

7th September 1927

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

VOLUME V

(6th September to 20th September 1927)

FIRST SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1927



SIMLA
GOVERNMENT OF INDIA PRESS
1928

Legislative Assembly.

President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

MAULVI MUHAMMAD YAKUB, M.L.A.

Panel of Chairmen :

MR. M. A. JINNAH, M.L.A.

MR. M. R. JAYAKAR, M.L.A.

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

Secretary :

MR. W. T. M. WRIGHT, C.I.E., I.C.S.

Assistants of the Secretary :

MR. D. G. MITCHELL, C.I.E., I.C.S.

MR. S. C. GUPTA, BAR-AT-LAW.

MR. G. H. SPENCE, I.C.S.

Marshal :

CAPTAIN SURAJ SINGH BAHADUR, I.O.M.

Committee on Public Petitions :

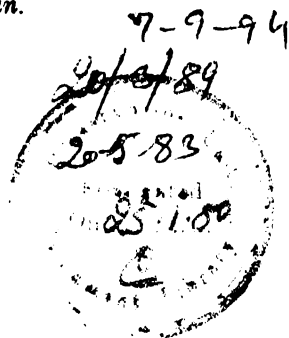
MAULVI MUHAMMAD YAKUB, M.L.A., *Chairman.*

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

MR. JAMNADAS M. MEHTA, M.L.A.

LIEUT.-COLONEL H. A. J. GIDNEY, M.L.A.

MR. C. DURAISWAMY AYYANGAR, M.L.A.



CONTENTS.

	PAGES
TUESDAY, 6TH SEPTEMBER, 1927—	
Questions and Answers	3979 ^o —89
Short Notice Question and Answer	3989—91
Unstarred Questions and Answers	3991—93
Demands for Supplementary Grants	3993—95
Draft Convention and Recommendation of the International Labour Conference regarding Inspection of Emigrants on Board Ship, etc.—Motion to ratify the Draft Convention and accept the Recommendation adopted	3995—4003
The Indian Emigration (Amendment) Bill—Introduced	4004
The Indian Tariff (Cotton Yarn Amendment) Bill—Discussion on the Motion to consider and the Motion to circulate adjourned	4004—41
Statement of Business	4041—42
WEDNESDAY, 7TH SEPTEMBER, 1927—	
Member Sworn	4043
Questions and Answers	4043—58
Motion for Adjournment—Retrenchment by the Bengal Nagpur Railway of Workmen employed in the Workshops at Kharagpur—Ruled out of Order	4058—60
Message from the Council of State	4060
Bills passed by the Council of State laid on the Table	4061
Indian Tariff (Cotton Yarn Amendment) Bill—Passed as amended	4061—4118
THURSDAY, 8TH SEPTEMBER, 1927—	
Member Sworn	4119
Message from the Council of State	4119
The Indian Tariff (Amendment) Bill—Passed as amended	4119—50
The Bamboo Paper Industry (Protection) Bill—Passed	4150—56
The Indian Securities (Amendment) Bill—Passed as amended	4156—61
The Volunteer Police Bill—Withdrawn	4161—79
Statement of Business	4179—82
The Criminal Law Amendment Bill—Time for the Presentation of the Select Committee's Report extended	4182

CONTENTS—*contd.*

	PAGES.
TUESDAY, 13TH SEPTEMBER, 1927—	
Member Sworn	4168
Questions and Answers ..	4183—4229, 4231—33.
Short Notice Questions and Answers ..	4229—31
Unstarred Questions and Answers	4233—41
Motion for Adjournment—The Gold Standard and Reserve Bank of India Bill—Leave granted	4242
Appointment of Munshi Iswar Saran to the Library Committee	4242
Resolution <i>re</i> Indianization of Half the Cadre of Officers of the Indian Army—Adopted as amended	4242—75
Resolution <i>re</i> Manufacture and Sale of Khadi—Discussion adjourned	4275—77
Motion for Adjournment—The Gold Standard and Reserve Bank of India Bill—Adopted	4277—92
WEDNESDAY, 14TH SEPTEMBER, 1927—	
Questions and Answers	4293—4321
Unstarred Questions and Answers	4321—25
Motion for Adjournment—Serious Situation in the Bengal Nagpur Railway Workshops at Kharagpur—Leave granted	4325
Presentation of the Report of the Public Accounts Committee ..	4325
The Criminal Law Amendment Bill—Presentation of the Report of the Select Committee	4325
Statement laid on the Table	4325—31
Appointment of a Committee to consider the Question of Residence and Accommodation for Members of the Indian Legislature	4332—35
The Indian Income-tax (Second Amendment) Bill—(Amendment of Sections 2, 23, 28, etc.)—Motion to circulate adopted ..	4335—36
The Indian Forest Bill—Passed	4336—44
The Transfer of Property (Amendment) Bill—Introduced ..	4344
The Transfer of Property (Amendment) Supplementary Bill—Introduced	4344—45
The Indian Income-tax (Amendment) Bill—Passed	4345—46
The Indian Lighthouse Bill—Passed	4346—51
The Indian Succession (Amendment) Bill—Passed	4352—53
The Presidency towns Insolvency (Amendment) Bill—Passed ..	4353—54

CONTENTS—*contd.*

	PAGES.
The Cantonments (Amendment) Bill—Passed	4355
The Indian Emigration (Amendment) Bill—Passed ..	4355—59
Resolution <i>re</i> Censorship of Cinematograph Films—Discussion adjourned	4359—77
Motion for Adjournment—Serious Situation in the Bengal Nagpur Railway Workshops at Kharagpur—Adopted ..	4377—4402
THURSDAY, 15TH SEPTEMBER, 1927—	
The Societies Registration (Amendment) Bill—Amendment made by the Council of State agreed to	4403—05
The Hindu Child Marriage Bill—Referred to Select Committee ..	4405—57
FRIDAY, 16TH SEPTEMBER, 1927—	
Short Notice Question and Answer	4459
Message from the Council of State	4459
Bill passed by the Council of State laid on the Table ..	4459
The Criminal Law Amendment Bill—Discussion on the considera- tion of Clauses adjourned	4459—4520
MONDAY, 19TH SEPTEMBER, 1927—	
Questions and Answers	4521—69
Unstarred Questions and Answers	4569—74
Message from the Council of State	4574
The Criminal Law Amendment Bill—Passed as amended ..	4575—4612
Appointment of Members to the Committee to consider the Question of Residence and Accommodation for Members of the Indian Legislature	4613
The Hindu Child Marriage Bill—Constitution of the Select Com- mittee	4613—14
The Aden Civil and Criminal Justice (High Court Jurisdiction Amendment) Bill—Passed	4614—15
The Inland Bonded Warehouses (Amendment) Bill—Intro- duced	4616
The Indian Divorce (Second Amendment) Bill—Passed ..	4616
The Assam Labour and Emigration (Amendment) Bill— Passed	4617
Resolution <i>re</i> Ratification of the Draft Conventions concerning (1) Seamen's Articles of Agreement, and (2) Repatriation of Seamen—Adopted	4617—25
Resolution <i>re</i> Recommendations concerning (1) The Repatriation of Masters and Apprentices, and (2) The General Principles for the Inspection of the Conditions of Work of Seamen— Adopted	4626—29

CONTENTS—*concl'd.*

	PAGES.
Resolution <i>re</i> Censorship of Cinematograph Films—Discussion adjourned	4629
TUESDAY, 20TH SEPTEMBER, 1927—	
Member Sworn ..	4631
Questions and Answers ..	4631—59
Message from the Council of State	4659
Resolution <i>re</i> Manufacture and Sale of Khadi—Withdrawn ..	4659
Resolution <i>re</i> Pensions of the employees of the Telegraph Department—Withdrawn	4659—64
Motion <i>re</i> Privileges and Status of Members of the Legislative Assembly—Adopted	*4665—69

LEGISLATIVE ASSEMBLY.

Wednesday, 7th September, 1927.

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

MEMBER SWORN.

Mr. D. G. Mitchell, M.L.A. (Legislative Department : Nominated Official).

QUESTIONS AND ANSWERS.

MEDICAL EDUCATION IN AJMER-MERWARA.

892. ***Rai Sahib Harbilas Sarda** : (a) Will Government state, if there is a Medical College in Ajmer-Merwara ?

(b) If not, what arrangements have Government made for the medical education of students from Ajmer-Merwara desirous of getting it ?

(c) Is it a fact that the Lucknow Medical College maintained by the United Provinces refuses to admit students from Ajmer-Merwara on the same terms as those from the United Provinces, but insists on the Ajmer-Merwara students paying tuition fees, which the United Provinces students are not required to pay ?

(d) If so, what is the amount of those fees ?

Mr. G. S. Bajpai : (a) No.

(b) Students from Ajmer-Merwara who require medical education have to obtain admission to medical schools and colleges elsewhere.

(c) and (d). The information asked for is being collected and will be supplied to the Honourable Member on receipt.

CUTTING OF THE RAILWAY LINE ABOUT THREE MILES FROM BALASORE RAILWAY STATION.

893. ***Mr. B. C. Roy** : (a) Are Government aware that some people in order to save their houses from further inundation were cutting the railway line about three miles from the Balasore railway station ?

(b) Is it a fact that railway lines without sufficient outlet for the discharge of water are one of the causes of flood and accumulation of water ? If so, what action do the Government propose to take in the matter ?

Mr. A. A. L. Parsons : The information asked for is being collected and will be furnished to the Honourable Member in due course.

Mr. B. C. Roy : Sir, I beg to withdraw the following questions.

Mr. President : All the remaining questions standing in the Honourable Member's name ?

Mr. B. C. Roy : Yes, Sir, Nos. 894-898.

†899*—903*.

CONSTRUCTION OF THE CALCUTTA CHORD RAILWAY (BALLY BRIDGE CONSTRUCTION).

904. ***Mr. K. C. Neogy :** (a) What arrangements have been made in the matter of construction of the Calcutta Chord Railway (Bally Bridge construction) ?

(b) What is the total estimated cost of the works, and how much thereof is to be entrusted to private contractors ?

(c) Have tenders been called for from private contracts in the matter, if so, with what result ?

Mr. A. A. L. Parsons : (a) and (b). The work has been put in hand and is making very good progress. The latest figure of the cost of the bridge is about Rs. 2½ crores. A large proportion of the work will be done by contract, but I am unable to say at this stage exactly how much.

(c) Tenders for the caissons were called for and two suitable tenders were accepted. The design of the steel work for the girders is not yet completed, as tenders have not yet been invited.

RETRENCHMENT BY THE BENGAL-NAGPUR RAILWAY OF WORKMEN EMPLOYED IN THE WORKSHOPS AT KHARAGPUR.

905. ***Mr. N. M. Joshi :** Will Government be pleased to state :

(a) Whether it is a fact that the Railway Board has instructed the Bengal Nagpur Railway authorities to make retrenchment in the number of workers in the workshops at Kharagpur ?

(b) If so, will they be pleased to state the exact terms of their instructions ?

(c) Will Government be pleased to explain the reason for such instructions ?

Mr. A. A. L. Parsons : (a) No. The position is that the Bengal Nagpur Railway Administration, though their workshop methods at Kharagpur have not yet been completely reorganised, have carried out certain improvements which, coupled with a diminution in the amount of repair work to be done, enable them to effect a reduction of about 2,000 men in the labour force of about 12,000 men in the workshops there.

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

Mr. N. M. Joshi : Am I to understand, Sir, that the Railway Board had no correspondence with the Bengal Nagpur Railway on this subject ?

Mr. A. A. L. Parsons : We had no correspondence, Sir. The Agent of the Bengal Nagpur Railway came to Simla and saw the Railway Board

† Not put at the meeting, but the questions and answers thereto will be found at pages 4051—58 of these proceedings.

sometime towards the end of July, and informed us that this reduction of 2,000 men was necessary and discussed with us the manner in which it could be carried out.

Mr. N. M. Joshi : Is the Honourable Member aware that the Superintendent of the Workshop of the Bengal Nagpur Railway told the Union that this was being done under the orders of the Railway Board ?

Mr. A. A. L. Parsons : I have not received notice of any such statement but the facts are exactly as I have told the House.

Mr. N. M. Joshi : May I ask the Honourable Member to inform the House what improvements the Honourable Member refers to which enabled the Railway Board to do with a smaller number of people ?

Mr. A. A. L. Parsons : I have not details of the improvements, Sir, but I understand that Mr. Cole, the Chief Mechanical Engineer, or the officers under him have designed new methods of work in the shops. I shall have to ask for notice if the Honourable Member wants to know exactly what improvements have been made in the workshops.

Mr. N. M. Joshi : May I ask, Sir, why the renewals and repairs are diminished this year ?

Mr. A. A. L. Parsons : Because, as I think the House is aware, on most railways repairs were very behindhand throughout the period after the War and we have now on the Bengal Nagpur Railway, as on other Railways, caught up those arrears to a very large extent.

Diwan Chaman Lall : May I ask the Honourable Member if any of the permanent workmen who were involved in the last strike have been brought under the axe ?

Mr. A. A. L. Parsons : Judging from the latest telegraphic information I have from the Agent of the Bengal Nagpur Railway, there has been so far, up to yesterday or the day before, no actual action taken to discharge these 2,000 workers because, as the Honourable Member will learn from a reply that I shall give to a subsequent question, at present we are at the stage of voluntary resignations. I should like to take this opportunity of saying that there is no intention whatsoever in the mind of the Bengal Nagpur Railway Administration, as the House I am sure will know that there is not in the minds of the Railway Board, of any victimisation.

