trains were run to and from the said station during the said three years?

(c) What are the total values of tickets sold during the said three years from and to the said station?

(d) Is it a fact that there are no proper waiting room and raised platform at the said station?

(e) Have the Government received complaints that all passengers in general, and women and children in particular, are put to great inconvenience and bodily risk for want of a properly raised platform?

(f) Have the Government received complaints that at Jasidi Junction Station on the East Indian Railway where the pilgrims and passengers have to change for Baidyanathdham, they feel great inconvenience for want of properly raised platforms?

(g) Do Government propose to remove the inconveniences of passengers hereinbefore mentioned at the said two railway stations at an early date? If so, when?

THE HONOURABLE SIR GEOFFREY CORBETT: Government have no statistics showing the number of passengers booked to and from, or special trains run to, or earnings at, individual stations. They are sending a copy of the Honourable Member's question and the reply to the Agent of the East Indian Railway, who is competent to deal with such matters as raised platforms.

SCHEME FOR THE IMPROVEMENT OF MADHUPUR STATION ON THE EAST INDIAN RAILWAY.

195. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE: (a) Is it a fact that a scheme of improvement of the Madhupur station on the East Indian Railway has been prepared?

(b) If the answer to (a) is in the affirmative, will the Government be pleased to state when do they propose to take it up?

THE HONOURABLE SIR GEOFFREY CORBETT: Enquiry is being made and the Honourable Member will be informed in due course.

HIGH RETAIL PRICES OF SALT AT CALCUTTA.

196. THE HONOURABLE SRIJUT LOKENATH MUKHERJEE: (a) Will the Government be pleased to state the retail prices of salt at Calcutta before and after the last reduction of the salt duty?

(b) If the price after the reduction has been the same as, or higher than, the price before the reduction, will the Government kindly state the causes of this high price of salt after the reduction of the salt duty?

(c) What action do the Government propose to take in the matter?

THE HONOURABLE MR. A. F. L. BRAYNE: (a) Average retail prices in Bengal as reported to Government were as follows, during the months noted below:

February 1924 (before reduction of duty)	..	9-3/8 seers per rupee.
May 1924 (after reduction of duty)	..	11-1/8 seers per rupee.
December 1924 (after reduction of duty)	..	13-1/8 seers per rupee.
July 1927 (after reduction of duty)	..	12-1/8 seers per rupee.

(b) The question does not arise.

(c) Government are watching the progress of market prices.

PROMOTION OF OFFICERS OF THE PROVINCIAL CIVIL SERVICE TO THE INDIAN CIVIL SERVICE.

197. THE HONOURABLE SIR EBRAHIM JAFFER: (a) Will the Government be pleased to state why no effect has yet been given to the unanimous recommendations of the Lee Commission, with respect to the promotion of some of the officers of the Provincial Civil Service to the Indian Civil Service?

(b) Will they kindly state when this will be done?

THE HONOURABLE MR. H. G. HAIG: (a) and (b). The Honourable Member is in error in supposing that no effect has yet been given to these recommendations. I explained the position to him in answer to his question of the 7th March last, and I also stated to what extent increases in the number of posts borne on the cadre of the Indian Civil Service, which are open to the

Provincial Civil Service, had already been made in Bombay. I would also refer the Honourable Member to the reply which I gave to part (a) of the Honourable Mr. Mahmood Suhrawardy's question in this Council on the 30th August last.

PURCHASE OF PAINTS BY THE EASTERN BENGAL RAILWAY.

198. THE HONOURABLE SIR PHIROZE SETHNA : (a) What quantity of paints, if any, have been purchased direct by the Eastern Bengal Railway and at what rates ?

(b) At what rates did the Indian Stores Department tender for paints ?

THE HONOURABLE SIR GEOFFREY CORBETT : I am obtaining the information for the Honourable Member, but I would remark that it is incorrect to speak of the Indian Stores Department tendering rates to Railways. The Stores Department is an instrument for obtaining tenders.

VISIT TO INDIA OF SIR LAMING WORTHINGTON-EVANS, SECRETARY OF STATE FOR WAR.

199. THE HONOURABLE SIR PHIROZE SETHNA : (a) Is Sir Laming-Worthington-Evans, the Secretary of State for War, coming to India this cold weather ?

(b) When is he due and how long is he expected to stay ?

(c) Will he be accompanied by other officials and, if so, how many ?

(d) Will the cost of his visit and of that of any officials accompanying him or any proportion of such cost be paid by this country and, if so, what is the estimate thereof ?

THE HONOURABLE MR. H. G. HAIG (on behalf of HIS EXCELLENCY THE COMMANDER-IN-CHIEF) : (a) Yes.

(b) He will arrive in India about the 28th October and will stay nearly two months.

(c) Yes, by one officer.

(d) The answer to the first part is in the negative ; the second part does not therefore arise.

PURCHASE OF SLEEPERS FOR STATE RAILWAYS.

200. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state what kinds of sleepers have been purchased for each of the Indian State Railways during the year 1926-27 and in the first six months of the current year, and at what price each kind has been purchased ?

THE HONOURABLE SIR GEOFFREY CORBETT : I am sending the Honourable Member a statement giving the information required.

**STOPPAGE OF THE RECRUITMENT OF HINDUS IN THE POSTAL DEPARTMENT,
PUNJAB AND NORTH-WEST FRONTIER PROVINCE CIRCLE.**

201. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state whether it is a fact that the Postmaster General, Punjab and the North-West Frontier Province Circle, has stopped the recruitment of Hindus in his department? If the answer be in the affirmative, will the Government kindly state reasons for this policy?

THE HONOURABLE MR. A. C. McWATTERS : No, Sir.

**APPOINTMENTS OF POSTMASTERS, BRANCH POSTMASTERS, POSTAL INSPECTORS
AND POST OFFICE CLERKS IN THE PUNJAB AND NORTH-WEST FRONTIER
PROVINCE CIRCLE.**

202. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state what has been the total number of appointments made in the years 1921-22, 1922-23, 1923-24, 1924-25, 1925-26 and 1926-27, and in 1927-28 to date, of Postmasters, Branch Postmasters, Postal Inspectors and Post Office clerks, in the Punjab and North-West Frontier Province circle, and how many of them were from each of the communities of the Hindus, the Muslims, the Sikhs and the Christians?

THE HONOURABLE MR. A. C. McWATTERS : The information relating to 1926-27 and the first six months of the current year has been called for and will be furnished to the Honourable Member in due course. Government have no information in regard to previous years and do not propose to call for it in view of the labour involved.

**STOPPAGE OF THE RECRUITMENT OF HINDUS IN THE FOREST RESEARCH INSTI-
TUTE, DEHRA DUN.**

203. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state whether it is a fact that the Director of the Forest Research Institute, Dehra Dun, has totally stopped the recruitment of Hindus in the technical, teaching and ministerial lines of the Institute? If so, whether it has been done with the approval of Government? If not done with their approval, what action do they propose to take in this matter?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : It is not a fact that the recruitment of Hindus has been totally stopped. The Honourable Member is, however, referred to the reply just given by me to question No. 190.

**APPOINTMENTS IN THE VARIOUS ESTABLISHMENTS AT THE FOREST RESEARCH
INSTITUTE, DEHRA DUN.**

204. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state what has been the total number of appointments made in the technical, teaching and ministerial lines of the Dehra Dun Forest Research Institute during the years 1924-25, 1925-26 and 1926-27?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : A statement giving the information required by the Honourable Member has been laid on the table of the House.

Statement showing the number of appointments made in the technical, teaching and ministerial establishments at the Forest Research Institute, Dehra Dun, during the years 1924-25, 1925-26 and 1926-27.

Year.	Teaching staff (Gazetted).	Technical staff (Gazetted).	Technical staff (non-gazetted).	Clerical staff (non-gazetted).
1924-25	5	7	24	5
1925-26	1	4	7	2
1926-27	4	6	14	7

INTRODUCTION OF THE PRINCIPLE OF COMMUNAL REPRESENTATION IN THE SCIENTIFIC AND TECHNICAL SERVICES.

205. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it is now the policy of Government to introduce the principle of communal representation, even in the scientific and technical services ?

THE HONOURABLE MR. H. G. HAIG: It was explained in 1925 that the general policy of Government in regard to the appointment of members of minority communities would have to be applied with special caution in the case of services in which high technical qualifications are the most important requirements. In no circumstances will Government appoint to any service a member of a minority community unless they are satisfied that he is properly qualified for the duties of that service.

RECRUITMENT OF INDIANS TO THE WIRELESS DEPARTMENT.

206. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether the Government has begun to recruit Indians in the Wireless Department? If so, will they kindly state what has been the total number of appointments made in this Department during the years 1924-25, 1925-26 and 1926-27, and how many of them have been Indians ?

THE HONOURABLE MR. A. C. MCWATTERS: The reply to the first part of the question is in the affirmative. As regards the second part, a statement giving the particulars required is laid on the table.

Prior to 1924-25, 14 Indians of unmixed descent were recruited in the Wireless Branch. The numbers subsequently recruited are indicated in the following table :—

	Total number of appointments made.	Total number of Indians of unmixed descent.
1924-25	20	—
1925-26	14	2
1926-27	27	2
Total	61	4
<i>Add</i> number previously recruited ..		14
Total recruited		18
<i>Deduct</i> number reverted to T. B. . .		4
Total at end of 1926-27 ..		14

The number (14) at the end of 1926-27 includes 11 operators and 3 officials of other grades. In 1927-28 13 Indians have been attached to the Wireless Branch for training.

GOVERNMENT TELEPHONE OPERATORS.

207. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state whether it is a fact that the Telegraph Inquiry Committee of 1919 did not inquire into the case of Government telephone operators ? If so, what were the reasons for their case not being included in this inquiry ?

THE HONOURABLE MR. A. C. MCWATTERS : Yes, because the Telegraph Committee, 1920, which is presumably alluded to, enquired into the case of the Telegraph Traffic Branch staff only. The case of the subordinate establishments of the Telegraph Engineering Branch, including the Telephone staff, was dealt with by the Postal Committee, 1920.

SALARIES AND SERVICE CONDITIONS OF TELEPHONE OPERATORS.

208. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Is it a fact that the telephone operator can attain only a maximum salary of Rs. 100 a month ; that he enjoys no holidays and is required to put in 8 hours' work every day ; that his service is non-pensionable, and that he is liable to be discharged from service on one month's notice ? If the answer be in the affirmative, what do the Government propose to do in their case ?

THE HONOURABLE MR. A. C. MCWATTERS : There are also senior grade telephone operators whose maximum pay is Rs. 130 a month and all operators are required to perform 50 hours' duty a week, including Sundays and holidays : otherwise the reply on the first point is in the affirmative. Petitions from the telephone operators regarding their pay and service conditions have been and are being received by the Director General who is considering the whole question.

RULES FOR THE RECRUITMENT OF UPPER SUBORDINATES IN THE TRAFFIC AND MECHANICAL BRANCHES OF STATE RAILWAYS.

209. **THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** Will Government place on the table the rules framed for the recruitment of upper subordinates in the Traffic and Mechanical Branches of Indian State Railways? If such rules have not been framed, when do they propose to frame and publish such rules?

THE HONOURABLE SIR GEOFFREY CORBETT : Upper subordinates in the Traffic Department are recruited by promotion from persons already in service in the lower grades. The same procedure is followed in filling upper subordinate posts in the Mechanical Engineering Department, but when persons of requisite qualifications are not available amongst men in service, recruitment is made from outside, either in this country or from the United Kingdom. It is not proposed to publish any rules about the recruitment of this class of subordinates.

FACILITIES FOR MEDICAL RELIEF FOR THE EMPLOYEES OF THE NORTH WESTERN RAILWAY.

210. **THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** When and to what extent do Government intend to increase facilities for medical relief on the North Western Railway for its employees?