RETRENCHMENT BY THE BENGAL NAGPUR RAILWAY OF WORKMEN EMPLOYED IN THE WORKSHOPS AT KHARAGPUR.

906. **Mr. N. M. Joshi :** Is it a fact,

- (a) that the Bengal Nagpur Railway authorities have issued a communique in which they have stated their intention to discharge 2,000 men ?
- (b) that 200 men are already discharged ?
- (c) that among the men discharged there are some men who have worked regularly for more than 15 years ?

Mr. A. A. L. Parsons : (a) The Bengal Nagpur Railway authorities issued a notice intimating that the number of men employed in the Kharagpur workshops would be reduced. I lay a copy of the notice

on the table. It invited voluntary resignations from the men and offered certain privileges to those who resigned, but it also pointed out that in the event of an insufficient number of men resigning voluntarily it would be necessary to resort to compulsory retirements. I may mention that though, in the notice, the 27th August, 1927, was given as the date before which voluntary resignations must be received, this date was subsequently extended to the 7th of September, 1927. I should also mention that the Agent of the Railway was in close touch throughout with the Labour Union and kept them fully informed of the methods whereby the reduction in staff would be effected.

I should perhaps add to that that on, I think, the 21st of August, the Agent met the Labour Union and discussed fully with them certain points which they wished to put forward with regard to the way in which these resignations or these retirements should be effected and that on a very considerable number of these points he met their wishes. He has throughout kept very closely in touch with the authorities of the Labour Union in this matter.

(b) and (c). 178 men were, I understand, discharged some time before the issue of this notice because there was not work for them. Discharges were then suspended, since in view of the considerable reduction, which it was found necessary to effect, the Agent considered that before proceeding further he should let the Labour Union know what action was proposed. Government are not aware of the exact length of service of these 178 men, but it is quite possible that some of them had more than 15 years' service.

DRAFT NOTICE.

With effect from 30th September, 1927, the number of men employed in Kharagpur workshops will be reduced.

2. Special benefits will be given to men who voluntarily resign before 27th August, 1927. Such men will be granted all leave, gratuity and Provident Fund bonus that may be due to them under the rules and in addition they will receive a bonus of one month's pay. They will be granted service certificates stating particulars of service, and reason for leaving "Resigned of own accord", not "Discharged on reduction of establishment". Those men will be permitted to leave immediately on their giving notice or at any time thereafter up to one month from the date of their notice.

3. In the event of an insufficient number of men resigning voluntarily under the above terms, the necessary reduction will be made from amongst men approaching or past the age of 55, excepting individuals who may be specially required in the interests of the Company's service, and from others by selection.

4. Men thus compulsorily retired will be given one month's notice and such gratuity, Provident Fund bonus and leave benefits as may be due to them under the rules, but no bonus of a month's pay.

Mr. N. M. Joshi : Is it a fact that the Labour Union requested the Agent to reduce, if necessary, first the junior men instead of reducing the senior men ?

Mr. A. A. L. Parsons : I have no information to that effect, Sir. The Labour Union made certain inquiries whether employees with short service, who were brought under reduction, would get a gratuity. But I find nothing in the memorandum which has been given to me of the conversations between the Agent and the Union which suggests that they put forward that request.

Mr. N. M. Joshi : May I ask whether the Railway Board will recommend to the Bengal Nagpur Railway Agent that persons who have been engaged during this year should first be reduced before people who have put in longer service ?

Mr. A. A. L. Parsons : I will consider the Honourable Member's suggestion and bring it to the notice of the Agent of the Railway. I must point out, however, that, I think probably quite advisably, the first men the Agent proposes to retire are those who are nearing the age for retirement, i.e., nearing the age of 55. I am not sure that it will be desirable to alter that particular provision in the manner suggested by the Honourable Member.

Mr. B. Das : Are Government aware that owing to the floods there is already severe distress in the district of Midnapur and the districts of Chota Nagpur and Orissa, and in view of the fact that any retirement of the staff on the Bengal Nagpur Railway will affect the people inhabiting those districts and enhance the distress of the Oriya people as well, will Government see their way to recommend to the Bengal Nagpur Railway authorities not to reduce the staff, at least under the present distressing conditions ?

Mr. A. A. L. Parsons : I am afraid I could not recommend to the Agent of the Bengal Nagpur Railway to continue to keep on staff for whom there is no work.

Mr. B. Das : Will the Honourable Member recommend that these men be utilised in any other capacity on the Bengal Nagpur Railway, especially in the affected area where the railway lines are breached ?

Mr. A. A. L. Parsons : Is the Honourable Member asking whether I will recommend to the Agent that any man who has been discharged from the Kharagpur Workshops should be given other employment on the Railway in places where they can find him suitable employment ? I think it is almost certain that the Agent has already taken that into consideration, but I will convey the suggestion to him.

Lient.-Colonel H. A. J. Gidney : Will the Honourable Member kindly state whether the Railway Board has any authority to interfere with the personnel of Company-managed Railways and whether it considers it advisable to interfere with the personnel of Company-managed Railway Workshops ?

Mr. A. A. L. Parsons : I am not aware, Sir, that any charge of interference with the personnel of these workshops has been levelled against the Railway Board. We have been acting entirely in consultation with the Agent, who himself consulted us. Our relations with the authorities of Company-managed Railways are extremely intimate, and they would certainly consider themselves bound to consult us when action of this sort has to be taken.

Mr. Varahagiri Venkata Jogiah : Will the Government be pleased to state whether the Bengal Nagpur Railway authorities, while discharging old workers, have been extending the service of men who are over 55 ?

Mr. A. A. L. Parsons : If the Honourable Member will wait, there is a further question, on which, though it does not exactly answer his question, I think that it will more appropriately arise.

Mr. N. M. Joshi : With reference to the supplementary question of my gallant friend, Colonel Gidney, may I ask the Railway Board whether most of the capital of the Company-managed Railways is supplied by the Government of India ?

Mr. A. A. L. Parsons : That is so.

Mr. K. Ahmed : One supplementary question, Sir. In view of the fact that more workmen will be required for the repair of the damages caused by the floods, do Government propose for the benefit of these workmen and for the benefit of the country, to keep these men on until the works are finished and the damages are repaired ?

Mr. A. A. L. Parsons : I am afraid I can find very little connection between work which is done by skilled artizans in the Kharagpur workshops and the earth work which is being done on mending the lines on the East Coast section. I have already said that I will convey the suggestion to the Agent of the Railway that, if possible, other work should be found for these men on the Railway.

Mr. N. M. Joshi : May I inquire whether the Railway Board will consider the suggestion of the Labour Union that instead of reducing the men all at once, they should wait for vacancies taking place in the natural course ?

Mr. A. A. L. Parsons : I think I have already answered that I am afraid the Railway Board cannot justify the continuance of employment in the Kharagpur workshops of men for whom there is no work.

EXPENDITURE INCURRED BY THE BENGAL-NAGPUR RAILWAY ON SUPERIOR OFFICERS AND SUBORDINATE SUPERVISING STAFF.

907. **Mr. N. M. Joshi :** (a) Are Government aware that during the last three years their expenditure on the Bengal Nagpur Railway for superior officers and for subordinate supervising staff has gone up considerably ?

(b) If so, will they be pleased to state by how much the above expenditure has gone up ?

Mr. A. A. L. Parsons : Final figures of the expenditure on superior and subordinate supervising staff on the Bengal Nagpur Railway for 1926-27 are not yet ready, but I will send the Honourable Member the information that he requires as soon as they come in.

Mr. N. M. Joshi : May I ask, Sir, whether, if the expenditure on the superior and subordinate supervising staff has gone up considerably, the Railway Board will be prepared to reduce that expenditure ?

Mr. A. A. L. Parsons : We should only be prepared to reduce expenditure if it was thought that it was not being wisely incurred. I think, when the Honourable Member sees the figures, he will find that there has been a considerable drop in expenditure last year as compared with the year before.

Mr. N. M. Joshi : My question was whether the expenditure has not gone up during the last few years, and if the expenditure has gone up, whether the Government of India will reduce that expenditure.

Mr. A. A. L. Parsons : The answer to the Honourable Member's question is that we addressed the Agent of the Bengal Nagpur Railway, as well as the Agents of all other Railways, to see whether they could not, by revising their arrangements, and without loss of efficiency, succeed in obtaining a reduction of administrative charges.

RATES FOR DAILY WAGE STAFF IN WORKSHOPS OF THE BENGAL NAGPUR RAILWAY.

908. ***Mr. N. M. Joshi :** Will Government be pleased to state whether after the last strike of the Bengal Nagpur Railway employees any improvement in the conditions of service of the workers has been made and, if so, will they be pleased to state what it is ?

Mr. A. A. L. Parsons : Yes. The pay of workers drawing under eleven rupees per mensem has been raised in all departments except the Locomotive Department where proposals are under final examination. Meanwhile, the Chief Mechanical Engineer has already been authorised to adopt from the 1st September the following minima rates for daily wage staff in workshops :

Skilled labour, twelve annas a day,

Unskilled adult men, nine annas a day.

DISCHARGE OF OLD WORKMEN OF THE WORKSHOPS AT KHARAGPUR.

909. ***Mr. N. M. Joshi :** Will Government be pleased to state whether :

- (a) while old workers are being discharged in the Kharagpur workshops, some new workers are being engaged ?
- (b) articles manufactured in the shops are being obtained through contractors ?
- (c) articles manufactured in the workshops are being obtained from foreign countries ?

Mr. A. A. L. Parsons : (a) No.

(b) Certain articles such as bolts and nuts below three quarters of an inch diameter and some casting, etc., have always been obtained through contractors. Probably what the Honourable Member wishes to know is whether there has been any recent alterations of practice. If so, the answer is in the negative.

(c) Here again there has been no alteration of the practice on the Bengal Nagpur Railway, which is much the same as that of other Railways.

Mr. Varahagiri Venkata Jogiah : May I ask, Sir, whether the Bengal Nagpur Railway have been discharging old workers and at the same time granting extensions to those who have completed the age of 55 ?

Mr. A. A. L. Parsons : Not so far as my information goes, Sir.

Mr. N. M. Joshi : May I ask, Sir, whether it is not a fact that articles so far manufactured in the Kharagpur workshops are now ordered to be obtained either through contractors or through foreign countries ?

Mr. A. A. L. Parsons : The information given me by the Agent of the Railway, which I have just read out to the House, appears to me to show that that is not the fact, for he states there has been no alteration in the practice.

Mr. N. M. Joshi : Though there may not be an alteration in the practice, there may be alteration in the amount of the articles made in Kharagpur, and I want to know whether the Railway Board will be willing to convey the sense of this House that it is not right and that it is not in the interests of the workers of this country that they should get these articles from foreign countries.

Mr. A. A. L. Parsons : I am not sure that I understand to what articles the Honourable Member refers, nor am I sure that he expresses the sense of this House.

Mr. N. M. Joshi : The Honourable Member is aware that this House has given protection to many industries ?

DISCHARGE OF 12 CLERKS BY THE LOCOMOTIVE AUDITOR AT KHARAGPUR, BENGAL NAGPUR RAILWAY.

910. ***Mr. N. M. Joshi :** (a) Is it a fact that the Loco. Auditor at Kharagpur has in the name of economy discharged 12 clerks and purchased equipment and machinery worth nearly Rs. 50,000 and is incurring an additional monthly expenditure of about Rs. 1,000 ?

(b) Do Government propose to enquire into this matter ?

Mr. A. A. L. Parsons : A reference has been made to the Railway Administration, but up to the present no reply has been received. The information will be communicated to the Honourable Member on receipt.

NUMBER OF INDIAN GUARDS AND DRIVERS ON PASSENGER TRAINS ON THE MAIN LINE OF THE GREAT INDIAN PENINSULA RAILWAY.

911. ***Mr. N. M. Joshi :** With reference to the reply given to my unstarred question No. 29, dated 18th August 1927, will Government be pleased to enquire how many Indian guards and drivers are running on the main line of the Great Indian Peninsula Railway for passenger trains, and if there are none, why ?

Mr. A. A. L. Parsons : I will obtain the information for the Honourable Member.

NUMBER OF RAILWAY EMPLOYEES DISCHARGED AFTER PERIODICAL MEDICAL EXAMINATION DURING THE YEAR 1926.

912. ***Mr. N. M. Joshi :** (a) With reference to the reply to my unstarred question No. 38, dated 18th August 1927, will Government be pleased to enquire how many men in railway service were discharged after periodical medical examination during the year 1926 ?

(b) Will they also be pleased to state how many of the men discharged were Indians and how many Europeans ?

Mr. A. A. L. Parsons : I will obtain the information for the Honourable Member.

QUESTIONS NOT PUT, OWING TO THE ABSENCE OF THE QUESTIONER, WITH ANSWERS TO THE SAME.

BOOKING OF MOTOR CARS AND LIVE STOCK FROM DIGHA GHAT, BENGAL AND NORTH WESTERN RAILWAY, ACROSS THE RIVER DURING THE RAINS.

899. *Khan Bahadur Sarfaraz Hussain Khan : Will the Government be pleased to state :

(a) If they are aware that booking of motor cars and live stock from Digha Ghat, Bengal and North-Western Railway across the river remains closed during the rains ?

(b) If so, for how many months in the year ?

(c) What other course is open to the public to send live stock and motor cars during the period ?