THE HONOURABLE SIR GEOFFREY CORBETT : The sanction of the Secretary of State has been obtained to the reorganisation of the medical arrangements on the North-Western Railway. The new Chief Medical Officer for the North-Western Railway will take over his duties on the 1st October and formulate detailed proposals for carrying out the reorganisation. It is hoped as a result that new arrangements will shortly be brought into force.

SAVINGS AND REDUCTION OF STAFF CONSEQUENT ON THE INTRODUCTION OF THE DIVISIONAL SYSTEM ON STATE RAILWAYS.

211. **THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :** What savings in money and what reductions in number of (a) officers, (b) staff, and (c) menials have been made as a result of the introduction of the Divisional System on Indian State Railways?

THE HONOURABLE SIR GEOFFREY CORBETT : The introduction of the Divisional System enabled a reduction of 10 officers costing on an average Rs. 7,539 per mensem to be made on the North-Western Railway. On the East Indian Railway there was a reduction of 19 officers costing on an average Rs. 19,277 per mensem, but a part of this must be ascribed to the amalgamation of the East Indian and Oudh and Rohilkhand Railways which took place at the same time. Government have no figures to show exactly what the savings were in staff and menials.

CONSTRUCTION OF THE ARICHA-DACCA AND PABNA-SADHUGUNJ EXTENSIONS OF THE EASTERN BENGAL RAILWAY.

212. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY (on behalf of THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY):** (a) Will the Government be pleased to state whether any and, if so, what progress has been made in the construction of the Aricha-Dacca and the Pabna-Sadhugunj extensions of the Eastern Bengal Railway?

(b) Has sanction been granted for the construction of these extensions and, if so, when will the construction be taken up, and will the lines constructed be broad-gauge or metre-gauge ?

THE HONOURABLE SIR GEOFFREY CORBETT : The survey of the Aricha-Dacca Railway has been completed and the Railway Board are expecting the traffic report and project estimates from the Agent very shortly. If they show satisfactory results the project will be taken up either this year or in 1928-29. The Railway Board are awaiting the Agent's recommendations as to the gauge of this line.

The Eastern Bengal Railway Administration are not investigating the Pabna-Sadhuganj extension, but are at present re-investigating a project for a line from Ishurdi to Bera *via* Pabna. The results of the re-investigation are not yet available so that at present it is not possible to give any details about this project.

LEAVE RESERVE FOR THE ARMY DEPARTMENT AND ARMY HEADQUARTERS OFFICES.

213. THE HONOURABLE MR. MAHMOOD SUHRAWARDY (on behalf of THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY) : (a) Is it a fact that a leave reserve has been sanctioned for almost all Departments of the Government of India Secretariat ?

(b) Is it a fact that there is no leave reserve for the Army Department and for the various branches of the Army Headquarters ?

(c) Is it a fact that there is a special establishment under the Establishment Officer, Army Department, for dealing with the establishment matters of the Army Department and the Army Headquarters and that almost the whole of this officer's time is devoted to providing candidates for leave vacancies in the Army Headquarters ?

(d) Is it a fact that it is with a view to retaining the post of the present Establishment Officer that a leave reserve has not so far been sanctioned for the Army Department and the Army Headquarters ?

(e) Is it a fact that every branch of the Army Headquarters is a separate office, complete in itself with its own Cashier and Officer Supervisor in charge of the Establishment affairs ?

(f) Is it a fact that all Departments of the Secretariat and its attached offices get candidates for appointments in their offices direct from the Public Service Commission ?

(g) Do the Government propose to consider the question of sanctioning a leave reserve for the Army Headquarters and of abolishing the existing appointment of the Establishment Officer ?

THE HONOURABLE MR. H. G. HAIG (on behalf of HIS EXCELLENCY THE COMMANDER-IN-CHIEF) : (a) Yes.

(b) Yes.

(c) There is a small staff under the Establishment Officer : but a relatively small amount of his time is devoted to filling leave vacancies in the Army Headquarters offices.

(d) The answer is in the negative.

(e) Yes, so far as the internal management of the Branch is concerned.

(f) Yes.

(g) The question of providing a leave reserve is under consideration. The measure will not involve the abolition of the Establishment Officer.

OFFICER IN CHARGE OF THE RECRUITMENT, POSTING AND TRANSFER OF CLERKS, ETC., IN THE ARMY DEPARTMENT AND ARMY HEADQUARTERS.

214. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY** (on behalf of **THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY**): (a) Is it a fact that matters pertaining to the recruitment, posting and transfer of temporary and other clerks, etc., in the Army Department and the Army Headquarters are dealt with by an Assistant in the Army Department, who is himself a temporary man?

(b) Is it a fact that, in almost all the Departments of the Government of India and the attached offices, the establishment work of those offices is invariably entrusted to Cashiers (who are senior permanent clerks) or to permanent Assistants?

(c) Do the Government propose to consider the desirability of entrusting the establishment work of the Army Headquarters to some permanent senior man of the Department?

(d) If not, will the Government state their special reasons for entrusting the work to a temporary man and his special qualifications for the work?

THE HONOURABLE MR. H. G. HAIG (on behalf of **HIS EXCELLENCY THE COMMANDER-IN-CHIEF**): (a) to (d) My Honourable friend appears to be under some misapprehension. The establishment work at Army Headquarters is entrusted to a permanent senior officer, who is called the Establishment Officer and has the status of a Deputy Secretary. This Officer is assisted by a staff of clerks, who submit work to him, but have no administrative responsibility whatever.

EXAMINATION FOR THE RECRUITMENT OF ALL THE HIGHER PUBLIC SERVICES.

215. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY** (on behalf of **THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY**): Do Government contemplate the holding of one examination only under the supervision of the Public Service Commission for the recruitment of all the higher public services in India? If so, what are the principles upon which successful candidates are to be recruited for the various public services?

THE HONOURABLE MR. H. G. HAIG: The answer to the first part of the question is in the negative. The second part does not arise.

CENTRAL BOARD OF AGRICULTURE.

216. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY** (on behalf of **THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY**): Will the Government be pleased to state under what power they have established the Central Board of Agriculture for India?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The Board is a purely advisory body and was established in the year 1904. It exercises no administrative functions but enables agriculturists all over India to exchange ideas.

PUBLICATION OF KANARESE INSCRIPTIONS.

217. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will Government be pleased to state:

- (a) how many inscriptions in Kanarese have been collected and deciphered in the Kanarese-speaking districts of British India since the publication of a number of Kanarese inscriptions by the late Mr. Fleet;
- (b) the total number of Kanarese inscriptions that are yet awaiting publication by the Government of India Epigraphy Department;
- (c) what arrangements have been made to publish the said Kannada inscriptions that are already collected;
- (d) do Government intend to publish all these collected Kanarese inscriptions;
- (e) the approximate number of Kannada inscriptions that are still to be collected in the Kanarese-speaking districts in British India;
- (f) whether the attention of Government has been drawn to a series of articles in the "Kannadiga" on this subject;
- (g) if so, what action has been taken or is contemplated by the Government;
- (h) what steps are contemplated by Government to hasten the work of collecting all the inscriptions in each district of the British Karnatak; and
- (i) whether any memorials have been received by the Government from the President of the Karnatak Historical Society of Dharwar on this subject?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH:

(a) 1,842 inscriptions have been collected, approximately three-fourths of which have been tentatively transcribed.

(b) 1,775.

(c) They are being published in the South India Inscriptions, Text Series, or in the Epigraphia Indica.

(d) Yes, provided they are of sufficient importance.

(e) About 7,000.

(f) No.

(g) Does not arise.

(h) An attached office is maintained in Madras under a gazetted officer with three assistants for the specific purpose of collecting and publishing inscriptions in the Madras Presidency including the Karnatak. The attention of the Honourable Member is also invited to the reply given in the Legislative Assembly to part (c) of Khan Bahadur Sarfaraz Hussain Khan's question No. 245 of the 26th January 1926.

(i) Yes.

ESTABLISHMENT OF A SEPARATE EPIGRAPHICAL CENTRE IN THE BOMBAY PRESIDENCY.

218. **THE HONOURABLE RAO SAHIB DR. U. RAMA RAU:** (a) Is it a fact that the Karnatak Historical Association, Dharwar, has petitioned Government for a separate epigraphical centre ?

(b) If so, what action do Government intend to take on the petition ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (a) Yes.

(b) Having given careful consideration to the petition, Government arrived at the conclusion that a separate epigraphical centre in the Bombay Presidency was not necessary.

CONSTRUCTION OF NEW RAILWAYS IN THE KARNATAK.

219. **THE HONOURABLE RAO SAHIB DR. U. RAMA RAU:** Will Government be pleased to state whether :

(a) a memorial, signed by about 5,000 residents of Karnatak, has been received by the Railway Board requesting the Government to expedite the construction of the sanctioned lines and commence new lines in the various districts of the Karnatak ;

(b) any steps have been taken by Government to expedite the construction of the lines mentioned in the memorial ;

(c) any action has been taken by Government to survey the two new lines proposed in the memorial, viz.,—

(1) Hubli-Karwar-Mangalore line ; and (2) Mysore-Mercara-Mangalore line ;

(d) it is a fact that the Bagalkot-Ilkal Branch of the proposed Nipani-Hunagund line has been abandoned ;

(e) any of the proposed six lines will be commenced before the end of this year ; and

(f) the Gadag-Wadi-Raichur line has still a chance of being constructed ?

THE HONOURABLE SIR GEOFFREY CORBETT: (a) Government have received a memorial asking for the early construction of 6 lines, investigation into which have, in the past, been made but none of which have been sanctioned for construction. The memorialists also asked that 2 new lines, not yet examined, should be constructed.

(b) 2 out of the 3 lines lying in British territory are now being re-investigated. The other 3 lines pass through Indian States.

(c) A survey is being undertaken for a line from Mangalore to Malpe. The examination of a further extension of this line northwards will depend to some extent upon the results of this survey. The second line passes through an Indian State.

(d) No. The project is being re-investigated by the Madras and Southern Mahratta Railway Administration.

(e) It is not likely that the results of the surveys will be received in time to allow of construction being commenced before the end of this year.

(f) Government have no information on the subject. The line passes through an Indian State.

FLOOD SITUATION IN ORISSA.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): With reference to my reply to the Honourable Mr. Mahendra Prasad's question No. 181 on the 12th September 1927 about the flood situation in Orissa, I beg to inform the House that I have now received a telegraphic report from the Local Government. The districts principally affected were Balasore and Cuttack. The flooded area is about 650 square miles. 48 persons lost their lives in Balasore and 2 in Cuttack. The loss of cattle is described as roughly 5 per cent. of the total stock throughout the affected area. 30,000 families have been rendered homeless in Balasore, their houses in about 3 per cent. of the cases having been totally destroyed, while in Cuttack 120 houses have been completely destroyed and 4,000 more have collapsed. Rs. 37,000 have been sanctioned as gratuitous relief to the population affected and *takavi* has been sanctioned to the extent of Rs. 1,80,000 in Balasore and Rs. 60,000 in Cuttack. Further grants will be made later for the rebuilding of houses and the purchase of cattle when the full facts of the situation are known. Besides the monetary relief sanctioned by Government, public subscriptions have realised about Rs. 40,000 in Balasore and Rs. 4,000 in Cuttack. For a fuller account of the situation, the Honourable Member is referred to the speech delivered by the Honourable Mr. Sifton in the Bihar and Orissa Council on the 30th of August 1927, a copy* of which is laid upon the table of the House.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, the following message has been received from the Legislative Assembly:

"In accordance with Rule 36 (1) of the Indian Legislative Rules, I am directed to inform you that the amendments made by the Council of State in the Bill further to amend the Societies Registration Act, 1900, for a certain purpose were taken into consideration by the Legislative Assembly at a meeting held on the 15th September 1927, and that the Assembly have agreed to the amendments."

INDIAN TARIFF (COTTON YARN AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I move that the Bill further to amend the Indian Tariff Act, 1894, in order to protect the manufacture of cotton yarn in British India, as passed by the Legislative Assembly, be taken into consideration.

Sir, the report of the Tariff Board on the cotton textile industry covers a very wide field. In fact the summary of conclusions and recommendations in

* Not printed in these proceedings.

Chapter XIV of the report contains no less than 127 separate heads. This Bill, however, deals with a single issue arising out of the report, and I will confine myself strictly to this issue. The issue is this. In their terms of reference, the Board were asked to report whether the industry was in need of protection. On page 174 of the report they say :

“ Our conclusion is that to the extent that this (Japanese) competition is facilitated by the inferior conditions of labour in Japan, the industry has established its claim to protection against it.”

I have studied the report fairly carefully, and I may say that this is the only definite answer that I have found to the specific question put to the Board whether the industry is in need of protection.

The object of this Bill, then, is to protect or safeguard the manufacture of cotton yarn against this competition. The “ inferior conditions of labour,” to which the Board referred rise from the provisions of the Japanese factory law which permit the working of women at night, whereas in India this is prohibited by law. I do not think there is any other point of difference which we need take into account. But this working of women at night enables the Japanese spinning mills to work double shifts, and the consequent saving in overhead charges is calculated by the Board to be about $16\frac{1}{2}$ pies per pound of yarn of 32s. count, which is the point at which this competition is most seriously affecting manufacture in India. The present import duty on yarn is 5 per cent. *ad valorem*. This Bill accordingly proposes to make the duty 5 per cent. or $1\frac{1}{2}$ annas per pound, whichever is higher. In other words, whatever may be the value of the yarn, the duty will never fall below $1\frac{1}{2}$ annas a pound ; and the advantage to the Japanese mills from working women at night, as calculated by the Tariff Board, will thus be counterbalanced. But it is expected that the working of women at night will not continue beyond the 30th June 1929, when the amended Japanese factory law should come into full operation. And practically all the yarn produced under present labour conditions should, therefore, be off the market by the end of March 1930. The Bill accordingly provides that this alternative duty of $1\frac{1}{2}$ annas a pound should only have effect up to the 31st March 1930.

Whatever may be said against the Bill, I think it should be admitted that it is the simple, straightforward and logical consequence of the finding of the Board on the question whether the industry is in need of protection. Nevertheless the Bill has been criticised, and these criticisms can, I think, be grouped under three heads. Firstly, the assistance given by the Bill to the mill industry has been said to be so trifling as to be not worth having. Secondly, it is objected that the Bill is arousing much indignation and alarm in Japan, and it is feared that it may provoke retaliatory measures against Indian imports into Japan, such as pig-iron. And, thirdly, it is objected that, in so far as the Bill raises the prices of yarn, it will be injurious to the handloom industry. I will deal with these criticisms in turn.

The first objection is, I think, fairly destroyed by the second. It is not disputed that the Bill is causing anxiety in Japan. But surely this very anxiety represents the true measure of the assistance that we are giving to the Indian industry. If this assistance were really trivial, it is obvious that the Japanese industry would have no need to be worried. But the trouble is that the Indian

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mill industry is always asking for more. Does this Council, for instance, realise that out of the taxation that has been or is being remitted since we balanced our Budget, somewhere about three-quarters, that is, considerably more than 2 crores, is for the benefit of the mill industry? Sir, I was reading the debates on this Bill in another place, and I noticed that the representative of the Bombay Millowners' Association compared the industry to a poor beggar lying by the roadside. If I may be allowed to carry on this simile, might I suggest that it is a common experience that beggars are never satisfied, and that it may be imprudent to attach too much weight to their importunities? I think it would be safer to accept the considered opinion of Sir Victor Sassoon, as given in his note appended to the Select Committee's report, that the duty imposed by this Bill would be of "inestimable value" to the mill industry. I will leave the first objection at that.

The second objection I will deal with very briefly. It would obviously be impossible to safeguard the Indian spinning industry against Japanese competition without some corresponding reaction on the Japanese industry. It is a law of nature that action and reaction are equal and opposite. I do not wish to minimise the anxiety that this Bill is causing to the Japanese mill industry. We can only hope that they will appreciate that the present difference in the labour laws of the two countries is placing the Indian industry at a definite disadvantage; and all that we are doing is to redress the balance for the time that this difference is expected to continue.

Further, we have rejected the recommendation of the President of the Board that an additional discriminatory duty should be imposed only on yarn made in Japan. We have been scrupulously careful that the new duty should apply to all imported yarn without distinction, in whatever country it may have been made. And I venture to suggest that if any country has a grievance, it is surely those countries whose labour laws give them no such advantage, and whose imports into India will now be liable to a higher duty only because women are still permitted to work at night in Japan.

I now come to the third objection. And I will say at once that I have the greatest respect and sympathy for those who honestly fear that this Bill may seriously prejudice the great national industry of hand-weaving. I was myself for a considerable time Director of Industries in the Central Provinces. I spent much time and care on the development and improvement of the handloom industry there, and I take a deep and abiding interest in its welfare. And what I say, speaking from my own experience, is this. The mill industry and the handloom industry are closely interlocked, and the prosperity of the one depends upon the prosperity of the other. On the one hand, the mill produces the yarn, which is the raw material of the handloom weaver. In fact, in relation to the handloom industry, the mill is really the primary producer. On the other hand, the handloom weaver is the mill's best customer. Last year, Sir, according to our calculations, the mills sold about 300 million lbs. of yarn to hand weavers, that is nearly 40 per cent. of their total production. Can it be supposed that the mills would wish to injure their best customer and to diminish his productivity? But what is the position now? If there is one thing more than another that this report brings out, it is that we in India must learn to spin finer.

The figures for last year show that out of 807 million lbs. spun in India, 95 per cent. were below 30 counts. It is essential for the welfare of the industry that we should increase our production in the counts from 31 to 40. But our advance is barred by the fact that the labour conditions in Japan enable the Japanese spinners to undersell us.

And even in the lower counts, in which we have hitherto had a practical monopoly, there is a new danger arising. Honourable Members are aware of the unhappy conditions in China, and will understand how the home market of the mills at Shanghai and elsewhere must be disorganized. In former times China was the great market for the surplus yarn produced by the Bombay mills. At one time we sent there more than 200 million lbs. a year. This has been steadily dwindling, as the spinning mills in China have increased in number, and now in the last few months the tide has definitely turned in the reverse direction. In the first four months of 1926 we exported 7 million lbs. of yarn to China. In the first four months of this year we exported only 170,000 lbs. On the other hand, in the first four months of 1926 we imported only 14,000 lbs. of yarn from China. But in the first four months of this year we imported no less than 3 million lbs. And our information is that increasing quantities of the coarser counts may be expected, made in mills in China under labour conditions which enable this yarn to be sold in India at prices at which the Indian mills cannot compete.

The Select Committee of the Assembly to which the Bill was referred estimated that the handloom weavers using counts between 30s. and 40s. would have to pay an additional 12 lakhs for their yarn, if the Bill became law. I do not in any way underestimate the seriousness of this additional charge. I admit, moreover, that the Bill may affect the price of the cheap coarse yarn which the hand-weavers might otherwise purchase in increasing quantities from China. But the question that I want to put to the Council is this. Would the handloom industry be a real national industry, if it depended on imported foreign yarn which was cheap because it was manufactured by women working at night? In so far as it used this cheap foreign yarn in preference to Indian yarn, would it not really be denationalised? Alternatively, is it reasonable that the Indian mills, which are also a national industry, should be forced to sell yarn to the hand-weavers at a price below the cost of production, in competition with foreign yarn which is manufactured under different labour conditions?

Whether this is fair or unfair, I believe that it would be fatal in the long run to the handloom industry itself. There are those here who are better able to judge than I am, and who can confirm or controvert my forecast. But as I foresee the consequences, if the price of yarn in India is forced down by this foreign competition below the cost of production, the mills will be compelled in self-defence to instal additional looms, and weave for themselves the surplus yarn which they are now selling to the hand-weavers. As I have said, I believe that these two great national industries are interdependent and complementary to one another. But if they are forced into conflict, the loss to the handloom industry will not, I fear, be a matter of a few lakhs.

However that may be, I think that I have said enough to show the importance of yarn in the textile industry. I feel, Sir, that there has been a tendency

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to underestimate the value of this Bill, because it deals only with yarn ; and to belittle its effectiveness, because, perhaps, after so much talk and so much writing, it is simple and short. I think, Sir, that a remedy is none the worse for being simple and short. But the point which I wish to emphasise is, that spinning is the foundation of the whole textile industry. If this is undermined, the superstructure of weaving, whether by power or by hand, will inevitably collapse. Indian cloth should be woven from Indian yarn. And Indian yarn is entitled to be safeguarded against foreign yarn which is produced under industrial conditions that are prohibited by law in India. I ask Honourable Members to believe that I for one would not be moving this Bill in the full conviction that it is necessary and just and right, if I thought that it was in any way unfair or really injurious to the handloom industry.

Sir, I move.

THE HONOURABLE THE PRESIDENT : The question is :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to protect the manufacture of cotton yarn in British India, as passed by the Legislative Assembly, be taken into consideration.”

I observe that there is an amendment standing on the paper in the name of the Honourable Seth Govind Das that the discussion be adjourned *sine die*. I have explained to the Council on more than one occasion the position of the Chair in regard to dilatory motions of this nature. I have pointed out that a motion for the adjournment of a discussion, whether to a definite date or *sine die*, is not one specifically contemplated by the Rules or Standing Orders, and I have argued therefore that it must obviously be within the discretion of the Chair whether it will accept such a motion and put it to the vote of the Council or not. There have been cases in my recollection in which there have been obvious reasons pointed out from both sides of the House why discussion on a particular motion or measure should be adjourned for a definite period or to a definite date, and in those cases I have allowed the motion for adjournment to be moved and put it to the House. There have been other cases in which an obvious desire, almost unanimous desire, has been shown by the House that the discussion on a particular measure should be adjourned with the intention that it should be shelved without the House arriving at any decision in the matter, and in those cases also I have allowed the motion to be moved and put it to the House. It is not within my recollection that a motion of the nature standing in the name of the Honourable Seth Govind Das has been put to the House. To my mind its obvious intention is to shelve the Bill which is now before the House for their consideration. *Primâ facie*, it would appear that the proper course for the Honourable Member would be to oppose the motion which is now before the House, or, if that motion were carried, to oppose the further motion that the Bill should be passed. Therefore, if I call the Honourable Member now it is not with the idea that he should forthwith move the amendment standing in his name ; it is to hear what he has to say on the Bill, and after I have heard his speech on the Bill, a speech which will no doubt contain his reasons for desiring to shelve this discussion, I shall be in a better position to understand whether it is fair to the House that I should put the motion which he desires to move.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) : Sir, the Honourable Sir Geoffrey Corbett in moving that the Bill be taken into consideration has said that the Bill is the outcome of the recommendations of the Textile Tariff Board. He very cleverly read a quotation from the report, Sir, in which the Board have pointed out that the industry needed protection. But, Sir, he did not further read the proposals of the Board regarding this protection. The question is whether the Bill is according to the recommendations of the Board and whether the Bill provides such ways of protection as have been recommended by the Board. I say, Sir, that though the Bill is the outcome of the appointment of the Tariff Board, yet, Sir, it is in direct contradiction to their recommendations regarding the protection of the textile industry ; and therefore, Sir, first of all I want to record my emphatic protest against the manner in which the Government have dealt with the report of the Tariff Board. The House knows, Sir, that in fact the Government have turned down practically all the important recommendations of the Tariff Board. As I have more than once pointed out in this very House, it is certainly useless to appoint these Commissions, these Committees, these Boards, and spend lakhs and lakhs of the poor tax-payer's hard earned money, if their recommendations are to be treated in such a shabby manner. When I say so, Sir, let me not be misunderstood. I admit that the final responsibility of giving effect to these recommendations should rest with the Government. Yet, Sir, it is an entirely different thing. It does not mean that the recommendations of these Boards should be treated with utter contempt as the recommendations of Textile Tariff Board have been treated.