(d) Is it a fact that the other routes for their transport are very costly ?

(e) Do Government propose to take necessary steps to give relief to the public in this connection ?

Mr. A. A. L. Parsons : Enquiry has been made and the result will be communicated to the Honourable Member.

REPORT OF THE INDIAN SUGAR COMMITTEE.

900. *Khan Bahadur Sarfaraz Hussain Khan : (a) When did the Indian Sugar Committee submit its Report ?

(b) If it has, what action have the Government taken since the submission of the Report ?

(c) If not, when is the Committee expected to submit the report ?

Mr. A. R. Dalal : (a) In 1921.

(b) A statement showing the action taken by Government on the Reports is laid on the table of the House.

(c) Does not arise.

X.—ACTION TAKEN BY THE GOVERNMENT OF INDIA ON THE RECOMMENDATIONS OF THE INDIAN SUGAR COMMITTEE.

Recommendations.

Action taken.

I.—General Agricultural Recommendations.

Recommendation No. 225.—The importance of agricultural engineering should be recognised by the incorporation of Agricultural Engineers in the I. A. S.

The Government of India abandoned the proposal to include the Agricultural Engineers in the cadre of the I. A. S.

Recommendation No. 230.—The mycological needs of cane will be met, if laboratory facilities are provided at the Sugar Research Institute and when necessity arises, a Mycologist from Pusa is lent to the Institute.

Action on these was postponed pending the creation of an all-India Entomological Service.

Recommendation No. 231.—An additional Entomologist should be appointed to the Pusa staff principally for the investigation of cane pests throughout India.

The consideration of this proposal has been postponed pending the receipt of the recommendations of the Royal Commission on Agriculture.

Recommendations.

Action taken.

Recommendation No. 232.—The power of the Imperial Sugarcane Expert to import cane from other countries without a certificate of freedom from disease should be transferred to the Director of the Sugar Research Institute when it is created.

The Sugar Research Institute has not been established yet.

Recommendation No. 233.—Till then the power should also be given to the officer in charge of the Research Station at Shahjahanpur.

This recommendation has been given effect to.

Recommendation No. 234.—The water requirements of cane should be investigated on all agricultural stations working on cane.

Recommendation No. 235.—The establishment of the proposed research station in the Punjab for the investigation of the water requirements of all crops should be expedited and a Soil Physicist or Physical Chemist should be placed in charge.

Left to local Governments for necessary action.

Recommendation No. 236.—The possibility should be considered of meeting the cost of lining canals on which a concentrated cane area is to be served by increasing the water rates.

Recommendation No. 237.—The system of selling irrigation water by volume has great advantages and conditions are more favourable for its adoption than when the Irrigation Commission first expressed their preference for it when practicable.

Under consideration by the Public Works Department.

Recommendation No. 239.—Early action on the recommendations of the Committee on Weights and Measures is required in the interests of the cultivator.

Necessary action has been taken by the Commerce Department.

II.—Other sources of Sugar.

Recommendation No. 253.—A unique opportunity appears to be afforded of opening a combined cane and beet sugar factory in the Peshawar Valley.

Left to the local Government concerned.

III.—The Manufacture of Gur.

Recommendation No. 287.—The Industrial Commission's recommendations for the grant of loans for small or cottage industries are well suited to encourage the gur-making industry, except that the disposal of these loans should be entrusted to the Agricultural Department and not to the Department of Industries.

Referred to the local Governments who agreed to grant loans where necessary.

IV.—The Sugar Factory and its Raw Material.

Recommendation No. 313.—To enable monthly settlements to be made under the scale proposed, the Director of Statistics should issue monthly a statement of the average wholesale prices in the principal markets of white sugar manufactured in India.

This is covered by recommendation No. 375.

Recommendations.

Action taken.

Recommendation No. 319.—There are several projects for new lines in North Bihar the execution of which would be of great benefit to the factory industry there.

Recommendation No. 320.—Other schemes that should be proceeded with are for branch lines or extensions in Gorakhpur (United Provinces), Kamrup (Assam), Ganjam (Madras) and Poona (Bombay).

Recommendation No. 321.—On existing lines the chief need is a prompt service of open trucks with low sides.

Necessary action has been taken by the Railway Board.

Recommendation No. 322.—With the development of the industry there will be a growing need for privately owned light railways to convey cane to the factory; and the authorities controlling existing roads and railways should as far as possible afford the necessary facilities.

Necessary action has been taken by the Railway Board.

V.—*Manufacture of Sugar.*

Recommendation No. 342.—Government should, therefore, erect a pioneer factory in Upper India outside the present factory zone, possibly in the Karnal or Rohtak district of the Punjab.

Recommendation No. 343.—It should be run on purely commercial lines by a directorate of five—a managing director, the Director of the Sugar Research Institute (*ex-officio*) another official nominated by Government and two non-officials nominated by the Sugar Board.

Recommendation No. 344.—The managing director and factory staff should be recruited on special agreements and participate in profits.

Recommendation No. 345.—Should Government be unable to provide the funds, a loan should be raised in the form of debentures carrying a guaranteed interest of 7 per cent free of income-tax and a half share in all profits above 7 per cent. up to 13 per cent.

Recommendation No. 346.—The Factory should be required to carry out general experiments for the benefit of the sugar industry and should receive no privileges which would not be given to a private factory.

Recommendation No. 352.—The period of notice for the submission of tenders should not exceed six months.

Recommendation No. 353.—The possibility should be considered of adopting as the contract rate a sliding scale based on the market price of the distiller's basic material.

The establishment of a pioneer factory in Upper India was postponed owing to financial stringency. It must now await the recommendations of the Royal Commission.

Necessary action has been taken by the Commerce Department.

Recommendations.

Action taken.

VI.—*The Tariff Question.*

Recommendation No. 358.—A quantitative duty is preferable to an *ad valorem* duty; but the present time is not opportune for the change.

A quantitative duty (23 D. S. and above Rs. 4-8-0 per cwt., between 8 and 23 D. S. Rs. 4 per cwt.) has been imposed with effect from the 1st June 1925.

Recommendation No. 360.—If Imperial preference is adopted generally, it should be adopted in favour of Empire sugar by means of a proportional reduction on the present tariff.

No present action is called for.

VII.—*Statistical.*

Recommendation No. 373.—A certain amount of re-arrangement would considerably improve the "Agricultural Statistics of India."

The changes recommended have been accepted.

● *Recommendation No. 374.*—The "Commercial Statistics of India" should include statistics of cane crushed and sugar and molasses turned out by sugar factories.

The publication known as "Commercial Statistics of India" have been replaced by the "Statistical Abstract," in which no separate figures for sugar factories are given. It was not considered desirable to give effect to the recommendations of the Sugar Committee.

Recommendation No. 375.—The monthly sugar price returns recommended in Chapter XIX should be reproduced in "Prices and Wages in India."

Held over pending final orders on the question of the discontinuance of "Prices and Wages in India" volume.

Recommendation No. 380.—Detailed improvements are suggested in other Tables of "Prices and Wages in India".

Recommendation No. 381.—Imports and exports of sugar should be recorded in tons in the "Annual Statement of Seaborne Trade".

This is now being done.

VIII.—*Formation of an Indian Sugar Board.*

Recommendation No. 382.—The organisation of the Indian Sugar Industry on the Java model is essential to progress.

The establishment of a Sugar Research Institute and a Sugar Board was postponed on grounds of financial stringency and economy. It must await the recommendations of the Royal Commission on Agriculture. The question of establishing research stations in the provinces has been left to local Governments.

Recommendation No. 385.—In the first instance all members will have to be nominated by Government; but the first duty of the Board should be to evolve a scheme to secure representative appointments.

Recommendation No. 386.—Members should then hold office for three years and their tenure should be honorary.

Recommendations.

Action taken.

VIII.—*Formation of an Indian Sugar Board*—contd.

Recommendation No. 387.—An Imperial Sugar Research Institute should be established with three divisions, agricultural, chemical, engineering, each with its own independent head, and it should control the work on the various research stations already proposed for the provinces.

Recommendation No. 388.—A director required for the administrative control of the whole Institute and to keep in touch with the sugar work of the Province.

Recommendation No. 389.—In addition to the more obvious lines of work the Institute should consider the needs of the small gur manufacturer, investigate the possibilities of the beet sugar production and assist the palm sugar industry.

Recommendation No. 390.—The first Director and heads of divisions should be recruited on special terms, and other officers of the research organisation as members of the Indian Agricultural Service.

Recommendation No. 391.—Subsequent Directors and heads of divisions should be appointed by promotion and given the status and pay of provincial Directors of Agriculture and officers in the selection grade of the Indian Agricultural Service respectively.

Recommendation No. 395.—Factories should be encouraged to maintain their own agricultural advisers provided and controlled by the Sugar Research Institute.

Recommendation No. 396.—The sugar industry should be expected to contribute towards the cost of the Institute from the outset; and the first representative Board should evolve a practical system of contribution.

Recommendation No. 397.—Peculiar conditions in India, especially the importance of the gur industry, preclude the complete elimination of Government interest in the Institute; and when the industry is in a position to take over the main control, its funds should be provided by a levy on factories supplemented by a Government subsidy to ensure consideration of the interests of the small grower.

Recommendation No. 398.—The functions of the Sugar Board would be to control the policy of the Research Institute and the administration of its funds, to advise Government on matters affecting the sugar industry and to supervise the issue and receipt of returns by the Institute.

Recommendation No. 399.—The cost of the Sugar Board would be negligible; that of the Research Institute, the sugar school and the sub-stations is estimated at 35½ lakhs non-recurring and 12 lakhs recurring; but the latter should be largely reduced by the earnings of the sub-stations.

The establishment of a Sugar Research Institute and a Sugar Board was postponed. It must now await the recommendations of the Royal Commission on Agriculture. The question of establishing research stations in the provinces has been left to local Governments.

Recommendations.

Action taken.

VIII.—Formation of an Indian Sugar Board—concl'd.

Recommendation No. 400.—Profits on the research stations should be devoted to the expansion of the activities of the Institute.

Recommendation No. 401.—The submission by factories to the Institute of returns approved by the Board should be made compulsory by legislation; but proceedings for default should only be taken on the complaint of the Board.

Recommendation No. 402.—The Research Institute should be located where it can serve not only the existing factory industry of Upper India but also the great cane tract further west and north; and a site in the Basti or Kheri district of the United Provinces would fulfil these requirements.

Recommendation No. 403.—The same place should be adopted as the headquarters of the Board, though the Chairman should have power in case of necessity to convene meetings elsewhere.

Recommendation No. 404.—The Sugar Bureau should be continued pending its absorption in the Research Institute.

IX.—Coimbatore.

Recommendation No. 406.—The Coimbatore cane-breeding station and the post of cane breeding expert should now be made permanent.

Recommendation No. 407.—The station should be transferred to Imperial control.

Recommendation No. 412.—More attention should be paid to the breeding of new varieties of thick canes for Peninsular India, Burma and Assam.

Recommendation No. 413.—The area of the station should, if necessary, be increased by some 25 or 30 acres for this purpose.

Recommendation No. 414.—Coimbatore should also become a cane research station for South Madras.

Recommendation No. 416.—In addition to undertaking branches of work indicated in Chapter X, the research station should carry out special investigations into the water requirements of cane.

Recommendation No. 417.—A second cane-breeding station is required mainly for the raising of seedlings from parents that will not produce fertile seed at Coimbatore.

Recommendation No. 422.—The cane-breeding expert should control both breeding stations, making Coimbatore his headquarters.

The establishment of a Sugar Research Institute and a Sugar Board was postponed. It must now await the recommendations of the Royal Commission on Agriculture. The question of establishing research stations in the provinces has been left to local Governments.

The Coimbatore Cane breeding station has been made permanent and brought under Imperial control with effect from 1st April 1925. Funds amounting to Rs. 1,03,000 for providing additional staff and for the purchase of land, etc., were provided during 1925-26. Additional land has been acquired and extra staff is being recruited. A sum of Rs. 1,00,000 has been provided for further expansion of the station during 1926-27. A Second Cane-breeding Officer has been appointed to conduct research on thick canes.

Recommendations.

Action taken.

K.—Sugar Schools.

Recommendation No. 426.—One of the greatest needs of the Indian Sugar industry is a properly trained staff of chemical, engineering and agricultural assistants.

Recommendation No. 427.—The specialized technical training which will qualify men to enter the sugar industry as competent workers should be provided in the country.

Recommendation No. 428.—Of the educational institutions in other countries which give courses of instruction in sugar technology the Audubon Sugar School of the Louisiana State University and the College of Hawali furnish the most instructive precedents for India.

Recommendation No. 429.—The school for India should provide a thorough training in sugar agriculture, chemistry and engineering and should form an integral part of the Sugar Research Institute.

Recommendation No. 430.—The ultimate standard of training to be aimed at should be worked up to gradually with due regard to the immediate needs of the industry.

Recommendation No. 431.—Prior to admission students should have taken the first two years' course of an Agricultural or Engineering College with some additional instruction in chemistry and physics.

Recommendation No. 432.—The Sugar School course should extend over 2½ years and three crushing seasons; and should be conducted in two sections, an agricultural section and a chemical and engineering section, though a part of the training would be common to both.

Recommendation No. 433.—Practical field and factory work should form the most prominent feature of the course; and for this purpose the school should have its own farm and small model factory.

NOTE.—Other recommendations concerned local Governments and were left to them to take such action as they considered necessary.