Sir, let us now briefly see what the Tariff Board had found and what they recommended. The Board have found, as has just been pointed out by the Honourable Sir Geoffrey Corbett, that there is unfair competition from Japan with our industry. This competition takes place both in the case of cloth and in the case of yarn which my Honourable friend Sir Geoffrey Corbett did not say. The extent of this competition, they found, was 12½ per cent. in the case of cloth and 10 per cent. in the case of yarn. The Board have also pointed out, as has been suggested by my Honourable friend Sir Geoffrey Corbett, that there are certain advantages to the Japanese industry. Regarding these advantages, Sir, the Board have said that they were due to the State aid and also to their industrial organisation. They have also found our disadvantages, especially the disadvantages of our Bombay industry, which are due to high wages, excessive local taxation and unduly conservative methods. Granting that the present depression of our mill industry is on account of these reasons and also on account of raising the price of the rupee to 18d. which, though pointed out by the Board, was yet cleverly overlooked by my Honourable friend Sir Geoffrey Corbett, the Board definitely came to the conclusion that State aid to our mill industry is immediately called for. The Tariff Board also drew attention to the importance of our mill industry and the tremendous progress this industry has made between the years 1883 and now. They proved, Sir, that in 1883 the Indian output was only 9 per cent. of our total requirements, whereas, in spite of our increase in population to-day, this industry provides 42 per cent. of the cloth needed for our total requirements. And this has taken place, Sir, in spite of the very adverse circumstances, the chief of which is the step-motherly treatment of the State towards this industry. This treatment of the State

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can be proved by so many instances. Firstly, they raised the exchange to 16d. in 1893 ; then they imposed the 3½ per cent. countervailing duty in 1896 ; and, finally, Sir, they have further raised the price of the rupee recently to 18d. The Board was so much impressed by the seriousness of the situation that on page 184 of their report they said :

“The cotton textile industry is the most important industry in India, and Bombay is still by far the biggest centre of it. The extent to which the prosperity of Bombay City and of the Bombay Presidency are bound up with the fortunes of the industry needs no emphasis from us. In view of the dangers, financial and industrial, which are inherent in the continuance of the present conditions, the case for as effective a measure of State aid as possible does not appear to us to require elaboration.”

After this emphatic declaration, Sir, let us see what the Board have recommended. There is the difference between me and my Honourable friend Sir Geoffrey Corbett. The Board have recommended that a duty of 4 per cent. should be imposed on all imported cloth, and out of these proceeds they have recommended a bounty of one anna or its equivalent to be given per lb. of yarn of 32 or higher counts. The reason why this bounty was confined to yarn of 32 counts and higher was that the foreign competition is, in fact, with the yarn of 32 and higher counts. Sir, the Japanese competition was confined to the yarn between 30 and 40 counts. These recommendations of the Tariff Board were made on the 21st January 1927. It will be remembered that this Board was appointed two years after the repeated requests of the mill industry regarding this unfair competition from Japan. The Board took more than 7 months in their inquiry and then Government sat down on the report for more than six months. During all this period the mill industry was going from bad to worse. But they were expecting that as soon as the report of the Board was out and as soon as their recommendations were made, Government would lose no time in giving effect to them. And what do we find ? We find that after hatching the report for more than six months, Government have turned down practically all the important recommendations of the Tariff Board and have brought this Bill which, as I have just said, is directly in contravention of the recommendations of the Tariff Board. The House will have noticed that the Tariff Board were against imposing any duty on imported yarn in the interests of the handloom industry, and it was on account of this that they preferred a scheme of bounty in place of the duty on imported yarn. In the Resolution of the 7th June, the Government themselves admit the undesirability of imposing duty on imported yarn because of its adverse effect on the handloom industry. So, Sir, it becomes clear that up to the 7th June both the Government and the Tariff Board were against imposing any duty on imported yarn. At the same time, the Government were also equally against levying duty on imported cloth, though the Board had proposed this for the protection of the indigenous industry. This is what the Board said :

“We are agreed that, in addition to the protection afforded by the present import duty of 5 per cent. on yarn and 11 per cent. on cloth, a moderate measure of protection can be justified for such period as the labour conditions in Japan continue inferior to those in India.”

Sir, it was again and again pointed out that there were very few spinning mills in India which were not weaving mills as well, and therefore, unless the weaving portion of the industry was adequately protected, the future of the

industry was in the dark. After the publication of the Resolution of the Government on the 7th June, the mill-owners once more in a deputation waited on His Excellency the Viceroy and pressed this point. But, Sir, the Government turned a deaf ear to their appeals. On the 15th August the Government in place of the duty on cloth decided to impose $1\frac{1}{2}$ annas per lb. or 5 per cent. on yarn, whichever is greater, as has been pointed out by my Honourable friend Sir Geoffrey Corbett. This, as I have just said, was entirely against the recommendations of the Tariff Board. Therefore, Sir, the question arises—why such a step has been taken? The answer is offered, Sir, in Tables VI and VII given on page 19 of the Tariff Board's Report. The examination of these tables will at once show that the import of yarn into this country from the United Kingdom is decreasing every year, while the imported yarn from Japan is increasing. Now, Sir, what do we find? In the year 1923-24 the total yarn which was imported into this country from the United Kingdom was 52 per cent., and in 1925-26 this has gone down to 31 per cent., while the total percentage of yarn which was imported from Japan into this country in 1922-23 was 45 per cent., and in 1925-26 it has gone up to 65 per cent. This is, Sir, in fact, the secret of this Bill.

On the other hand, what do we find in the matter of cloth? In spite of various fluctuations the imports from the United Kingdom continued to be about 90 per cent. average of the total imports as usual. Therefore, Sir, the duty on cloth will come in the way of the Imperial interests of the United Kingdom and the duty on yarn will not be against them to such an extent. That is the secret of this Bill. These facts speak so clearly that it will be very difficult, and in fact impossible, for Government to escape from the accusation that, while dealing with the protection of the Indian cotton industry, they have in fact dealt with the question of the Lancashire imports.

Then, Sir, it has been pointed out more than once, that by imposing a duty on imported yarn the mill industry is not going to be adequately protected. Regarding this, Sir, I shall only quote two important Members of the other place who are closely connected with the mill industry. Sir Purshotandas Thakurdas said:

“The protection offered by the Bill becomes more an eye-wash than a reality.”

Sir Victor Sassoon, who represents the millowners of Bombay in the other place, said in his speech:

“I am perfectly prepared to admit that we in the mill industry will not benefit”.

And, Sir, without adequate protection, protection in fact is useless. The principles on which the granting of protection is based are, that it shall revive or bring into existence an important national industry, that the amount of protection shall be so generous that it will induce capitalists to invest their money in the industry and, that, as a result of such internal competition, the prices of articles concerned will be reduced in course of time, and the consumer, who suffered a temporary loss and inconvenience by the imposition of duties, will be compensated for such loss later by the reduced price of the articles concerned. These, Sir, are the true economic principles on which protection is based. These are the principles, Sir, which were accepted both by the Fiscal Commission and the Tariff Board, of which my Honourable friend Sir George Rainy himself was the first President.

[Seth Govind Das.]

Sir, as I have shown, it is clear that the present Bill is not going to protect the textile industry to the extent it is desired. On the other hand, there is no doubt that the handloom industry is bound to suffer by this Bill. As regards the extent of the loss to the handloom industry, it is difficult to put an exact figure. The lowest figure which has been pointed out by even the supporters of the Bill is about 12 lakhs of rupees annually. But, Sir, the actual loss will be much more than this. How much it will be, it is difficult to forecast. Some think it will be about 40 lakhs; others think it will be more than a crore. (*The Honourable Sir Maneckji Dadabhoy*: "Rubbish!"). I am coming to that if the Honourable Member will only keep quiet for a little while. An Honourable Member of the other House said in the other place:

"The handloom weavers who have to depend on Indian mill yarn to the extent of 260 million pounds will have to pay 3 pies per pound more upon those counts which they purchase irrespective of the present existing prices. If they raise it 3 pies per pound over the existing prices, that makes up 40 lakhs of rupees. Where is the force in saying that this additional increase of duty on yarn at $1\frac{1}{2}$ annas will affect only to the extent of 10 per cent. of the consumption, and that it will give only 12 lakhs of rupees and nothing more?"

Another Honourable Member in the same way pointed out in the other place.....

THE HONOURABLE THE PRESIDENT: I think the Council would much prefer to have the Honourable Member's own views. He is doing much quoting from the debates in another place.

THE HONOURABLE SETH GOVIND DAS: Well, Sir, what I meant was that some persons think the actual loss to the handloom would be 40 lakhs while others think it will be more than a crore. The figure on the face of it may look a bit high, but still there is force in the argument that the prices of lower counts of yarn will also increase, and therefore, Sir, the loss to the handloom industry will be much more than 11 or 12 lakhs. The Honourable Sir Geoffrey Corbett just now pointed out that for nationalising the handloom industry it is essential that they should use Indian made yarn. I admit, Sir, that in the course of time they must. As non-co-operators, Sir, we cannot call this industry purely a national industry until and unless it uses Indian yarn. But at the same time for some time yet, in order to keep this industry alive, we shall have to allow foreign yarn to be used just as we allow the mills themselves to use foreign machinery, and yet we call it a national industry.

Sir, I am myself for protecting the mill industry. I am not one of those, Sir, who consider that the mill industry is not a national industry. I consider, on the other hand, that it is to a very great extent a national industry. I admit it is the only organised national industry in India to-day. But at the same time I do not wish that the workers who are employed in these mills—the number of them in Bombay is only $1\frac{1}{2}$ lakhs, or if you take the mills all over India it is $3\frac{1}{2}$ lakhs,—in their interest, the workers who are employed in the handloom industry should suffer. In this country the number of handlooms is between 20 to 25 lakhs, and the number of people employed on them is between 50 and 60 lakhs. I hope no man in his senses would like to see that for the interests of $1\frac{1}{2}$ lakhs or for the interests of $3\frac{1}{2}$ lakhs these 50 or 60 lakhs

of workers, who make their living in the handloom industry, should suffer. Therefore, in order that the Government may once more consider the whole question I wanted to move my amendment which adjourns this debate *sine die*. I hope, Sir, it will not be contended that by raising the question of the duty on imported cloth we are in any way going beyond the scope of the Bill. As my Honourable friend Sir Geoffrey Corbett pointed out, this Bill is the outcome of the recommendations of the Tariff Board. The Tariff Board did not deal with the question of yarn only, but they dealt with the whole question of the textile industry; and therefore, Sir, I submit that we are justified in considering the whole ground covered by the report of the Textile Board. We did so in the matter of Steel protection; we did so on the occasion of the Currency legislation; and we are entitled to do so on the present occasion on the same grounds. Now, Sir, I leave it to you to allow me to move my amendment or not.

THE HONOURABLE THE PRESIDENT: I have listened to the Honourable Member with great care in order to ascertain what really were his reasons for putting his motion for adjournment on the paper. I have not gathered from what he has said that he was influenced by any desire that the House should dispose of this matter without coming to a decision one way or the other. On the contrary, I gathered that he seemed to be anxious that the House should now come to a decision which would be fatal to the Bill. It comes to this, therefore, that, in respect of the reasons given by the Honourable Member why I should allow him to move an adjournment of the discussion, the House's decision on that motion would be exactly the same as its decision on the motion that is really before the House, namely, for the consideration of the Bill. Therefore, I should be putting the House to the trouble of taking two divisions instead of one, where one would serve. In these circumstances, I regret that I see no reason for putting the Honourable Member's amendment before the House. The discussion will therefore continue on the Honourable Sir Geoffrey Corbett's main motion.