CREATION OF SCHOLARSHIPS FOR THE STUDY OF THE SUGAR INDUSTRY IN FOREIGN COUNTRIES.

901. **Khan Bahadur Sarfaraz Hussain Khan :** (a) Are Government considering the desirability of creating scholarships for the study of the sugar industry in foreign countries ?

(b) If the answer to (a) be in the negative, will the Government please give reasons ?

Mr. A. R. Dalal : (a) and (b). The question of creating scholarships for the study of the sugar industry is under the consideration of the

Owing to financial stringency consideration of the proposals was deferred. It must now await the recommendations of the Royal Commission on Agriculture.

Royal Commission on Agriculture. It will be taken up by the Government of India when the recommendations of the Commission are received.

PROPOSED BRANCH LINE OF THE BENGAL AND NORTH WESTERN RAILWAY
BETWEEN MAHARAJGUNJ AND DRAULI.

902. ***Khan Bahadur Sarfaraz Hussain Khan** : Will the Government be pleased to state :

- (a) When it is expected to open the proposed branch line of the Bengal and North Western Railway between Maharajgunj and Drauli in the District of Saran (Bihar and Orissa) ?
- (b) Do they propose to ask the Company to expedite the completion of the scheme ?

Mr. A. A. L. Parsons : (a) and (b). This line has not yet been surveyed. If the Mashrak-Thawe line, which is under consideration, is taken up, it will serve the same area.

RUNNING OF THROUGH COMPOSITE FIRST AND SECOND CLASS CARRIAGE BETWEEN
PAHLEZA GHAT AND THE MAIN LINE OF THE BENGAL AND NORTH WESTERN
RAILWAY.

903. ***Khan Bahadur Sarfaraz Hussain Khan** : Will the Government be pleased to state :

- (a) If it is proposed to run a through composite first and second class carriage between Pahleza Ghat and the main line of the Bengal and North Western Railway going to Cawnpore ?
- (b) Is it a fact that passengers, specially ladies, are subjected to inconvenience during the rains and cold weather by walking a long distance on the Sonepur station platform to get another train ?

Mr. A. A. L. Parsons : (a) Enquiry has been made and the result will be communicated to the Honourable Member.

(b) Government have received no complaints to this effect.

MOTION FOR ADJOURNMENT.

RETRENCHMENT BY THE BENGAL NAGPUR RAILWAY OF WORKMEN EMPLOYED
IN THE WORKSHOPS AT KHARAGPUR.

Mr. President : I have received the following notice of motion for adjournment of the House under rule 11 of the Indian Legislative Rules from Mr. M. K. Acharya :

“ I desire under Rule 11 of the Indian Legislative Rules to make a motion for the adjournment of the business of the Assembly to-day (7th September 1927) for the purpose of discussing a definite matter of urgent public importance, namely, the decision of the Bengal Nagpur Railway authorities immediately to retrench 2,000 men of the Kharagpur workshops at a time when the neighbouring parts of the country are stricken with the havoc caused by the recent floods, and while the said railway authorities are giving out on contract to private firms large quantities of work till recently done in the railway workshops by the workmen themselves.”

This notice of motion came into my hands one minute before 11 o'clock. It is extremely inconvenient to every one concerned, particularly to the Chair and to the Department that Members should give such notice just at the eleventh hour. I must have some time at any rate to consider the question of admissibility to enable me to pass orders on it. I hope, therefore, that Members who desire to give notice of motions for adjournment of the House under rule 11, will at least give a few minutes to the Chair, so that the Chair might communicate with the Department concerned and have their view. This is, of course, for future guidance. As for the particular notice which I have just read to the House, I should like to know from Mr. Acharya on what date this decision of the Bengal Nagpur Railway authorities was arrived at ?

Mr. M. K. Acharya (South Arcot *cum* Chingleput : Non-Muhammadan Rural) : Sir, from the papers that I have got, notice seems to have been given on the 15th of last month and it is to take effect before the end of this month. It is specifically stated in the notice that arrangements should be made so that the whole of the surplus is eliminated before the beginning of the Puja holidays. It says :

“ The notices to the staff whose services are dispensed with compulsorily should be issued so that they will expire by the 29th September at latest ”.

I got this two days ago. I was thinking over it and consulting friends as to the action that should be taken. I hope when the occasion arrives I shall be able to show that it is not only urgent but that, inasmuch as it affects the welfare of 2,000 workers and their families, it is of great public interest, and I hope I shall be able.....

Mr. President : I only want to know from the Honourable Member when the decision of the Bengal Nagpur Railway was arrived at ? On what date ?

Mr. M. K. Acharya : I cannot say. I have got only the letter of the Agent addressed to the Chief Mechanical Engineer giving instructions to bring about retrenchment before the 29th September at latest.

The Honourable Sir George Rainy (Member for Commerce and Railways) : I think, Sir, I can supply the information for which you have asked. The decision of the Agent was communicated to the Labour Union at Kharagpur on the 15th August last. I remember myself seeing in one of the Calcutta newspapers a public announcement on the subject,—in a paper which reached Simla on the 18th August. I take it, therefore, that it must have been actually published in Calcutta either on the 16th or the 17th. As regards the admissibility of the motion, Mr. President, I should like to make two submissions. In the first place, the House has heard the answers given by Mr. Parsons to the questions on this subject. I would submit that it is very difficult to say that this is a matter of public importance. I do not say that a large reduction in the labour force in a railway workshop might not be in given circumstances a matter of real public importance : but I do think that a great deal would depend upon the circumstances, and as far as I know, there is nothing in the present case which would justify the belief that it is, in fact, a matter of great public importance. It is obvious, I think, that if matters of this kind were invariably so regarded, the time of this House would be constantly taken up with discussions on subjects of this kind.

[Sir George Rainy.]

Then, on the second point, Mr. President, namely, as regards the urgency of the motion, I would submit that, since the decision of the Agent was announced as long ago as the 15th August and was actually published in the papers as long ago as the 16th or 17th August, if the matter was regarded as of such importance and urgency as to require discussion in this House it ought to have been brought up at an earlier date. The Honourable Member who has given notice of the motion has had a number of opportunities on which he could have brought the matter up, and I do submit, Sir, that it cannot now be regarded as a matter of urgency within the meaning of the rule.

Mr. N. M. Joshi (Nominated : Labour Interests) : I want to say one word about the question of importance and also of urgency. The importance of the matter lies in the fact that, although most of the capital which is required for running the Bengal Nagpur Railway is provided by the Indian tax-payer, the railway authorities are sending away a number of men, while at the same time they are ordering things from abroad which could be made in the workshops. I think that the tax-payer has a right to say why Government should not follow this policy. The urgency of the matter lies in the fact that, although the notices were issued as early as the 15th August, the Union was negotiating with the Agent and I think no action could be taken for some time.

Mr. President : Unlike the Commerce Member, I am clearly of opinion that the matter is of great public importance. But I am not convinced that the matter is urgent. I should have certainly admitted this notice of motion for adjournment if it had come to me on the 18th August. The decision proposed to be questioned was arrived at on the 15th August. It was published in the newspapers on the 16th or 17th August, as Sir George Rainy has said, and there is absolutely no reason why the Honourable Member should not have given a notice of motion for adjournment on the 18th. In these circumstances.....

Mr. Jamnadas M. Mehta (Bombay City : Non-Muhammadian Urban) : Would you hear us on that point ?

Mr. President : It is not necessary to hear any more speeches. I rule that the motion is not in order.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly : Sir, the following Message has been received from the Council of State :

“ I am directed to inform you that the Council of State have, at their meeting held on the 6th September, 1927, agreed without any amendments to the following Bills which were passed by the Legislative Assembly on the 18th and 24th August, 1927 :

A Bill to amend the Indian Bar Councils Act, 1926, for certain purposes.

A Bill further to amend the Indian Merchant Shipping Act, 1923.

A Bill further to amend the Indian Divorce Act for a certain purpose.”

BILLS PASSED BY THE COUNCIL OF STATE LAID ON THE
TABLE.

Secretary of the Assembly : Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table the following two Bills which were passed by the Council of State at its meeting of the 6th September, 1927 :

1. A Bill further to amend the Indian Divorce Act for a certain purpose.
2. A Bill further to amend the Assam Labour and Emigration Act, 1901, for certain purposes.

THE INDIAN TARIFF (COTTON YARN AMENDMENT) BILL—
contd.

Mr. President : The House will now resume further consideration of the following motion moved by the Honourable Sir George Rainy on the 6th September 1927 :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India, as reported by the Select Committee, be taken into consideration.”

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division : Muhammadan Rural) : I rise to oppose the amendment proposed by my friend Mr. Neogy. I think, Sir, my friend Mr. Neogy has not sufficiently realised the serious situation in which the mill industry of Bombay is passing. The light-hearted manner in which he dwelt on this subject shows that he has not understood the present situation at all and the arguments that he put forward are to my mind very frivolous, because he found fault with a particular millowner in Bombay regarding the purchase of coal, and therefore he says that the millowners are not sympathetic and therefore the national industry should go to ruin. That is his argument.

Diwan Chaman Lall (West Punjab : Non-Muhammadan) : How is it a national industry ?

Mr. Fazal Ibrahim Rahimtulla : I am going to show you how, if you will wait. As regards the point of the purchase of coal, if a millowner buys coal at Rs. 22 per ton in preference to Rs. 21-4-0 per ton which is to his interest I think he must have got very good reasons and I leave it to the official spokesman of the Millowners' Association, to deal with this matter in detail, but I say, Sir, that that is not the argument for rejecting the Bill which is now before us in the shape of the Report of the Select Committee. Sir, while criticising the attitude of my friend Mr. Neogy, I must say, Sir, that I was considerably surprised to find my friend Mr. Jamnadas Mehta supporting the amendment. Coming from Bombay and praising Bombay to the skies on the floor of this House yesterday, he has thought it his duty to request us to reject this Bill and to support the amendment, knowing full well the present situation through which the industry is passing. He said that the millowners must support the yarn Bill because beggars cannot be choosers. While saying that, he contradicted that statement the next minute. What did he say ? He said that the millowners ought to stand up and dictate to Government that, if they do not give us real protection, we will not have it. I hope, Sir, the Honourable Member will tell this House what methods the millowners or the representatives of this nation should adopt in order to compel Government to give that protection which my friend desires.

(4061)

[Mr. Fazal Ibrahim Rahimtulla.]

Sir, there are two points which have been discussed in this House, which I think require some consideration. The first point was that the present Bill is not sufficient to protect the mill industry. The second point was that it hits the handloom industry. As regards the first point, I would just read a few lines, from the Millowners' Report to show why this yarn Bill has been justified and is necessary in the present circumstances :

“ The greatest value of the duty in the opinion of the millowners is that it would act as a powerful weapon against the dumping of yarns of coarse counts which are the lifeblood of the Indian industry. Even during the last four years of depression the millowners point out that by selling their yarn at a loss they have been able to keep out imports of coarse counts, but they fear that with a continuation of the unsettled conditions of the Far Eastern markets, the Japanese and Sino-Japanese mills will attempt to dispose of the coarse yarns in India at dumping prices, which under normal circumstances would have been sold in China. Already Sino-Japanese yarns of medium counts are being sold in Bombay at 20 to 25 per cent. below the bare cost of production in India, and the latest shipments indicate that the movement is extending to yarn of counts below 20. This, to our mind, constitutes a very valid reason for supporting the duty which the Government's Bill proposes.”

As regards the argument of my friend Mr. Jamnadas Mehta that the Tariff Board Report has said nothing about the yarn duty. They have said on the contrary that the yarn duty if levied would go against the handloom industry. I would draw his attention to page 192 where it is said :

“ At the same time, it must be recognised that conditions in this respect may change and that large quantities of coarse yarn may be placed on the Indian market at prices with which the Indian mills may not be able to compete. The possibility that Japan may, owing to the disturbed conditions in China, seek an outlet for yarn of lower counts in India at such prices cannot be overlooked. Should this happen and, especially, should it happen before the industry has had time to effect the internal economies and the reorganisation we have suggested, we are of opinion that a contingency will have arisen in which an additional duty on yarn would be fully justified.”

Sir, I leave the matter at that and leave it to the Members to judge why the millowners have come forward to support the Select Committee's Report or in other words the Government measure. As regards the handloom industry there is no doubt that it is going to be hit. I do not think, Sir, there is anybody in this House who will deny that statement. The point is whether the handloom industry is going to be hit to-day or whether it is going to be ultimately hit by some other causes and consequences which will be much more serious. I shall point out to my friends here who are as keen as I am about the handloom industry to read page 170 of the Tariff Board's Report :

“ It should be pointed out that, even if no countervailing duty is levied, a rise in price is inevitable since, unless Japan is able to supply all the requirements of India at the low prices at which she is able to supply part of them, it is to her interest, once she has established herself in the Indian market, to allow prices to rise to the level at which other competitors can sell without loss but which would yield her larger profits. A rise in prices in this way would, however, be far more gradual than that which would follow the imposition of a differential duty and in the meantime serious and perhaps lasting damage might have been inflicted on the home industry. From the point of view of the consumer, therefore, the imposition of a differential duty against unfair competition merely hastens the rise in prices which would, in any event, be brought about by the play of normal economic forces.”