THE HONOURABLE RAI BAHADUR NALININATH SETT: (West Bengal: Non-Muhammadan): Sir, I oppose this motion. The Honourable Sir

12 Noon.

George Rainy in presenting his case in support of the Cotton Yarn Amendment Bill felt his way in a nervous air of impartiality which betrayed his own want of faith in the correctness and stability of the position that this measure will not affect the handloom weavers. I shall not tire this House with the able and well-authenticated arguments which several Members in the other House advanced to prove conclusively that the handlooms would be hard hit by this measure. What I do complain of, and I do emphasise on this House to consider, is that when an unanswerable case of hardship on 6 millions of people earning about 3 annas per head was urged on the Members of the other House, the modest proposal for the circulation of the Bill for local opinion all over India was not accepted. The fair and straightforward course for the Honourable the Commerce Member would have been to accept the motion for circulation, but that was not done. I have ransacked the closely printed proceedings of the Assembly for a valid reason for the hurry to carry the measure through, but none has been forthcoming. Sir, I am old enough to take a charitable interpretation of the public conduct of public servants, and I am doubtful whether there is any justification for the suspicion of intrigue which the follow-

[Rai Bahadur Nalininath Sett.]

ing quotation from the *Textile Mercury* of May 30th, 1925, suggests. The quotation runs as follows :

“ A suggestion has been made in Lancashire recently that India should be urged to put up a tariff against Japan with the idea of benefiting the Lancashire cotton industry ”.

I am loth to believe in it, as it implies a betrayal of the country by the millowners of Bombay. Sir, I am from Bengal whose Swadeshi movement gave the mills of Bombay the life-saving panacea, as Mr. Jamnadas Mehta has gratefully acknowledged. I for one cannot regard the millowners to be so devoid of patriotism as to be a party to the intrigue. But, however high my regard for the mill industry of India may be, I want an explanation from them as to why they have succumbed to the first crumb from the bureaucratic table. The smallest help that the Tariff Board recommended has not been given them ; the bounty that was their legitimate due has been withheld ; and the demand that has been advanced for decades for a simultaneous duty on cloth and yarn has been brushed aside, perhaps for a generation. It is lamentable that the millowners of Bombay who alone think that they would be benefited by this measure, organised and educated as they are, should so far forget themselves that for a mess of pottage they have made themselves instruments of a handicap to the handloom industry. That the protection afforded by the Bill is a mere eyewash in the opinion of Sir Purshotamdas Thakurdas and that the Bill is doing what the Tariff Board held to be “ undesirable in view of the effect this would have on the handloom industry ”—these are two glaring facts which lend colour to the suspicion of *malafides* somewhere.

THE HONOURABLE SIR MANECKJI DADABHOY : Sir Purshotamdas Thakurdas voted for the Bill.

THE HONOURABLE RAI BAHADUR NALININATH SETT : Sir, for the sake of the good name of the representatives of the people who have been given new power, either for use or abuse, I cannot but observe with dismay this sort of passing a legislation to benefit a particular class, however worthy they may be, without taking the opinion of the general body of the public. I am clearly of opinion, the Honourable Sir George Rainy absolved himself, by the way he put his case, from the responsibility of imposing the proposed duty, and the Assembly was not justified in robbing Peter to pay Paul.

Sir, there is another question involved in this measure which appeals to me more than anything else. In the long debate in the Assembly none on the side of the millowners could refute the charge made by Diwan Chaman Lall that in their case the need for help has been made out, only because “ capitalistic greed has outrun capitalistic caution.” Industrialism is making rapid strides in India, perhaps in legitimate sequence of evolution, but let us not forget that communistic doctrines are also making headway in no less rapid strides. If the capitalistic Government is suspected of allaying capitalistic industry, and of co-operating to “ ruin many homes of handloom workers throughout the country,” I shudder to think of the reaction that that suspicion will generate. We can ill afford to neglect the teeming millions at every step we take in our economic progress.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : (Madras : Non-Muhammadan) : Sir, I quite see the anxiety of the Government to safeguard the manufacture of cotton yarn, in India, against foreign competition. I

would have very willingly supported the measure which gives the much needed relief to the mill industry if the measure did not inflict a corresponding loss on the handloom industry. I am quite sure, Sir, the measure is bound to affect the handloom industry, that means the poorer section of our people. Whatever benefit is expected to be conferred on the mill industry is, at least to that extent it will be, a burden on the handloom weavers. The handloom weavers have always been working at a great disadvantage as against the facilities given to, and the influence of, the millowners.

The Indian Tariff Board was of opinion that the imposition of any additional duty on yarn is undesirable in view of the effect it will have on the handloom industry which is about 26 per cent. of the total consumption of cloth in India and that any assistance to be given to the spinning industry is best given in the form of a bounty. The Tariff Board also thought that it would react unfavourably on the position of those mills which have weaving sheds only and are dependent on yarn either locally manufactured or imported. Sir, I want to know why this considered opinion of an expert body like the Tariff Board was brushed aside unceremoniously and Government have set an unprecedented and unwholesome example of giving the shadow of a protection to one indigenous industry at the cost of another. Why waste so much money on the Tariff Board, if its advice is not listened to ?

Sir, both the mill industry and the handloom industry are national industries, and, therefore, both deserve the necessary help. It is a matter for deep regret and shame that India should export cotton and import it back in the form of yarn. Why could not she manufacture it herself ? Government have failed to help the people and the country in this direction. Look at Japan. Having thus failed in their primary duty, Government even brushed aside the recommendation of the Tariff Board and the people have not the power to force the Government to accept the Tariff Board's recommendation which were in the best interests of the country.

Under the circumstances the best course would have been to impose a duty on foreign piece-goods. That would have helped both the mill and handloom industries.

Sir, the proposal of the Bill instead of adding appreciably either to the industries or of the worker, will ruin many homes of handloom workers in the country, especially in my province of Madras, where there are a large number of handloom workers. I see no reason why the poor should be made to pay for the rich by an Act of the Legislature, in which the opposition has itself pledged to protect the interests of the masses.

For these reasons, Sir, I oppose the Bill. I know, Sir, that this Bill was passed in the other House, in spite of the popular opposition. In this House the result is a foregone conclusion. When this Bill becomes law and the Government realise 10 or 12 lacs of rupees from this new duty, I suggest that the amount so collected should be put at the disposal of Local Governments for the development of the handloom industry. With these remarks I oppose the Bill.

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay: Non-Muhammadan): Sir, I rise to support the motion and in doing so I shall briefly try to meet the arguments advanced, namely, that the handloom weavers will be hard hit by this measure of protection to the spinning section

[Sir Mammohandas Ramji.]

of the textile mills. This section of the mill industry is in particular need of protection as will be observed from the report of the Tariff Board that a number of the spinning mills had to close down on account of the imported yarn being sold at such a low rate that it would be impossible to manufacture yarn in this country for sale, in competition with the imported yarn, without making a considerable loss, and therefore it is our duty to protect this section of the textile industry. If this protection is not given to the industry, the result will be that this particular section of the industry will have to be permanently closed down and the handloom industry will have solely to depend on foreign imported yarn which will monopolise the supply of yarn to the handlooms, and the result in the long run would be, as pointed out by the Tariff Board, that ultimately the handloom industry will have to pay a higher price for the imported yarn used by them. Now, Sir, let us consider the effect of this measure on the handloom industry. Some of the Honourable Members in this House and also in the other House have argued that the handloom weavers will be adversely affected inasmuch as they will have to pay a higher price for the imported yarn used by them, and as they will have to sell their cloth in competition with the mill-made cloth which will not have to pay any duty. This is to my mind a fallacious argument. There is no competition between the mill-made cloth and the cloth produced by the handloom. The cloth produced by the handloom is quite different in design and quality, and is catering for quite a different taste of consumers on account of its speciality in design and get up, which it is very difficult for the power looms to produce, and in fact it is not produced at all. A majority of the handlooms produce intricate and rich bordered *saris* and scarfs or choli cloth of various patterns and designs, and surely the mill-made cloth does not compete with this class of cloth at all. They have their own market and those who want such cloth have to pay for it. Then, again, a large number of handlooms are engaged on cloth made from very fine yarn of count 70s and upward, which will not have to pay any higher duty than they do at present, but on the contrary will have to pay less and will be benefited to that extent by the proposed measure. As for those handlooms which are engaged in producing cloth from imported medium counts of yarn, they will have to pay about half an anna more per lb., which is equal to about a pie per yard of cloth or even less, but the cloth produced from this yarn being of a special quality and design, it will not be difficult for handloom weavers using the medium count of yarn to get the increased price of yarn from the consumer in proportion to the rise in the cost of yarn which is only a negligible amount. It is further argued that the handloom weaver will have to bear the burden of this increased duty because the industry is unorganized. Of course this may happen for a short time but the burden will soon be transferred to the consumer without difficulty. After therefore deducting the handlooms engaged in working on fine and medium counts of yarn, there remains a big percentage of handlooms which work primarily on coarser yarn, say, average count 20s, which pay no duty as it is locally produced, and which on account of the keen competition amongst the local mills due to superfluity of production needs no anxiety on the score of increased price of yarn. The result, therefore, is this, that about 90 per cent. of the handlooms will be using yarn which pays no duty at all,

as those which use finer counts will pay a considerably less amount of duty than they do at present, but of the total number of the handlooms only about 10 per cent. will be affected to a very small extent, but even in this case the weavers will be able to transfer the burden to the consumer, because it is the economic law that the price of the raw materials *plus* the manufacturing charges including a reasonable profit have to be paid by the consumer. So, if any body is to be affected by the proposed measure, it will be the consumer of the special rich cloth and not the handloom weaver. But, if on the other hand, you allow the indigenous mill industry to be ruined, you will be permanently encouraging foreign imports, and will always have to remain at their mercy, and render the country dependent for ever. I think none of us will prefer to be in this position. Another important point while on this subject of handloom industry that one has to bear in mind is, that when machine made cloth has made rapid strides, and has succeeded in considerably reducing the foreign import of cloth, the handloom industry has kept up its own, and has remained steady all these years without being affected in the least by foreign or local competition. Why is this so? The answer is, because there is no competition between the mill-made cloth and the hand-woven cloth. As said above the hand-woven cloth has its own speciality, and its own market and there is no competition of any kind whatsoever between the two. On the contrary, the mill-made cloth has to stand the foreign competition which is either bounty-fed, subsidized or getting some indirect help. Further, let us take into consideration the fact that a 5 per cent. duty on import of yarn came to be levied only a few years back; before that time the import of yarn was duty free. It is not argued by any one that after the imposition of the 5 per cent. duty on yarn the handloom industry has suffered at all.

THE HONOURABLE SETH GOVIND DAS : It has been much affected.

THE HONOURABLE SIR MANMOHANDAS RAMJI : It has got its own market.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official) : Certainly.

THE HONOURABLE SIR MANMOHANDAS RAMJI : On the contrary it has remained absolutely unaffected. How then is it going to be adversely affected when this measure is calculated to affect only 10 per cent. of the handloom industry which uses, as pointed out above, the medium count of yarn? The grievance, if any, of the handloom weavers seems to me to be exaggerated and may not be considered as a serious one

THE HONOURABLE SETH GOVIND DAS : Will the price of lower counts not go up ?

THE HONOURABLE SIR MANMOHANDAS RAMJI : Now, Sir, although the proposed measure will go to help the mill industry in one section only, which is a very small section, but at the same time an important one, the major portion of the industry which has been clamouring for protection has not received due consideration at the hands of the Government to which it was entitled, namely, 4 per cent. additional import duty on cloth as suggested by the Tariff Board, but as this question is not before us, although I had

[Sir Manmohandas Ramji.]

much to say on this subject, I do not propose to go into the merits of that question.