Sir, I have dealt with these two points and now I must congratulate my friend, barring these two points, on the excellent speech which he

delivered. I entirely agree with Mr. Jamnadas Mehta that the Government have placed this House in a dilemma. If they had adopted the Tariff Board's recommendations they would have secured the unanimous support of this House. Instead of that, by bringing forward this yarn Bill they have created a conflict of interests, and instead of having the relief for which the millowners were fighting we are now asked to fight amongst ourselves. The millowners, as you know, Sir, asked the Government to appoint a Tariff Board to go into the question of preventing the unfair competition from Japan. What do we find now? Instead of having the Tariff Board's recommendation to prevent unfair competition from Japan, we find that the mill industry has to fight against the representatives of the people in connection with the handloom industry. Sir, I may be permitted to mention here what the Japanese Government themselves have done for their own staple industries and what they are doing in order to safeguard their interests. I would call upon the Government, which call themselves the Government of India, to look after the interests of India and to see that the unfair competition is not allowed to go on while the staple industry of India is ruined. Sir, I will read from an extract from a Japanese financial and economic monthly for February 1927 :

“ In response to any enquiry put by the Department of Commerce and Industry, the Commission on the Promotion of National Industry has recently drawn up a basic policy for laying solid foundations for the staple industries of the country and the means to be employed for carrying it out. By taking into consideration these important results of study by the Commission, the authorities of the Department of Commerce and Industry soon completed a draft of a basic policy for the helping of staple industries of the country which they had been studying. The draft policy which has already been transferred to the Legislative Bureau, will shortly be decided upon at the Cabinet Council. As a result, the financial expenditure required for the protection of industries for the financial year 1927-28 will be submitted to the Diet in the form of an additional estimate. To state in outline the basic policy for the helping of staple industries for ten to fifteen years to come (according to industry) the Government is to render pecuniary help to staple industries to the extent of roughly Yen 45,000,000 per year.”

Which means 6 crores of rupees per year. Take other things about shipping companies. Here is an extract from page 191—The Indian Cotton Excise Duty :

“ The leading steamship company of Japan receives an annual subsidy of 6 million yen—which means 80 lakhs of rupees—supposedly for carrying the mails, but it is difficult to resist the conclusion that such a huge subsidy is paid to enable the company to quote extremely low rates of freights to Japanese merchants and mills, because for a period of ten years before the late war, although this particular steamship company made a loss on each year's working, the subsidy enabled them to wipe out the loss and pay a dividend of 10 per cent. per year.”

Take another instance. This is an extract from a report on the Cotton Spinning and Weaving Industry in Japan by Mr. W. B. Cunningham, His Majesty's Consul, Osaka :

“ The Osaka Shosen Kaisha runs a monthly service to the East Coast of Africa, calling at such ports as Kilindini, Mombasa and Dar-es-salaam, which brings cotton to Japan. A subsidy of 400,000 yen (which means 5½ lakhs of rupees per annum) is paid to this service, which was inaugurated in 1926.

I come now to another extract about low freights :

“ The freight for cotton from India to Japan is 4.56 yen per bale subject to a discount of 1.40 yen per bale to Japanese spinners. This works out at 2 pies per pound. The freight on piecegoods from Japan to India is 14.5 yen per ton less a discount of 10 per cent., which works out at 2.1 pies per pound. The total freight on

[Mr. Fazal Ibrahim Rahimtulla.]

both raw cotton and piecegoods thus amounts to 4.1 pies per pound, which it may be noted is the railway freight on piecegoods alone per pound from Bombay to Sholapur."

I hope, Sir, that this will serve as an eye-opener to the Honourable the Commerce Member and show him that the time has arrived, if he wants to do justice to the staple industries of India, to take such measures as Japan is taking to safeguard these industries, and I will say that he will not fail in having the support of this part of the House in any measure of this kind that he may bring forward. Sir, as regards the unfair competition from Japan, I think the Honourable the Commerce Member has already admitted this fact. If he has not then the telegram from Japan which we have received here would amply show that there is no doubt about the unfair competition. Reuter's telegram of August 31st announced :

"London: Osaka Committee of Japanese Cotton Spinners' Association has decided to employ every means in its power to prevent the passage through Indian Assembly of Cotton Yarn Bill."

I think, Sir, the Honourable the Commerce Member will not forget to bring forward at a very early date the Cloth Bill which my friend Mr. Jamnadas Mehta is so keen about and which I think he will whole-heartedly support. As regards the question of labour, I think my friends here are already aware that the labour conditions in Japan are not the same as those of India. I have got various extracts with me here from Japan and other places.

Diwan Chaman Lall : From Anglo-Japanese sources ?

Mr. President : The Honourable Member might put them on the table if he likes. (Laughter.)

Diwan Chaman Lall : Will the Honourable Member inform us whether they are from Anglo-Japanese papers or not ?

Mr. Fazal Ibrahim Rahimtulla : No, Sir, they are not. I have here an extract from the Japanese Year Book for 1924 ; an extract from a petition presented in the Japanese Diet by women and children working in Japanese factories in 1926 urging the immediate abolition of night work.

Diwan Chaman Lall : Is not that extract from an Anglo-Japanese paper ?

Mr. Fazal Ibrahim Rahimtulla : It is a petition from the Japanese women workers.

Diwan Chaman Lall : Has the Honourable Member seen the original petition ?

Mr. Fazal Ibrahim Rahimtulla : Sir, I will now turn to another point which I think is also important. As the House is probably aware, India was exporting bales of yarn to China. In 1905 we exported 6,51,870 bales of 400 pounds each. In 1925 we exported 28,623, and in six months of 1926 we find that only 3,000 bales were exported. That is due to China and Japan having mills in Shanghai and other places, and they are taking every precaution to see that the staple industries get adequate protection ; every facility is provided by their Government to give them that protection which is needed to make them stand on their own legs. But here we find, Sir, that the Government is creating a conflict

of interests. Sir, there is another important point that I think must be brought forward before this House, and it is this. I shall give an extract from the Asahi English Supplement, Present day Japan, 1927,—page 99 :—The Cotton Industry :

“ It is also notable that the Toyo Raw Cotton Company purchased the Diamond Mill (with a spindleage of 34,552) at Bombay and began to run it under the style of the Toyo Podar Mills with a capital of two million rupees, while the Nippon Raw Cotton Company bought up several spinning and packing mills in Tanganyika and Uganda in Africa.”

I am informed, Sir, that no foreigner is allowed to buy a scrap of land in Japan. And what do we find here, Sir ? Japan can purchase any amount of land, can purchase your mills, and, if the depression continues, they will become the masters of your mills here.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Why do the Bombay people send cotton to Japan ?

Mr. Fazal Ibrahim Rahimtulla : Because there is more cotton than your mills can consume. The Mill Industry is in a precarious condition and, if Mr. B. Das is not inclined to support the Bill, there will be more cotton going out of this country unless the Member wishes the mill-owners to run their mills at a loss.

Diwan Chaman Lall : What happened to your profits in the past ?

Mr. Fazal Ibrahim Rahimtulla : Sir, I shall now conclude my speech by pointing out to this House another aspect of the question from the point of view of the cotton grower. There is a resolution in my hand passed by the Indian Central Committee, which is an all-India body, and that resolution was passed at their annual meeting in last July. What does it say :

“ As it is understood that the Resolution of the Government of India on the Report of the Indian Tariff Board (Cotton Textile Industry Enquiry) is now under consideration, the Central Cotton Committee request that the whole question be considered with reference to the needs of Indian cotton growing.

Whilst expressing no opinion on the Tariff Board's recommendations they desire to emphasise the fact that a healthy and prosperous Indian cotton spinning and manufacturing industry has an important bearing on the welfare of the cotton grower and on my Committee's own efforts to improve the quality of Indian cotton.”

I hope, Sir, that will be enough to show to this House why the millowners are justified in supporting the Government and why it is necessary and essential that no postponement should take place, and that if you want to give some protection to the mill industry of India, you should support the measure that is now put forward in the shape of the Select Committee's Report.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot : Non-Muhammadan Rural) : Sir, as one of the signatories to the majority report of the Select Committee, I would like to say a few words about the reasons that weighed with me in agreeing to the imposition of the proposed additional duty on cotton yarn. In doing so, I do not think it necessary at this stage to say anything about the depressed condition of the textile industry in India and the case that has been made out for giving it adequate protection ; nor is it necessary for me to follow the Honourable the Commerce Member in his subtle and metaphysical disquisition about the difference between a safeguarding and a protecting Bill. I would like to answer some of the criticisms that have

[Mr. R. K. Shanmukham Chetty.]

been urged against this measure by those who have taken up the advocacy of the handloom industry of India.

Mr. B. Das : Are you speaking as a director of a cotton mill ?

Mr. R. K. Shanmukham Chetty : I am speaking as a Member of this House. Sir, those who have opposed this measure have based their criticism on two main grounds ; firstly, that the Tariff Board itself did not recommend a duty upon imported yarn, and secondly, that any duty on yarn would prejudicially affect the handloom industry in India. It is true that the Tariff Board did not recommend the imposition of a duty on imported yarn ; but the Tariff Board pointed out certain circumstances which if they came into existence, would not merely justify but necessitate the imposition of a duty on cotton yarn. These circumstances have been mentioned in the passage on page 192 of the Report which my Honourable friend over there read to the House just now. In that passage the Tariff Board pointed out the possibility of Japan dumping more yarn on the Indian market on account of the disturbed conditions of China, and they have proceeded to say that under those conditions an additional duty on yarn would not merely be justified but would be absolutely necessary to safeguard the Indian textile industry. I maintain, Sir, that the conditions and circumstances foreshadowed by the Tariff Board in that passage have already come into existence. Though the Tariff Board thought that Japan, on account of the disturbed conditions in China, may dump more yarn into the Indian market, the present position is that yarn from the Chinese mills themselves is being dumped on the Indian market. For the first five months of 1926 the total import of yarn into India from China was about 8,000 lbs., and for the first five months of 1927 the total import of yarn from China amounted to two million pounds ; and in this connection I would like to draw the attention of the House to the fact that this enormous increase in the import of yarn from China took place during the first five months of the year 1927, that is long before the Government of India placed their surplus silver on the market. It is anticipated that yarn of even coarser counts might be dumped on the Indian market from China. It has been brought to my notice, Sir, that coarse yarn is actually on its way to India from China at the present moment. I therefore maintain that the contingency that the Tariff Board expected might happen has already happened, and it would therefore serve no useful purpose to say that the Tariff Board itself was against the imposition of any duty upon yarn.

I will now come to the second objection—the effect of this duty upon the handloom industry in India. Sir, the object of a protective duty is to protect an industry ; and if a protective duty is to be effective, it must be paid by somebody or other. If the protective duty is not going to affect anyone, then it ceases to be a protective duty.

Mr. C. Duraiswamy Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadan Rural) : Should it be paid by another industry ?

Mr. R. K. Shanmukham Chetty : If the Honourable Member will wait, he will hear my arguments. It is therefore no use denying that anybody is going to be prejudicially affected by this additional duty on

cotton yarn. But there is one inconsistency in the arguments of the advocates of the handloom industry. They would say that the effect of this duty upon the Indian textile industry is very negligible, that the benefit that would be conferred upon the mills is very small, and in the same breath they would say that the handloom industry would be killed. Well, Sir, they cannot have it both ways. If the effect on the Indian textile industry is going to be small and negligible, the prejudicial effect on the handloom industry, will also be necessarily small and negligible. (An Honourable Member : " Why "?) Sir, it is certainly our duty to

12NOON.

consider how far the handloom industry will be prejudicially affected by this additional duty. I am prepared to concede at the very outset that the handloom industry will be affected to some extent, but I am not prepared to go so far as to say that the effect of this additional duty will be altogether to kill or wipe away the handloom industry. Let us analyse what the effect of this additional duty will be upon the handloom industry. The total consumption of yarn in India is about 800 million pounds of yarn per annum. Of these 800 million pounds of yarn consumed in India about 420 million pounds are consumed by the Indian mills and 380 million pounds are consumed by the handlooms. We have therefore to appraise what would be the actual effect of this duty on the 380 million pounds of yarn consumed by the handlooms. Now, this 380 million pounds of yarn ranges into various counts, the coarser counts, the medium counts and the finer counts ; and let us try to find out what would be the probable effect of this duty on the various qualities of yarn that are used by the handloom industry. So far as the coarser counts are concerned, it is admitted that the quantity of the coarser counts that is imported into India is under 5 per cent. of the total. Such being the case, the selling price of the coarser counts will naturally be determined by the competition amongst the Indian mills themselves and not by the price of the imported coarser counts. Anyone who knows the large stocks held by Indian mills of coarser counts of yarn and the desperate efforts that they are making to get rid of this surplus stock will realise at once that by sheer competition amongst the Indian mills the price of lower counts of yarn cannot possibly be raised to any appreciable degree ; and I am therefore right in concluding that, so far as the coarser counts are concerned, the price will not be increased as a result of this duty. What about the higher counts ? So far as counts over 40s,—certainly so far as counts over 50s are concerned—the provisions of this Bill will not affect these counts. The Bill provides that the duty that will be imposed upon yarn will be either 5 per cent. *ad valorem* or $1\frac{1}{2}$ annas per pound, whichever is higher. When you go above 50 counts, you find that the 5 per cent. *ad valorem* duty is higher than the $1\frac{1}{2}$ anna per pound duty and therefore the price of higher counts will not be affected by this Bill. Now, this leaves us with counts between 30s, and 40s. It must at once be conceded that the price of counts between 30s and 40s will certainly be increased as a result of this duty and the effect on the handloom industry will be to the extent of the rise in price of these counts and nothing more. And what is the quantity of yarn of counts between 30s and 40s that is used by the handloom industry ? It is estimated that the maximum quantity of yarn consumed by the handloom industry of the counts between 30s and 40s is about 25 million pounds. I would ask Honourable Members to consider whether an industry which uses 320 million pounds of yarn will be wiped out and killed by a rise in price

[Mr. R. K. Shanmukham Chetty.]

of 25 million pounds of the total quantity consumed, less than about 8 per cent. of the total quantity. Take again the money value of these 25 million pounds. Even if it is assumed that the whole of the imported duty will go to raise the price of this yarn, it will be 9 pies per pound on 25 million pounds of yarn, which means Rs. 12 lakhs; and even supposing that the whole burden will fall on the handloom industry, the maximum effect will be Rs. 12 lakhs. Sir, what is the total produce of the handloom industry? I have not got accurate figures, but I am told it is somewhere in the neighbourhood of Rs. 30 crores per annum. I ask Honourable Members to consider whether in a total production of Rs. 30 crores per annum an increase of Rs. 12 lakhs in the cost of production is going to kill that industry.

Mr. B. P. Naidu (Guntur *cum* Nellore : Non-Muhammadan Rural) : It is enough to kill the industry.

Mr. R. K. Shanmukham Chetty : It is enough to kill you and me but not the industry.

Mr. C. Duraiswamy Aiyangar : Rs. 12 lakhs is not correct.

Mr. R. K. Shanmukham Chetty : I refuse to believe that as a result of the increase of Rs. 12 lakhs the handloom industry which puts out on the market produce to the extent of Rs. 30 crores is going to be hit, much less killed. The handloom weaver would naturally try to shift a part of this burden on the consumer of the cloth. Now, it is possible that the price of the cloth woven in handlooms may not appreciably go up because of the competition of foreign cloth. Taking it for granted then that the handloom weaver would not be in a position to shift any portion of these Rs. 12 lakhs on to the consumer, I maintain that the burden that is imposed upon him will not have the effect of hitting him hard. Sir, as I said at the outset, somebody or other must be prejudicially affected by a protective duty; and in a case of this nature what the House has to consider is the question of balance of advantage on either side. Here we have got the Indian textile industry, in which in Bombay alone about Rs. 45 crores of capital has been sunk, an industry in which over 3 to 4 lakhs of labourers earn their daily bread, in danger of perishing; and here, as against it, you have got the handloom industry, employing no doubt 6 millions of people, who may be prejudicially affected to a maximum extent of Rs. 12 lakhs; and wherein lies the balance of advantage? Honourable friends on this side wanted to present a gloomy picture. Is it worth while for you to save a few Indian mills, in which about 3 to 4 lakhs of labourers are employed, and wipe out of existence 6 millions of handloom weavers? Thank God, we are not placed in this dilemma conjured up by these gentlemen. The problem that we are called upon to solve to-day is much simpler. The House has to decide on which side the balance of advantage lies; and I was convinced, Sir, that the balance of advantage in this case lay distinctly on the side of the imposition of this duty. Sir, the Government took a serious responsibility upon their shoulders in not giving full effect to the recommendations of the Tariff Board, and if as a result of the policy that Government have pursued in this matter, the Indian textile industry is to be seriously hit then Government will have very much to answer; and I would submit to Honourable Members that they

will be taking even a greater responsibility on their shoulders by rejecting this Bill. (Applause.)

Mr. William Alexander (Madras : European) : Sir, I rise to say a few words in support of this motion. It is not necessary for me to make much reference to the question of the handloom industry as my Honourable friends on the other side have practically said all that could be said on that subject. I only wish to point out that if the handloom weaver is to be penalised even to the extent of one rupee by the passing of this Bill, then that is a sufficient reason for rejecting it. Sir, I would like to say a few words with regard to the present position of this most important industry. Looking at a matter of this kind, it is necessary to visualise the whole situation. It is necessary to take the long view and to take the good with the bad. Looking at it from that point of view and turning to the figures given in the Board's Report on page 241, I would point out that for nine years, that is, 1917 to 1925, the average yearly dividend paid was 20 per cent. Now, Sir, to some of us there does not seem to be very much to complain about it in that, in fact it may be said to be a most excellent return on money invested. As regards the future, I would like to point out that since this outcry first began some of the most vital conditions surrounding the industry have changed,—and are now changing, rapidly. Firstly, this year there is a rise in the value of the raw article. During the past month or two cotton in Liverpool has advanced from 7d. to 1s. per lb., which is equal to a rise of 40 per cent. We assume that the millowners took the usual precaution of securing their supplies for a year ahead. In that case they have every right to anticipate that this year they will secure much larger profits than they have done for a long time past. Secondly, there is now stability in the rupee. Bombay millowners were always faced with the possibility—with the danger—of their markets being again flooded with cheaply bought Lancashire goods through an advancing exchange. They have now been secured against that. Thirdly, the value of the Japan yen has now appreciated in value, so much so as to be almost at par to-day. This has taken away much of the advantage which Japanese shippers had up to not so very long ago. I am quite aware that there may be something in those three points I have made which may be questioned but to some of us who have spent more years than we care to remember in very close connection with this cotton goods and yarns trade, watching all the signs in the sky of the industry, there is no doubt whatever that changes are taking place and that the Bombay millowners have not so very much to complain about and that they like all other people engaged in mercantile pursuits have just to wait for the general uplift in trade which will bring back prosperity to the industry.

And, Sir, there is a fourth point I would like to make with regard to which I do not think there can be any controversy. I refer to the increase of purchasing power which is coming to the consumer through a big harvest of plentiful crops following an unusually heavy monsoon. This result should be seen in a very few months.

And so, Sir, prospects taken all round are better than they have been for a long time past and for those reasons and looking to the danger and risk involved in raising a trade war with a country which buys from us three times the value of what we sell to them, and with whom we have for many years past been on the best of terms, I trust Honourable Members

[Mr. William Alexander.]

of this House will support this amendment which after all only aims at preventing the passing of a piece of hasty legislation,—a course which many of us are perfectly certain Government would have reason to regret later on.

The Honourable Sir Basil Blackett (Finance Member) : Sir, I do not rise to take any large part in this debate, but there is something that has just fallen from the last speaker which I should like to refer to. I might begin by congratulating him on his maiden speech which was so optimistic in character and I hope there will be many more of them because it has brought real pleasure to the heart of a Finance Member who likes optimism. The last statement that was made by the last speaker was that the only purpose of this amendment of Mr. Neogy's is to give time so that the matter may be more fully considered. Now, Sir, almost every speech that has been made in support of the amendment has been a speech not in favour of postponement but in favour of rejection and I should like to ask all those who are thinking of supporting it to remember that if they support this motion which in form is a dilatory motion, they are quite definitely supporting a motion for rejection and therefore the responsibility for the failure of this Bill to come into law will be just as much theirs if they vote for its postponement as if they were voting for its rejection. Look at the position. It is a Bill which proposes to impose a safeguarding duty for a limited period of two and a half years. The amendment proposes that the Bill be circulated for eliciting opinion. That is to say, for six months at least nothing can be done. Six months of the two and a half years will in the meanwhile, have gone by. It is perfectly clear, therefore, that a motion for deliberate postponement at this stage is nothing less than a motion for rejection. I hope that some of my friends, such as Mr. Jamnadas Mehta who represents Bombay, although from his speech of yesterday he was apparently representing Lancashire and Japan, which is a mood that I had not previously observed to be frequent with him, will take to heart what I am saying. They are perfectly entitled, if they so wish, to come to the conclusion that even this measure of safeguarding which the Government of India propose for the cotton industry is not justified. But if they think that, on the contrary, they are simply telling the Government that it is desirable that they should do more, I would ask them whether saying that a limited measure is not justified is the best way to say that a larger measure is. If the Honourable Member will forgive me, I would also remind him that it is rather dangerous for him to use the argument that he has used about the handloom industry. If Honourable Members will examine that argument about the handloom industry carefully they will see that it comes to this. Supposing you had a state of complete free trade, then special measures ought to be taken to protect the handloom industry against the mill industry. It is a very strong argument for the cotton excise duty ; and I think the Honourable Member should be careful how he uses it, and I would warn others to be careful too. I do not wish to take up the time of the House any more, but I should like just once more to bring to their notice what has happened. The Government of India have, after carefully considering the majority and minority report of the Tariff Committee and coming to the conclusion that they could not accept either in that form, came to certain conclusions to which effect has been given in another Bill now before the House.

It was then pointed out to them that, although the Tariff Board had not recommended a duty on yarn, they had definitely said that there were special reasons for safeguarding the cotton yarn industry against what they regarded as unfair competition from Japan. Taking that into account, the Government have brought forward this measure for temporarily safeguarding the cotton yarn industry. If the House comes to the conclusion that that is not desirable, well and good, that is a natural use of the House's responsibility. But do not let it think that by introducing a dilatory motion it is in any way escaping its responsibility for giving or refusing protection to the cotton industry as proposed in this Bill.

Mr. Mukhtar Singh (Meerut Division : Non-Muhammadan Rural) : Sir, I want to congratulate the Government, not for the reason that has been advanced by another Member, but I want to congratulate the Government that they have been able to create a sort of conflict between the Members of this House and at the same time I must congratulate the Government that they have succeeded, in the first place, in hitting the Japan industries of yarn and at the same time they have been able to safeguard the Lancashire and Manchester interests. In order to prove, Sir, that they have hit directly the Japanese manufacturer of yarn, I may read a few figures from the Tariff Board's Report on page 36. There you will be pleased to notice that in 1922-23 the percentage of import of yarn from the United Kingdom was 51 per cent. while that of Japan was 48.6 per cent. In 1923-24, the import from the United Kingdom was reduced to 23.8 per cent. while the import from Japan went up to 76.8 per cent. In 1924-25 the import from the United Kingdom was further reduced to 10.2 per cent. while that of Japan went up to 89.7 per cent. In 1925-26 the import from the United Kingdom was further reduced to 7.3 per cent. and the import from Japan was increased to 92.5 per cent. And I suppose, Sir, that after a few years there is a possibility of ousting the manufacturer of yarn of the United Kingdom altogether from the Indian market. This is why I consider that the Government are so very anxious not to give effect to the recommendation of the Tariff Board ; but they have decided to levy a duty on yarn alone. I may further point out, Sir, why the Government have decided not to put a duty on piecegoods. On page 41 we find, Sir, that the import of grey piecegoods between the years 1920 and 1925 from the United Kingdom varied from 72.4 per cent. to 79 per cent., while the import from Japan has decreased from 25 per cent. to 20 per cent. That merely shows that the manufacturers of piecegoods in Lancashire and Manchester are not able to hold their own in this country, while they are unable to compete with the Japanese manufacturer of yarn. The recommendation of the Tariff Board in this respect has been clear and definite. They clearly decided that an import duty on yarn was undesirable. They have stated :

“ The majority of us consider, however, that the imposition of any import duty on yarn is undesirable in view of the effect that this would have on the handloom industry which in 1925-26 according to the figures given in Appendix IV supplied 26 per cent. of the total consumption of the cloth in India.”

They have clearly stated, Sir, that the import duty on yarn is not desirable. Not only that, Sir, they have pointed out that any differential duty on yarn of different counts is also undesirable. They have clearly found out that the only method of protecting the mill industry in this country is

[Mr. Mukhtar Singh.]

that of levying a duty on piecegoods. They have given very good arguments for that.

“The fourth method which the majority of us favour is, therefore, that of an addition to the present *ad valorem* duty of 11 per cent. on all cotton manufactures other than yarn. Such a duty has, in our view, four great advantages. In the first place it gives protection against unfair competition. In the second it avoids complications arising from discrimination against particular countries. In the third, it enables funds to be found to give a definite stimulus to the development of the industry on the lines we have considered desirable, and lastly, it obviates the necessity for certificates of origin which would be necessary to ensure that the goods of foreign origin are not passed off as goods from any part of the Empire.”

The Government in their Resolution stated as if the main recommendation of the Tariff Board was that of a bounty and in order to find money for the bounty it was necessary for them to impose a duty on piecegoods. Here is what the Government Resolution says :

“A majority of the Board has proposed that the import duty on cotton piecegoods should be increased from 11 to 15 per cent. for a period of three years. *The primary object of this increase is to provide funds to meet the cost of the proposed bounty on the spinning of the finer counts, and of certain other proposals made by the Board, but it will also serve to reduce the rigour of the competition from Japan from which the industry suffers. No increase in the duty of yarn is recommended by the majority in view of the effect that such a measure might have on the handloom industry. The President of the Board (Mr. Noyce) does not consider that an all-round increase in the import duty on piecegoods can be justified, but has recommended that an additional duty of 4 per cent. should be imposed on all cotton manufactures, including yarn, imported from Japan for a period of three years.*”

From this you will be pleased to notice that the main point that has been argued in this Resolution is that the primary object of this increase is to provide a bounty for the spinning of finer counts. I would submit, Sir, that this is not the case. We find that the heading under which this recommendation has been made is “additional import duty on yarn, cloth and other cotton manufactures.” And further on, when they finish their recommendations on that point, they have taken up the case of State aid and other changes in the tariff. Under that heading they have decided that it is necessary to give a bounty to yarn manufacturers. This clearly shows that they have decided definitely that it is necessary and there is no other course open to the Government to protect this industry but to levy an import duty on piecegoods. It will be incorrect to say that they decided to levy this duty simply on account of the necessity for finding funds for giving bounties to the yarn manufacturers. I would submit, Sir, that from the time the question of protection has been raised in this country, the Government have been following a very bad procedure. The Government have been able to raise money by putting up tariff walls and by hitting the consumer, but they have not tried to use that money for the development of those industries for the protection of which the tariff wall was raised.