Sir, my Honourable friend Dr. Rama Rau said that Japan is paying handsomely to encourage this industry. I know it is the case, and I may tell the House that it is that encouragement which has brought us into our present position. Therefore, Sir, we have to devise some means by which we can meet the competition from Japan.

Then, Sir, it was asked why my Honourable friend Sir Purshotamdas Thakurdas said certain things in the other place. Of course, he had to say what he did say because he thought that the protection afforded by this measure was not sufficient, but he had voted for this measure willingly. With these few words, Sir, I support the motion.

*THE HONOURABLE MR. P. C. DESIKA CHARI (Burma : General). Sir, I cannot congratulate the Government on this measure. I carefully read through the Report of the Tariff Board, the Report of the Select Committee, and the discussions which took place in the other place. And what is the result of my reading of these? I found myself between the devil and the deep sea. On the one hand, I find a large prosperous, promising national industry, employing about 4 lakhs of employees and supplying 42 per cent. of the textile requirements of India, is in very great peril. On the other side, I find there is another large national industry, which caters to the textile requirements of India to the extent of 26 per cent. and employs as many as 6 millions, is likely to be hard hit by the measure which is proposed. Sir, there is a difficulty in deciding which of the two interests you are willing to sacrifice. That is the plain and simple question, and there I agree that it is a simple measure because it is a question of deciding as to which interest you are willing to sacrifice.

Sir, the handloom weaver, owing to his weak economic position, will not be in a position to bear any additional burden, and I think even a small additional burden to him will deal a knock-out blow to a large section of people engaged in this industry. I know also, Sir, that, owing to his weak economic position, he will not be in a position to shift any portion of this burden on to the consumer if left to himself. Sir, in these circumstances, it is rather hard to support a measure which is designed to deal a knock-out blow to at least a considerable section of the handloom weavers. But still, Sir, we have got the other side of the question and we have to come to a decision. I think it is an ordeal and it is our painful duty to come to some conclusion and I have in my own mind decided to support the measure on this ground. Sir, my main reason is this. The Government take the entire responsibility for this measure. It is apparently clear, and the rules make it quite clear that it is not possible for the Select Committee or for the Legislature to enlarge the scope of the Bill, or to suggest alternative methods, and our friends in the other place tried their level best to see if the Government would accede to their request for considering an alternative suggestion in Select Committee, and that has been ruled out. It is not open to the Legislature to enlarge the scope of the measure, so under the circumstances the Government take the fullest responsibility for the measure,

* Speech not corrected by the Honourable Member.

inadequate as it is, halting as it is, and likely to bring about baneful results and to hit hard a national industry. Under these circumstances, if they take the fullest responsibility for this measure, I think it is the duty of the Legislature to support this measure and to allow them to take the fullest responsibility. Otherwise the position is this. If owing to our failure to give even this inadequate support to the mill industry, the mill industry were to perish, then the whole responsibility will be on the shoulders of the representatives of the people. This is the main ground on which I want to support this measure which I would characterise as an act of melancholy meanness affecting a national industry consisting of millions of voiceless people, people who cannot make themselves heard and who would be in a very sorry plight if this measure is passed into law.

We are told, Sir, and I have heard a good deal of it, that it will be an insult to our national dignity to accept this measure. Sir, beggars cannot be choosers, to use an expression which my friend Sir Geoffrey Corbett used with reference to this industry. (*Honourable Members* : "No, no"). And I find if the industry concerned requires this measure as it is just now, I do not see any reason why the Legislature, actuated by sentimental considerations, should stand between the giver and the taker. (*An Honourable Member* : "Not sentimental considerations.") Yes, I regard it as purely sentimental, apart from the mere fact that it will hit the handloom people.

There is another consideration, Sir, which appeals to me. This industry is very difficult to build up. It has been built up at considerable cost by our experts in Bombay and other places, and if perchance, owing to the failure to give this measure of protection, the industry were to perish, it would be absolutely impossible to rebuild it. If thousands of these handloom weavers are thrown out into the streets as beggars, as I believe will be the case, then there is a chance, however remote, of the Government realising their blunder very soon and taking adequate measures to see that the handloom weavers are enabled to resume their operations, whereas in the other case an industry which is a great national asset will be affected beyond repair.

There is one other reason which weighs heavily with me. Here in this Bill, the principle of this Bill is the protection of the textile industry. Sir, if you accept the Bill, you accept the principle of protection. If you do not pass the Bill and it is thrown out then there is a danger of the interpretation that the Legislature is definitely against the principle of protection for the textile industry. (*The Honourable Seth Govind Das* : "Certainly not.") Oh, I do not mean to say that is the proper interpretation, but there is a danger of such an interpretation being put, and I am afraid the door to the protection of the textile industry, if we make out a case for better protection, will be definitely closed.

There is one other reason and that is the main reason which weighs with me, it is this. The other House, after a good deal of deliberation, passed this measure by 68 votes to 37. And I do consider, Sir, it is the duty of this House as a revising Chamber not to interfere lightly with the decisions arrived at in the other House by such a majority, unless the other House has obviously and hopelessly blundered. (*The Honourable Seth Govind Das* : "This House always does it.") Very well, this is the rule, and I propose to act upon this rule and that is my view of the case. Therefore, Sir, I am constrained to support

[Mr. P. C. Desika Chari.]

this measure though I do not like to disguise the fact that I do not like this measure at all. I am constrained to do it for the reasons which I have set forth.

Sir, Before I sit down, I would urge upon the Government the supreme necessity of directing their attention to what is contained at the end of the Select Committee's Report, namely, that the Government of India ought to address Local Governments to watch the result of this measure and ask them to report at least within six months the effect of this measure upon the handloom industry. I think, Sir, the blunder of this measure will be very soon evident. I do not like to take the responsibility on my shoulders, though there is very little responsibility here and though I want to support the Government and leave them entirely to take the full responsibility on themselves. I believe, Sir, they will realise their blunder very soon and before it is too late they will take measures to remedy the disastrous consequences. In another place a suggestion like that which my Honourable friend Dr. Rama Rau proposes was made that this duty, which is a protective duty and not a revenue duty, ought to be applied to the improvement of the lot of the handloom weaver and to foster that industry through the various Local Governments. I believe the Honourable the Commerce Member, who was not inclined to give any opinion off hand in the other House, has had ample notice of this suggestion, and I hope and trust he will come out now with his own opinion on the suggestion and that he will favourably consider the suggestion and use the proceeds of this duty for the benefit of the industry which is hard hit.

With these words, Sir, I am constrained to support the measure.

THE HONOURABLE SIR GEORGE RAINY (Member for Commerce and Railways): I think, Mr. President, that the arguments directed against the consideration of the Bill fall in the main under three heads. One reason given is that the proposals in the Bill are not in accordance with the recommendations of the Tariff Board, the second is that the benefit to the mill industry will be very small indeed, and the third is that the injury to the handloom weaver will be very large. I think that practically covers them.

The first point I want to make is this. It is really impossible for the same speaker to hold intelligently both the third objection and the second objection. All we are proposing to do is to increase the duty on cotton yarn. Now, if this measure produces any effect at all, it must be to raise the price of yarn in India. In so far as the price is raised, the mills will receive a higher price for the yarn they sell, and conversely, the handloom weaver will have to pay a higher price for the yarn he buys. If the benefit to the mills is very small indeed, it follows inevitably and at once that any loss to the handloom weaver will also be very small indeed. If, on the other hand, the injury to the handloom weaver is serious, then it is impossible to hold that the benefit to the mills is negligible. I think it is rather important to emphasise that point, because we are at times apt to argue in a manner which does not bring the various points together. In one part of his speech a speaker can argue that a certain result will follow, and in another part of his speech another result will follow and may not observe that the two are inconsistent.

I should like to turn next to the argument that the proposal in the Bill is open to objection on the ground that it is not in accordance with the recom-

mendation of the Tariff Board. Naturally that is an argument which ought to appeal to me very strongly in view of the fact that I was more than once in a position, if I had felt like it, to have complained of the action of the Government of India in not accepting to the full some recommendation I had concurred in placing before them. Nevertheless, I never did it. When I occupied the position of President of the Tariff Board, I do not think I ever took up that attitude, and I certainly cannot accept it to-day. What I have said more than once—it has been my view from first to last—is this, that the Government of India and the Legislature will usually be wise if they accept the findings of the Tariff Board on the facts, for this reason, that if they are unable to accept the findings of facts, then the whole structure collapses. It is impossible for the Government of India or the Legislature to do the detailed work which is necessary if a satisfactory finding on the facts is to be arrived at. Of course the Tariff Board may go wrong. I am perfectly conscious of that. But still, on the question of facts, they are a great deal more likely to be right than anybody else. The recommendations of the Tariff Board are quite another matter. There I do not consider that the Tariff Board are necessarily in a better position than anybody else to decide what in all the circumstances of the case is the best policy to follow. In that matter it is entirely within the province of the Government of India and the Legislature to decide for themselves what line of action should be adopted. In this particular case there is one obvious difficulty which my Honourable friend Seth Govind Das did not refer to, namely, the fact that the Board were not unanimous. Quite obviously, in these matters, a great deal more weight must be attached to the opinion of the Committee or Board when it is unanimous than when it is divided in its opinion, and therefore.....

THE HONOURABLE SETH GOVIND DAS : Follow what the majority said.

THE HONOURABLE SIR GEORGE RAINY :and therefore, when the Government of India are charged with brushing on one side the recommendations of the Tariff Board, the question at once arises which of these recommendations they should accept. I know quite well that the recommendations my Honourable friend Seth Govind Das was referring to are the recommendations of the majority. On the other hand, I think he and other Members of the House are well acquainted with the fact that Mr. Noyce has very special knowledge of the cotton industry, and that his opinion in a matter of that kind would always be entitled to great weight. Nevertheless, he and the majority of the Board did not agree on the most important points. In these circumstances, what could the Government of India do except come to their own conclusions? And that is in fact what they did. They have accepted the findings on the facts of the Tariff Board, and where the findings on the facts of the majority and the minority differed, they accepted the findings of the majority.

THE HONOURABLE SETH GOVIND DAS : What did Government think up to the 7th of June? The decision of Government on the 7th of June was entirely different to what it is now.

THE HONOURABLE SIR GEORGE RAINY : That is perfectly true, Sir. But I do not know that it has any particular bearing on the point which I was endeavouring to develop at the moment.

[Sir George Rainy.]

Coming now to another point, my Honourable friend Seth Govind Das drew attention to the fact that imports of yarn from Japan were increasing and imports from the United Kingdom were decreasing, and he also drew attention to the fact that there had been no corresponding increase or diminution in the imports of cloth. Therefore, he said, this is the secret—I think these were his words—this is the secret of the Bill. And he appeared to suggest that there was some Machiavellian policy underlying the Bill by which the interests of the United Kingdom were to be served at the expense of Japan and everybody else. Well, I cannot honestly say that I can plead guilty to this charge of a deep-laid Machiavellian policy, and indeed, I feel that in attributing such a policy to me, my Honourable friend does something less than justice to my intelligence, because if that were my object, it seems to me that the procedure adopted is a very peculiar one. The Government of India had before them a recommendation of the President of the Tariff Board that a differential duty should be imposed on imports from Japan only, and quite obviously, the adoption of that course would have been in substance a measure of British preference. If my object was what was attributed to me, the natural course to follow would have been to accept Mr. Noyce's proposal. The actual course which the Government of India are asking this House to adopt to impose an additional duty on yarn imported from all countries including the United Kingdom—surely that plan was singularly ill-conceived if its motive was the motive which has been attributed.