Mr. B. Das : Hear, hear. That is my view also.

Mr. Mukhtar Singh : That is why, Sir, the majority of the members of the Tariff Board have decided that this thing should be done away with. If the Government raise a tariff wall for the protection of a certain industry, the whole amount so realised should be used for the protection of that industry. This is the reason why they have laid stress that the bounty system should be introduced. The Honourable the Commerce

Member has laboured at length in his speech to show that the bounty system is a very bad system and that the Bill he has given us is much better to protect the yarn industry in this country. I would submit, Sir, that there is a fallacy that lies underneath the whole argument, and it is this. May I ask whether we are protecting the yarn or whether we are going to protect the textile industry as such? Is the yarn to be used for any purpose other than cloth making? If we have not been able to protect our industry from the importation of cheap piecegoods from foreign countries, it is no protection at all. That is the main point to be considered. This is why the members of the Board clearly decided that it is but necessary to protect this country from the importation of cheap piecegoods. Suppose, Sir, for a moment that the spinning mills of this country are unable to produce surplus stock for the handloom industry and they consume the entire volume of cotton yarn that they produce. What would happen? Certainly the handloom industry will require the importation of cotton yarn for their manufacture of cloth, and the mill industry will in no way be a loser by this import. I would welcome the day when the whole amount of cotton yarn that is produced by the cotton mills in this country is used by themselves for the production of piecegoods. So, Sir, I do not understand why the Commerce Member lays stress on the idea that yarn should be protected. If we pass this Bill, it has been admitted by all the gentlemen who have spoken here that it will hit the handloom industry. Hitting the handloom industry means nothing else than the fact that the handloom industry will not be able to consume the surplus stock of yarn produced by the Indian mills and sell its piecegoods at a cheaper rate than the imported piecegoods. If you raise the duty on yarn and force the handloom weaver not to use certain counts, of which the price has been raised, the natural result will be that the consumption of yarn by the handloom weaver will be much less. What could you make of the surplus production of yarn by the cotton mills then? Hitting the handloom industry in a way means nothing short of the fact that you reduce the consumption of yarn by the handloom industry, and the natural result would be that the amount of piecegoods produced in this country would be reduced further, and the importation of piecegoods from foreign countries into this country would be much more increased. It means that we invite in a way the manufacturer of piecegoods to send in more piecegoods into this country by hitting the handloom industry, and, on the other hand, we are in no way helping the mill industry of this country, because, after all, the surplus yarn that is produced, will be used by nobody else but by the handloom weaver himself. That is one reason why I submit that it is necessary to see whether it is at all required to put a duty on yarn as has been suggested in this Bill.

The other argument that has been advanced by the Honourable the Commerce Member is that the bounty is very inadequate. It works to 1 4/5th pie per pound while the Bill suggests that it will be one anna and six pies. I submit that this is also another fallacious argument. I have tried to calculate how much surplus yarn will be available for the handloom industry in this country. It has been suggested that the total yarn of 31s. to 40s. used in this country is about 50 million pounds, out of which about half is used by the handloom industry. The point is how much surplus is there left in the Indian cotton mills which is available for sale in this country. According to the Commerce Member it comes to about 10

[Mr. Mukhtar Singh.]

per cent. of 25 million pounds, that is, about 2.5 million pounds. According to the figures I have been able to find out from the Tariff Board Report, it is only 19.7 million pounds. It has been repeated in several places that 19.7 million pounds is the production of Indian mills of cotton yarn of counts from 31s. to 40s. I have tried to calculate and I find that the average production for the 11 years comes to 18.6 million pounds per year. If there has been an increase in this year, and if it is totalled and divided, it will make a very small and negligible increase. So, we find, that the total yarn that is produced by the Indian cotton mills is consumed by them, and they consume over and above that about 6 million pounds. If this is a correct figure, then we are also forcing the mills to purchase yarn at a higher price than they are purchasing to-day. If it is not so, then in the other case, I would submit that, according to the best figures that have been given, there would be only a surplus of 2.5 million pounds which will be available for sale, and for the protection of this amount we are putting this duty on the importation of yarn. If that is so, the amount of help in both the cases will work out to exactly the same figure. That clearly shows that the bounty system is in no way less efficacious than the system that has been proposed. It has been admitted practically by all that the handloom industry will be hit hard by this proposed duty, while it is very doubtful whether the duty will be in any way useful to the mill industry. The Select Committee say :

“ We recommend, therefore, that the Government should be asked to address Local Governments on the subject, desiring them to have special inquiries made and to report on the subject six months after the passage of the Bill into law.”

It is very surprising that we are asked to pass a Bill, the effect of which on a very important industry of this country we do not know. Not only that, but we are forced to admit the arguments advanced by the Tariff Board and recommend to the Government that the effect of this duty should be watched for six months. It means that we are very doubtful—rather we consider that the handloom industry will be hit hard and therefore we recommend to Government that it is necessary to ask the Local Governments for their opinion and to watch the effect on the handloom industry. If it was so, it was the duty of the Government to place all the materials before this Committee. This matter has been before the Government for a very, very long time. They could have addressed the Local Governments earlier and if the opinions received had been that the handloom industry would not suffer to the extent that the Honourable Members of this House are afraid of, it would have been a very good case for the Government. Unfortunately, Government do not care, for the development of the industries in this country, and I am very sorry to note that the members of the Tariff Board have taken pretty good care not to go into the details of the manufacture of piecegoods in England—Lancashire and Manchester. They have clearly declined to go into that question at all. Why? They say, “ We are not going into this question because the millowners have not asked us to do so.” I say, if you are really earnest to find out in what way the textile industry should be protected, it is your duty to go into the details of the working of the Lancashire and Manchester mills. Then, again, as regards the State aid in Japan, they have clearly refused to go into that question, though they had to

admit that the help given in Japan by the shipping subsidies and other methods was considerable. They declined to analyse that question simply because the textile industry in Japan has no preferential treatment. Rather, they seem to admit that in Japan every industry has a right, has a claim upon the Government for its protection and development. While the members of the Board seem to admit that, India being under a foreign Government, the people of this country have no right, have no claim on this Government for the protection and development of their industries. I would submit that the Tariff Board ought to have gone into the details of this question, and then they would have found why in this country, although we grow cotton ourselves—not only the ordinary cotton but also American cotton, the raw product which is the main part of this industry—why it is that our produce is not cheaper than that of Japan. Again, labour is much cheaper here than in Japan. There ought to be something very, very peculiar to this country if it is not able successfully to compete with Japan, or with England, or with any other countries in this world. Here was a time when Government could have washed off their old sins of killing this industry. But they refused to avail themselves of that opportunity and would not like the idea of developing this industry. What do we find in this Report itself? It says, because there is unfair competition, therefore we would only go into details as to how far that unfair competition affects the industry. The Tariff Board refused clearly to enquire in what way the industry can be developed. I ask, sincerely ask, earnestly ask Government whether or not it is their duty to develop this industry? Suppose there is no unfair competition from Japan and we find that this industry is not able to compete with the other foreign manufacturers. Is it not the duty of this Government to develop this industry in such a way that it may be able to compete with all foreign countries? The case does not end there. Unfortunately, situated as we are, this Assembly is powerless and helpless to suggest any means by which this industry can be saved. This House cannot force the Government to adopt the recommendations of the Tariff Board, nor can they suggest any other alternative? On the day when the Bill was introduced, some Honourable Members asked whether they would be allowed to go into the question of duties on piecegoods. The answer was a definite 'no.' That shows clearly that Government have decided that the Lancashire and Manchester mills should not be affected at all. Therefore, I submit in the first place that this Bill does in no way help the mill industry, and if it does, it is to a very, very insignificant extent. At the same time, it affects the handloom industry of this country very adversely. That has been admitted. I submit that the millowners can go on for at least 2 or 3 years at a loss, because they have gained much in the boom period. But may I take the case of the weaver? What are his resources? A poor weaver who works from morning to evening gets hardly eight annas a day. And you are taxing him, you are asking him to pay $1\frac{1}{2}$ annas a pound by this duty. The members of the Select Committee, unfortunately, say that there is a likelihood that the prices of the piecegoods that the weavers will manufacture will be a little higher. I fail to understand the reasons for coming to this conclusion. Is it likely, as soon as this duty is raised, the Lancashire people, the Manchester people, the Japanese people, will raise their price of piecegoods also, or there will be more patriotism in the people of this country to purchase the cloth manufactured by these weavers at a higher price?

[Mr. Mukhtar Singh.]

If this is not so, Sir, may I ask what is the material on which they have come to the conclusion that it is likely that the price of the cloth might be raised? I submit, Sir, that there is no case made out for coming to the decision that the price of the cloth manufactured by the weavers will in any way be raised. If that is not so, I would submit that the price of the cloth will be increased by about 2 pice per yard, because, in the calculation they have taken, one pound of yarn is equal to 4 yards. So that will be about one pice and a half per yard. That is a very high increase in the price of the cloth manufactured by the weavers and therefore we should not light-heartedly support the Bill. It has been said that the handloom industry manufactures cloth in this country to the extent of 26 per cent. of the total consumption of cloth in this country. I may submit that that is not correct. 26 per cent. is the percentage of the cloth that is manufactured out of the yarn produced by mills or imported from foreign countries, but there is a large quantity of hand-spun yarn manufactured in this country, and if that is to be taken into consideration, this handloom industry does not only produce 26 per cent. of the total cloth but much more than 30 per cent., and in this way if you hit to a very small extent this industry even then you are hitting it hard. I would submit to Government, if they are really keen enough, why not decide to withdraw this Bill and put in another Bill raising the duty on piecegoods. The cotton millowners are not satisfied with this duty on yarn and I am sure that the spokesman of the cotton mill industry will have to admit that this is a very small measure of help, if at all, and if it is so, should we not stand up as men and ask the Government "If you are not going to give us anything which will really be conducive to the protection of the textile industry in this country, then we shall not have this". After all how much will they get by the passage of this Bill? According to the figures I have stated they get nothing, but even supposing that they get something it is not so high that they cannot afford to lose it, especially when they find that it is admitted on all hands that the sister industry will be hit hard and when they know that the sister industry is carried on by the poorest people in the country. Certainly the people who carry on the handloom industry have not the same resources. They have not the courage to represent the case to Government. Therefore, I submit that the cotton millowners should stand up and say "We are not going to take this Bill as it hits our fellow countrymen". If they say so we shall put the Government in the wrong. Let the Government realise once for all that this protection of yarn is in no way a measure which protects the cotton textile industry. If the Government are sincere and consider that the protection of this industry is necessary, let them come up with a Bill for levying a duty on piecegoods. Not a word has been said by the Commerce Member nor any other Government spokesman about the duty on piece-goods? The millowners want it, the country wants it and every Member wants it. Let Government come up with a Bill raising the duty on piecegoods and we shall unanimously support it. With these words I am sorry to say that I have to oppose this motion made by the Commerce Member.

Mr. A. H. Ghuznavi (Dacca Division : Muhammadan Rural) : I rise to support my Honourable friend Mr. Neogy's amendment. He comes from the same province and same division as I do. My reasons

for supporting my friend Mr. Neogy are these : It seems that this Bill is the outcome of the clamour of the Bombay millowners and not of the recommendation of the Indian Tariff Board, and I consider it my duty to point out that it is only fair and just that it should be circulated and the opinions of the Provincial Governments obtained, and if that is done I have very little doubt that, barring Bombay, the rest of India would not support the Bill. That it will stifle the handloom industry goes without saying. The Dacca Division in Bengal has a large handloom industry, and its Muslims, its *Dhoties* and its *Sarees* are known all over the world. The Chittagong Division in Bengal has also a large handloom industry, and my friend, Mr. Donovan, will bear me out that the same condition prevails in the Burdwan Division also. Therefore the whole of Bengal is very much interested in the handloom industry, and anything done to injure this handloom industry cannot possibly have our support. The Honourable Member from Bihar and Orissa, Mr. Nilkantha Das, also shares the same view. The Punjab, the United Provinces, the Central Provinces, Madras and Assam also think alike. It is, therefore, only fair that the Government should not thrust this Bill on us only because the Bombay millowners want it. It may placate the Bombay millowners, and they may accept it on the prudential consideration that "half a loaf is better than no bread", but they are also evidently not satisfied with this crumb. Why should the rest of India also not have a voice in it ? The millowners may not want it but it is only just and fair that opinions should be elicited and that the Bill should not be thrust on the unwilling people of India to the annihilation of the handloom industry. Bengal is vehemently opposed to this