I should like to come now to what is, after all, the main question which this House has to decide to-day. I frankly admit, as I have already admitted in another place, that to the extent to which the mill industry in India benefits, to the same extent there must be some loss, or some injury, to the handloom weaver. It is useless to close our eyes to that fact, and the House to-day has to come to a definite decision on the question which of these interests, in all the circumstances of the case, ought to prevail and ought to have the preference. My Honourable friend, Mr. Chari, complained of the choice which was thrust upon him, and with a boldness of language which I should have hesitated myself to use, he said he had to choose between the devil and the deep sea. He did not particularise further, nor did he indicate whether the mill industry was the devil or the deep sea, and certainly I have not the courage to decide which designation is most appropriate, but I had hoped when he said that he was going to support one party, that he might tell us which was the devil and which the deep sea. My hopes, however, were disappointed. He was prepared, he said, to support the motion provided the Government took the fullest responsibility, and, I think in his mind he added, provided he did not share in the responsibility.

THE HONOURABLE MR. P. C. DESIKA CHARI: I said so.

THE HONOURABLE SIR GEORGE RAINY: I recognise frankly that a very heavy responsibility rests on the Government, as it always must rest in these cases on the Executive Government. Clearly we at least cannot disclaim responsibility, but I fear that my Honourable friend must also take his share in this act of "melancholy meanness" as he called it.....

THE HONOURABLE MR. P. C. DESIKA CHARI : The ~~meanness~~ is not ours, because we cannot enlarge the scope of the Bill or make it different.

THE HONOURABLE SIR GEORGE RAINY : I am afraid I must leave it at that, that a share of the responsibility will rest with him, and indeed, in the nature of the case, that must be so. When the House has voted to-day, it will, in fact, have decided the question whether, on the whole, it is better that some benefit should be given to the mill-owners even at the cost of some loss to the handloom weavers or not. It will decide it, and having done so, it cannot possibly divest itself of its own responsibility.

THE HONOURABLE SETH GOVIND DAS : What do you think will be the loss to the handloom weavers ?

THE HONOURABLE SIR GEORGE RAINY : I was just about to come to that point. I have examined this question as closely as I could, and the general position seems to me to be this. In the first place, there are the higher counts, counts above 40s., and more particularly, above 60s. I think it is true to say that the 1½ annas duty will not affect the price of yarn of counts above 60s. and will only affect to a slight extent the price of yarn between 40s. and 60s. That is to say, the handloom weavers who weave the very special kind of cloth from the higher counts of yarn will not be affected at all. But even if they were affected to a slight extent, as pointed out by my Honourable friend, Sir Manmohandas Ramji, they are catering for a rather special market, and in all probability they could pass on to the consumer any small increase in their costs. Then, again, there are the lower counts of yarn, that is to say, counts below 30s. The imports of such counts only amount to 2 million pounds a year, whereas I think the Indian production amounts to something over 750 million pounds. Now, in the nature of the case, if that is so, the price of these lower counts of yarn must be determined mainly by internal competition. It is true that the Tariff Board were of opinion that the price of these lower counts of yarn must be affected by the price of imported yarn between 30s. and 40s. What they said was that the low price of the Japanese yarn from 30s. to 40s. exercised a depressing effect on the price of all counts. I have no doubt that within limits that argument is a correct one. But the view I would suggest to the House is this. It may be quite true that the price of the imported yarn between 30s. and 40s. exercises an influence which prevents the price of the lower counts from rising. But it does not follow—even if the imported yarn was out of the market altogether—it does not follow that the price of the lower counts would rise, because there may be other influences at work, and all the facts point strongly to the conclusion that the price of the lower counts is determined mainly by internal competition. But let us suppose that the effect of the duty was at the outset to raise to some extent the price of these lower counts, what would be the immediate result ? There are a number of mills all over India which are not producing at present, and as soon as prices became profitable and remunerative, those mills would commence to work again, internal competition would increase, and the price would again come down. Apart from any question of the mills which are not working at present, there is also the fact that the mills at present working would be capable of expanding their production without very much difficulty. In 1926-27, there was a very remarkable increase in the output of yarn in India, and in fact, the actual output was 12 per cent. higher than it has been in any previous year. Finally, we come to the medium

[Sir George Rainy.]

counts between 30s. and 40s. I anticipate that the effect of the duty may be to increase the price of that class of yarn to something approaching the full extent of the difference between the 5 per cent. duty and the 1½ anna duty. The total quantity of such yarn imported into India, or produced in India, is a little over 50 million pounds a year. More than half of that quantity consists of the yarn spun by the Indian mills, and we know that the mills weave the greater proportion of the yarn of this kind they spin. Therefore, it seems probable that the amount of yarn between 30s. and 40s. counts consumed by the handloom industry is not more than about 25 million pounds. It was on that figure of 25 million pounds that one speaker in the other place—I forget who it was—calculated that the injury to the handloom weaver all over India would come to 12 lakhs. At any rate, if I am right in believing that that is the extent of the injury which the handloom weaver is likely to suffer, what it means is that only about 10 per cent. of his production will be affected.

I have endeavoured, Mr. President, to state the case fairly. It is a matter in which this House has to come to a definite decision and weigh against each other the interests of two important classes of the community. I would ask the House to consider the matter carefully and with a full sense of responsibility, but I have no hesitation on behalf of the Government of India in asking them to support the Bill which is now before the House.

THE HONOURABLE THE PRESIDENT : The question is :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to protect the manufacture of cotton yarn in British India, as passed by the Legislative Assembly, be taken into consideration.”

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT : I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary) : I move that the Bill further to amend the Indian Tariff Act, 1894, as passed by the Legislative Assembly, be taken into consideration.

One of the most interesting Chapters in the Tariff Board's report is Chapter IV, which deals with the world causes that have contributed to the depression in the cotton textile industry. The Board point out that this depression is not confined to India, but is worldwide. And of these world causes the most important is the gap that has appeared between the prices of raw produce and the prices of manufactured articles generally and of manufactured cotton goods in particular.

The Board point out that until the war the normal tendency of prices was to move in favour of the primary producer, and so increase his capacity to purchase manufactured goods. But since the war, the movement has been in the opposite direction. In other words, as compared with the pre-war figure, the index number of manufactured goods has been higher than the index number of raw produce. In India the agriculturist is by far the most important primary producer, and at the same time by far the most important purchaser of manufactured cotton goods. And the inevitable result of this movement of prices has been that the capacity of the agriculturist to purchase cotton goods has diminished, and this is the ultimate cause of the depression.

I have had these figures worked out in detail, and I have found that the index number in India for the price of cotton manufactures is now 158 as compared with 100 pre-war. But the corresponding index number for the price of raw produce is only 128. It follows that the relative capacity of the agriculturist to purchase cotton manufactures is now about 20 per cent. less than it was in 1914.

I have tried to explain this in some detail because it is really the underlying justification for the very substantial sacrifice of revenue that this Bill involves, amounting to about Rs. 85 lakhs in a full year. As I have said, the ultimate cause of the depression is this gap that has opened between the price of raw produce and the price of cotton manufactures. It follows that the only ultimate remedy is to close this gap. Anything that tends to reduce the cost of manufacture will operate to narrow the gap. And, on the other hand, anything that tends to widen the gap still further is likely only to prolong and accentuate the depression.

The removal or reduction of the duty on machinery and materials of industry which this Bill proposes, will operate to reduce the cost of manufacture and so to narrow the gap. It is, moreover, in accordance with the general recommendations of the Fiscal Commission, and it is also in accordance with the principle that has been accepted by the Government and the Legislature, that our fiscal policy may legitimately be directed towards fostering the development of industries in India.

Sir, I do not think that this Bill requires any further justification, and I need not detain the House by explaining in detail the long list of changes that it makes in the Import Tariff Schedule, and the long list of items on which the duty is removed or reduced. I will confine myself to two more general questions on which the Government have diverged from the recommendations of the Tariff Board.

In the first place, the Board recommended that the duty on machinery and stores should be remitted for three years only, and that the position should then be reconsidered. I wish to make it clear that there is no such time-limit in this Bill. It is no mere temporary concession, but should be regarded as part of our accepted policy that machinery and the materials of industry should, as far as possible, be free of duty, in order to foster the development of industries in India.

Secondly, the recommendation of the Board was confined to the cotton industry. Generally speaking, the duty was only to be remitted when the machinery or stores were imported by the cotton mills or for sale to the cotton

[Sir Geoffrey Corbett.]

mills. I wish to make it clear that this Bill is of general application, and does not take into consideration the purpose for which an article is imported. In giving effect, as revenue considerations permit, to the general principle that machinery and the materials of industry should be duty-free, we are prepared to give precedence to articles used chiefly by industries which are passing through a period of depression. But we are unwilling to discriminate between industry and industry by remitting the duty for one, but not for another, on the same article. Such discrimination would not only be unfair in itself, but incidentally it would be very inconvenient for the customs administration; and it would indeed be contrary to a long established principle of our tariff, which was in fact laid down so long ago as 1894.

One point more, and I have done. Some machinery is already being made

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in India, and we hope that more will be made in the future. Thus there may be cases in which it may be necessary to impose a duty on certain classes of machinery which are being manufactured in India, either for protective purposes, or to give what is called equal tariff treatment. I wish to make it clear that the removal of the duty on machinery which is now proposed is subject to any modification that may be found necessary to provide for such cases, after they have been properly inquired into by the Tariff Board.

Sir, I move.

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay: Non-Muhammadan): Sir, I rise to support the changes that are proposed to be effected in this short Bill. It was a matter of regret that for so many years the articles used as stores in different departments of the textile mills were charged a very heavy import duty, and the attention of the Government was drawn to this on several occasions, but to no avail. The Government went on collecting this heavy duty side by side with the obnoxious excise duty, and it was only when it was proved before the Tariff Board that the industry was suffering from foreign competition and an unnecessary heavy charge by way of payment of customs duty on the stores imported from foreign countries, and could no longer stand such a heavy burden but was in need of protection, that the Government came forward to give an indirect help to save the industry from ruin. I may say, Sir, this cannot be called a help to the industry at all. It was only a legitimate claim of the industry, for as a matter of fact the heavy duty on articles of stores should not have been allowed to be levied at all. In these days when the world nations have adopted the policy of protection, it is a matter of regret that it took such a long time to convince the Government that the textile industry could not stand unfair foreign competition without protection, and although by this measure the industry does not get a direct protection, it will be getting only a partial relief by way of getting a few articles of stores and machinery free of duty.

While on this subject, it is a matter of regret to find that one of the measures proposed in the Bill as originally drafted by Government was to abolish the existing 2½ per cent. duty on imports of printing types, but fortunately the Select Committee turned down this proposal and have altered the Bill so that the imported types would pay a duty of 2½ per cent. as heretofore. I

may submit, Sir, that this alteration is not sufficient to meet the demand of the indigenous type foundry industry for the raw materials used in type foundries, viz., antimony, tin and lead are subject to a 15 per cent. import duty, whereas the Bill provides for a duty of 2½ per cent. on imported types. I ask the House, is it fair and just to compel a new industry to pay a 15-per cent. duty on the raw materials and sell types manufactured by them in competition with imported types from foreign countries which pay a duty of only 2½ per cent? Leaving aside the question of protection for a new growing industry, I ask the House, is it not enough to kill any industry when it has to face foreign competition to the extent of 12½ per cent. by way of paying a heavy duty on imported raw materials, and has to sell its manufactures, in competition with imported finished articles which pay a duty of 2½ per cent. only? A responsible Government on the contrary would have allowed foreign raw materials duty-free, (*The Honourable Dr. U. Rama Rau*: "But ours is not a responsible Government.") and would have put on a heavy duty on the imported finished articles for the advancement of their indigenous industries.

Unless such a policy of protecting new industries is adopted by the Government, no industry is likely to exist in this country. Besides, what is stated above, one also finds that the Select Committee have overlooked the fact that the lead and brass rules, wooden and metal quoins, metal furniture and sundry articles made by type foundries in India and used in printing presses are proposed in the amending Bill to be allowed to be imported duty-free, which also goes to aggravate the hardship of the type foundry industry in competition with similar articles imported from foreign countries when they have to pay a heavy duty on raw materials, I hope the Commerce Department will soon adopt measures to give relief to the type foundry industry of India which is in great need of protection and deserves sympathetic consideration at the hands of the Government.

*THE HONOURABLE SRIJUT LOKENATH MUKHERJEE (West Bengal : Non-Muhammadan) : Sir, I am really surprised to learn that duty on artificial silk yarn is going to be reduced without consulting the Industries Department of the Local Governments. I know, Sir, our indigenous silk industry is not so well organised as the Bombay mill industry, but can they not claim care and protection at the hands of the Government? The constitution of the Government has made them unmindful of the moves taken from these Olympian heights to import artificial rivals to their articles of manufacture. Is it at all fair, is it at all just that they or their protectors in the Local Governments should not even be consulted in this matter? I must raise my voice of protest against this hard blow to the silk industry which, in Bengal, is the livelihood of so many people. Artificial silk is flooding the market as times are favourable to artificiality and counterfeits, and as cheapness is a factor which appeals to our poor consumers. But Government should not encourage the spurious to take the place of the real. Sir, it is not a question of sentiment, it is not a question of facilities, it is a momentous question of policy that artificial things should not be encouraged to the detriment of the articles.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the motion partially. The Honourable Mr. Lokenath Mukherjee has rightly asked the Honourable the

* Speech not corrected by the Honourable Member.

[Lala Ram Saran Das.]

Commerce Member to explain what led the Government to reduce the duty on artificial silk ; and I also want to ask what was the reason for reducing the duty on printing types ? In this connection, Sir, I want to make one observation and that is, that India is and was famous for its woven fabrics and we now find that the result of measures like this is to bring in artificiality in place of reality. Some time ago, Sir, the import duty on gold thread was reduced which resulted in giving a great shock to the gold thread industry in India ; and instead of getting the genuine cloth we are now getting a sort of very inferior imitation gold cloth. The same will be the result as far as silk fabrics is concerned, because, we find, Sir, that in 1921-22 the import of artificial silk which was only 75,000 pounds in 1925-26, has risen to 26,70,000 pounds now. Thus the increase in the imports is enormous which shows that the ordinary lay buyer, who does not know anything about silk, is buying artificial silk cloth as real silk cloth. And in addition to that, Sir, the man who buys the artificial cloth loses ultimately by buying it cheap because the cloth does not last so long.

As regards printing type, the Honourable the Commerce Secretary has already observed that in case any harm is done to an indigenous industry, the Government will reconsider the matter. Type foundries are now coming into existence on a large scale and they are just beginning to pay their way, and this reduction in the type duty will tell upon them. With these two exceptions, Sir, I support the motion.

THE HONOURABLE SIR GEORGE RAINY (Member for Commerce and Railways) : I have intervened at this stage, Mr. President, to explain briefly the two points about printing type and artificial silk yarn which have been raised by the two speakers who have already spoken. As regards printing type, the effect of the Bill, as it now stands, is to maintain the *status quo*. The duty is 2½ per cent. at present, and it will continue to be 2½ per cent. if the Bill is passed into law. The only reason for including it originally in the list of articles from which the duty was to be removed altogether was to maintain uniformity as regards the materials and machinery which had hitherto been dutiable at 2½ per cent. and in future are to be free of duty. The main reason for trying to maintain uniformity in these matters is that our definition of machinery in the Tariff Schedule is a general definition, and that usually it is not possible to differentiate between one kind of machinery and another. It was, however, pointed out in the Select Committee appointed by the other House that it ought to be possible, without causing any administrative inconvenience, to differentiate between printing type and certain other kinds of printing materials and the machinery generally, and that it was very undesirable, since the manufacture of type had been commenced in India recently, to prejudice that manufacture by removing the duty on the finished product. That view was accepted by the Government of India and by the Legislative Assembly. But my Honourable friend Mr. Manmohandas Ramji has said that this is not enough and that the Government ought to have proposed an increase in the duty on printing type. As regards that, I should like to say, that such a proposal is really outside the scope of the Bill not in a technical sense, but substantially, because the declared object of this Bill is to assist industries, by reducing or removing duties, and any proposal directed

to protecting some particular industry by raising a duty would be out of place. I may mention, however, that at least one manufacturer of type has already put in an application to the Tariff Board, and we expect that the Tariff Board will report about that shortly. That will be the proper time to consider whether it is advisable that the duty on printing type should be raised.

Now, I come to the question of artificial silk yarn. That is a textile material which has come into use very rapidly during the last few years. I think myself that perhaps the name is a little unfortunate for it suggests that it is a material in all respects comparable with real silk and likely to compete with real silk. Now, whatever may have been the case 5 or 6 years ago, the circumstances to-day are such that, irrespective of any duty imposed upon artificial silk yarn in India, that yarn is in a position, owing to its lower price, to knock real silk yarn completely out of the market, if in fact they are in competition with each other, because the price of artificial silk yarn is only about one-third of real silk yarn. If it was thought that steps should be taken to raise the price of artificial silk yarn to about the same level as real silk yarn, I am afraid a 200 per cent. duty would be necessary, which would be a very drastic step to take. Actually, however, all the evidence we have points to the conclusion that, if there is any competition, artificial silk yarn is rather in competition with cotton yarn than with any other textile yarn. During the last few years there has been a very remarkable increase of the consumption in India—in the last two years the imports have doubled—of piece-goods made from a mixture of cotton and artificial silk yarn. The attraction which artificial silk yarn apparently has for the purchaser is that it improves the decorative appearance of the fabric and generally makes it look more attractive. Now, some of the cotton mills in India and also a number of handloom weavers, particularly in Madras, have begun to weave fabrics of this kind, using both cotton yarn and also imported artificial silk yarn. About 18 months ago the Bombay Chamber of Commerce wrote to the Government of India suggesting the removal of the duty on artificial silk yarn, but at that time the Government of India were unable to accept the suggestion, owing to the loss of revenue involved. I took the opportunity, when I was in Bombay last April, to consult the Bombay Millowners' Association on that subject, and the millowners assured me that they entirely supported the proposal of the Bombay Chamber of Commerce, and that it would be a great benefit to them if the duty could be reduced or removed. We took such steps as were possible to obtain information as to the extent to which it was used by the handloom weavers and we had a statement from the one large importer in Bombay that he believed that the handloom weavers took about two-thirds of the imports.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) :
But, Sir, have you consulted the National Chamber of Commerce of Bengal ? They have sent us a wire and they say :

“The Bengal National Chamber of Commerce holds reduction of duty on foreign artificial silk will have injurious effect on Bengal silk industry and strongly opposes reduction.”

THE HONOURABLE SIR GEORGE RAINY : I have seen a telegram from the Bengal National Chamber of Commerce, but I was endeavouring to

[Sir George Rainy.]

put before the House the information on which the Government of India based their proposal. They were definitely informed that it would be of appreciable benefit both to the cotton mills and to the handloom weavers. It is quite clear that the public are demanding this new kind of fabric in which artificial silk plays a part, and the only result, as far as I can see, that the reduction of the duty can have is that more of these fabrics will be made in India and less will be imported from abroad. As regards the telegram from the Bengal National Chamber of Commerce, I must again draw attention to the fact to which I have already alluded that the price of artificial silk yarn is about one-third of the price of real silk yarn. In these circumstances, a reduction of the duty from 15 to 7½ per cent. must have an absolutely negligible effect in promoting the substitution of artificial silk yarn for real silk yarn.

THE HONOURABLE RAI BHADUR NALININATH SETT (West Bengal: Non-Muhammadan): Sir, I object to the inclusion of "artificial silk yarn thread" in the Schedule to the Bill, that is to say, as an article upon which duty is to be reduced. Here again the interests of the indigenous silk industry are being sacrificed to the Bombay millowners. At page 213 of the Tariff Board Report, paragraph 105 lays it down that:

"the concession of free entry enjoyed by cotton mill machinery and mill stores prior to 1921 should again be granted."

At page 179, paragraph 94 of the Report is head (c) *Remission of duty on machinery and mill stores*, and further down in the same paragraph a list of articles which were admitted free of duty has been given, and another list of mill stores which will be totally exempted from import duty has also been given. None of the lists contains any mention of artificial silk yarn. Nor does the Resolution of the Government of India, dated the 7th June 1927, make any mention of this item as a necessary article "used chiefly by the industries which are passing through a period of depression." Sir, I have to bring it to the notice of this House that this matter of reduction of duty on artificial silk yarn from 15 per cent. to 7½ per cent. when the import of this article is increasing by leaps and bounds in spite of the 15 per cent. duty, was never made a subject for communication with the Transferred Departments of the Local Governments. Those who deal with crores and crores of public revenue may afford to sacrifice 7½ lakhs of rupees out of it. But when we take into consideration the niggardly way in which contributions are doled out in support of industries, specially in Bengal, one is constrained to inquire into the propriety of encouraging a foreign imported article by reducing the duty on it.

Sir, the admixture of this artificial silk yarn in the texture of cotton cloth or silk cloth is a fraud on the consumer, because it makes the cloth far less lasting. The Honourable the Commerce Member has taken up a plea that this reduction will supply a cheap article for the use of the handlooms and mills. He did not touch on the question—how. The answer is very simple. They will be enabled to produce shoddy fabrics. The lure of eye will replace the counterfeit in the place of the real silk. This is what I take strong exception to in the argument in support of this reduction.

Sir, I would not have raised my voice against this proposal had I not been certain that these counterfeit articles will injure the real articles to a great extent. Moreover, the way in which this surprise has been sprung upon the indigenous silk trade has been very very unfair.

Sir, in the other House the Honourable Sir George Rainy remarked :

“ It is a very simple question, whether or not the duty on artificial silk yarn should be reduced from 15 % to 7½ %.”

He was not keen on it, and I appeal to the Honourable Member in charge of the Bill to leave the duty on this article at 15 per cent. to prevent an impending harm to the indigenous silk industry.

THE HONOURABLE THE PRESIDENT : The question is :

“ That the Bill further to amend the Indian Tariff Act, as passed by the Legislative Assembly, be taken into consideration.”

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT : Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

STATEMENT BY THE LEADER OF THE HOUSE.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : It will be remembered, Sir, that our meeting to-day was arranged with a view to the laying of an important Bill which we had hoped would be passed in another place yesterday. That hope has not been realised, and the Bill cannot now be passed by the Assembly before Monday next. In these circumstances, I suggest, Sir, that you might consider the possibility of so arranging our hour of meeting after the luncheon adjournment on Monday so as to admit of the Bill, if passed elsewhere, being laid here on that day. If this course is adopted, and if the Bill is duly passed by the Assembly on Monday, the question of the date on which it should be proceeded with here will be a matter for consideration after the Bill has been laid.

THE HONOURABLE THE PRESIDENT : The statement just made by the Honourable the Leader of the House places the Chair in a position of some difficulty. The House knows that when there is any question of waiving the three days' notice in respect of a Bill passed elsewhere and laid on the table in this House, it has always been my practice to consult Honourable Members as to whether they are prepared to go on with the Bill at short notice instead of wait-

[The President.]

ing for the three full days. It is certainly impossible for me to ask Honourable Members to express any opinion whatever now about a Bill which has not yet been passed and which is still open to amendment in another place. I hope, however, if and when the Bill is laid on the table in this House, Honourable Members will be prepared to assist me in coming to a decision in the matter.

The Council then adjourned till Eleven of the Clock on Monday, the 19th September, 1927.