1 P.M.

measure as it will affect Bengal more than any other province. My friend Mr. Neogy has quoted chapter and verse and shown how indifferent the millowners are to the interests of Bengal. They had their supplies of coal from South Africa, even at a higher price than Bengal offered, which is a sufficient index of their mind. I however mean no quarrel with the millowners of Bombay, but I feel very strongly that justice demands that opinions should be obtained on a measure which is calculated to do harm to millions of poor people if it is passed. I am sorry I cannot agree with all the good things that my Honourable friend Mr. Jamnadas Mehta has said yesterday about the Bombay millowners. It is true that the Bombay mills have to a certain extent provided the cloth which India requires and restricted the imports from Manchester. But is it seriously contended that their object is to provide cheap clothing to India and not to fill their own pockets ? Sir, this takes me back to the year 1905, when I was known as the wrong Mr. Ghuznavi, because I was against the partition of Bengal. Lord Curzon by a stroke of the pen partitioned Bengal, and we in Bengal as a protest said we would not have any more to do with the Manchester goods and boycotted them. I had the honour of presiding at that boycott meeting held at the Federation ground in Calcutta in July 1905. About a lakh of people were present and we passed a resolution at that meeting that so far as we were concerned we would have nothing to do with the Manchester goods. And we relied on Bombay to supply our requirements. And what was the response from the Bombay people ? You are aware of how we were treated by them. We appealed to them, implored them to come to our rescue with their goods. Well, they

[Mr. A. H. Ghuznavi.]

did come, but with what end in view? Was it to afford us relief or to profiteer? They raised the price to double or treble the price which had been current in the market. That was the way they made money and that was how they paid back twice over to their shareholders and put tons of money into their own pockets. Not content with that they went further. They got Japan to send them goods of rough materials and they passed them on to the Bengal market as made in India. (Cries of "Shame".) I have evidence of that. But they did more than that. At that moment their indents on Japan could not be immediately met. They therefore bought up all the Japanese stuff in the Indian market, and by tearing off 2 yards out of the piece of 40 yards and making each piece 38 yards instead of 40, marked it down as made in India and sold it at double the price. (Cries of "Shame".) I know that for a fact. Sir, so far as Bengal is concerned we will not agree to anything that is likely to destroy home industries. The handloom industry is a great industry of Bengal, and it has to be supported at any cost. There is furthermore another matter. The industry in which Bengal is far more concerned with Japan is the pig-iron industry. I am pretty sure that if this Bill is passed the result will be that the Japanese will retaliate by increasing the duty on pig-iron and that will ruin the Bengal industry. I appeal, Sir, to the House to consider seriously whether we should not vote against the Bill of the Honourable the Commerce Member and vote for the amendment of Mr. Neogy, who only wants the Bill to be circulated and opinions obtained from all the Provinces, as to see whether the handloom industry is going to be affected by it and whether this measure is wanted. If it is the opinion of all the provinces that the handloom will not be affected and the measure is beneficial to us, we shall be only too glad to pass this Bill at the next Session at Delhi.

Mr. Kikabhai Premchand (Bombay : Nominated Non-Official) : Sir, I desire to support the Bill proposing to increase the duty on yarn imported into India. I am satisfied from a study of the Report of the Tariff Board and from my own study of the situation—no one can pursue his avocations in Bombay without being brought into intimate contact with the textile industry—that the Indian textile industry stands badly in need of a further measure of protection, and that this demand for protection can be justified up to the hilt. Cotton spinning and weaving is our one great indigenous manufacturing enterprise. It is therefore one which merits the close and sympathetic support of the Government and the Legislature. The industry has laboured, and continues to labour, under grievous difficulties. For longer than we like to remember, it was handicapped by the excise duty on cotton cloth woven in Indian mills. I will not develop that point now; we are grateful that the excise has gone. The industry has suffered from the fluctuations in our own exchange and in the exchanges of some of our principal competitors. This is another point which I shall not labour; the effects of all fluctuations in exchange are transitory, and given stability conditions must adjust themselves to the ratio. There is no doubt that many mills are suffering from difficulties of their own making—over-capitalisation (though it is not a general practice; many mills have a comparatively low capital); the payment of excessive dividends, non-con-

servative finance, uneconomical management, and a too narrow range in the class of the finished product. That is to say the mill industry is a human organisation, with the defects which belong to our community : improvement must come from within. But when the fullest allowance is given to these factors in the present depression—the variations in the exchange and the need for a better internal organisation—there still remain the basic facts that warrant this demand for protection. They are the refusal of certain competing countries to implement the terms of the Washington Labour Convention, and thereby to obtain a position of privilege in our markets ; and the period which must pass before our labour is trained to the habits of industrial efficiency, which will reduce labour costs.

We are in some respects proud of the record of this country in recognising international efforts to raise the status of labour and to improve its working conditions. I think I am correct in stating that India has more promptly accepted the recommendations of the Labour Conferences than any other country in the world ; none of us desires to go back on those decisions. On the other hand, we are painfully conscious that our humanitarian course imposes on our major manufacturing industry serious penalties. The nature and extent of these are now on official record. The Tariff Board after an exhaustive enquiry found that the competing advantage which Japan enjoys in the Indian market as the result of her refusal to implement the terms of the Washington Conference amounts to no less than four per cent. ; if a fair allowance for profit is given, as it ought to be given, the advantage is ten per cent. Whilst the special case of Japan has attracted most attention, for reasons known to all of us, this is not the only trade rival which benefits from a refusal to work in terms of the Washington Conference. I say therefore that India has a right, an indefeasible right, to a measure of protection at least equal to the advantage which other countries derive from their lower labour standard.

Much attention is devoted in the Report of the Tariff Board to the labour costs in the Bombay mills. One cause of this however is not sufficiently developed in the Report. After all, the Bombay millhand was an agriculturist, he is an agriculturist and he will continue to be an agriculturist. We cannot expect from the agriculturist who enters the mill for varying periods, interrupted by long spells of rest or work in his village, the same standard of regularity in attendance and technical skill as is manifested by the regular artisan. I am aware that the process of converting these intermittent agriculturists into regular craftsmen will be slow ; it needs not only the passage of time, but better housing and the improvement of the amenities of life in our cities. During this process the textile mills have a right to a fair measure of protection against countries with a trained and permanent corps of craftsmen to draw upon. For these reasons, Sir, I hold very strongly that the Indian industry is entitled to a further measure of protection. The only question, Sir, to my mind is that of ways and means—how can this protection be given with the greatest advantage to the industry and the least burden to the consumer ? There are certain countries whose products compete directly with the products of the Indian textile mills. In many of those countries the products in question are produced under wage conditions below the standard of the Washington Convention and below

[Mr. Kikabhai Premchand.]

the standard that has been accepted by India. In my opinion, Sir, it would be quite equitable to impose an all round increase in the import duty on cloth also of at least four per cent. on the manufacture of those countries who have not abided by the Washington Convention. True, this would mean Imperial preference, but I would not mind it. It has been definitely stated by the millowners that cotton piecegoods of British manufacture do not compete with the Bombay industry. I therefore see no justification for imposing on the consumer a higher charge for these non-competitive goods; they shall continue to be charged at the eleven per cent. revenue duty now in force and shall be exempt from this higher duty.

I am quite aware, Sir, that in making this suggestion I shall be bringing upon myself the wrath of certain elements in this Assembly. But I would urge with all emphasis that this issue should be determined not by prejudices, but by cold economic facts. There is no case for imposing on the community a higher cost for non-competing cloths. A tariff is a tax. We are justified in asking the community to pay this tax on competing cloths for the larger national interests involved; we are not justified in taxing it on non-competing cloths beyond the revenue tariff. Nor am I frightened by the bogey of Imperial preference. (*Mr. Jamnadas M. Mehta* : "Bravo!") After all we are part and parcel of the Commonwealth (Hear, hear) and as I hope it is the general desire of the Honourable Members of this House to see that we shall be an autonomous Dominion ourselves (*An Honourable Member* : "Oh, yes"), it is to our interest to make the Commonwealth great and strong. I do not wish to take up the time of the House any longer. I only wish to impress upon the Government that the duty proposed on yarn would not by itself afford adequate relief to the industry and I do hope they will consider favourably the suggestion that a duty at 4 per cent. on cloth manufactured by those countries who have not given effect to the terms of the Washington Convention is desirable.

Mr. M. K. Acharya (South Arcot cum Chingleput : Non-Muhammadan Rural) : Sir, I thank you for giving me the chance to say a few words on this very important measure before the House. I have listened, Sir, very patiently to the speech that was delivered rather read, by the last speaker. I was listening to it very patiently, and until he came almost to the last page, when he gave us some new ideas—or shall I say old bogeys?—, I did not, unfortunately for my lack of sharpness, perceive any new argument or any new suggestions contained in the greater portion of that paper. Leaving that aside, I listened, Sir, with very great attention to the speech that was delivered a little while ago, as indeed I always listen to speeches delivered at any time by the Honourable Leader of this House. He wanted us clearly to understand—and I hope I have understood very clearly the meaning of his words he wanted us clearly to understand that voting for the motion of Mr. Neogy to circulate the Bill for eliciting opinion would mean not merely circulation but rejection; and he wanted us to realize that the passing of that amendment, being tantamount to rejection, would practically make us responsible, i.e., those who vote for the amendment—responsible for not affording to the millowners of Bombay the aid which they are supposed to need badly. Sir, I hope I have pretty clearly

paraphrased the warning given to us by Sir Basil Blackett. I am not afraid, Sir, of the implication that sending the Bill for circulation might mean practically rejecting it ; but may I, in all humility, ask on whom rests the responsibility for putting forth a Bill which we cannot accept, which we have perforce to send round for circulation, so that we may get more opinions about it before accepting it ? It is a Government Bill, and the Government ought to have put before us a Bill on which the bulk of us, especially back benchers like me, who were not mighty enough to be placed on the Select Committee, might have the views of at least a good majority of the Select Committee. I tried to follow, Sir, their opinions. And what are they ? They are as varied as the colours of the sun-beam : and if therefore we say that we are unable to understand all these conflicting opinions of the mighty experts, that we would therefore wish to get more opinion from others, probably bigger experts (or non-experts that I would always prefer), then certainly the responsibility for producing the Bill and placing it before the House in a form which is full of such conflicting views, rests upon the Government, not upon our shoulders. I did not produce the Bill, nor Mr. Neogy, for he too like me was not on the Select Committee. Therefore I hope, with regard to Sir Basil Blackett's clear warning that if we vote for sending this Bill for circulation or opinion, we shall practically reject the passing of this Bill, that he will clearly realize that the responsibility will lie on those who have produced this Bill, not on those who are unable to comprehend the Bill even with all the very eloquent utterances on both sides of the House by various people.

Now, I turn to my very eloquent friend Mr. Chetty. Of course, naturally, being a signatory, I suppose to the majority report, he has taken great pains ; and with his usual eloquence and usual rhetoric, he has tried to explain many things that we already knew, such as how much yarn is consumed by the handloom industry, how much by the mills and son on, and he came to the conclusion that the financial weight that may be imposed upon the handloom industry is almost negligible. Sir, my friend, Mr. Chetty is a rich man, and I, as a Brahmin, wish him to become richer still. A rich man does not know how the poor man suffers. It is not his fault. Just to-day we had an example. The Finance Member is very anxious that we should consider this matter as very urgent ; he said that the problem of the mill-owners, of 300 millowners, is urgent ; and if we now circulate this for opinion, we shall be failing in our duty. I wish, Sir, that Sir George Rainy had similarly told us that the distress of 2,000 poor fellows who are to be turned out of their homes with their families is as urgent as the distress of the 300 rich people whose interests Sir Basil Blackett wants to safeguard.

Mr. President : The Honourable Member himself did not consider it urgent ; otherwise he would have raised the question in time.

Mr. M. K. Acharya : I am commenting, Sir, on the opinion put upon the amendment by Sir Basil Blackett, not on your decision. However, Sir, I am passing on. I was just about to say that I am a philosopher ; and I know the Biblical proverb :

“ Unto him that hath, more shall be given ; and from him that hath not, shall be taken away even that which he hath.”

[Mr. M. K. Acharya.]

I therefore do not complain, Sir, about the ways of the Government. It is always the same. But I cannot understand Mr. Chetty's argument that the poor handloom fellows will not be affected. I would like to have the opinion of the poor rather than the opinion of the rich ; and I wish, Sir, that Mr. Chetty had listened carefully to the very very good speech that was delivered from this side of the House on behalf of the handloom weaver. I think there were many more arguments, in his speech than in Mr. Chetty's. For example, one argument in his speech was this ; I do want to repeat it in detail—the question is not how much yarn the handloom weaver consumes or turns out ; the question is what is the price of the cloth that he produces, and what would be the competition between hand-woven cloth and the mill-made cloth, whether made in India or imported from elsewhere. That is one most important point ; not how much yarn, or cotton is consumed ; the whole question is whether the cloth turned out from the handlooms will get a fair selling price in the market. Sir, it is admitted—admitted in this Report—that there is going to be some kind of infliction on the handloom weaver. Nobody has denied it. Now, the whole question is this : you are here penalising the handloom weaver to some extent. Nobody denies it. Even Mr. Chetty does not deny it ; he dare not deny it ; he says it is negligible. The question is whom are you going to favour ? Are you going to favour really the hard pressed mill industry of Bombay ? There is Sir Purshotandas' opinion, and I think he knows the feelings of the millowners of Bombay far better than anybody else. He says :

“ The protection offered by the Bill therefore becomes more of an eye-wash than a reality unless an attempt is made to import coarse counts.”

You are here penalising somebody, and you are benefiting nobody. This wonderful Bill favours nobody but does hurt somebody. Sir Basil Blackett threatens us that if we put it off for opinion, the responsibility will be ours. The responsibility for producing this wonderful Bill is not ours. Sir, I cannot understand the argument, because I am a simple non-official and am not an official expert ! I contend that the responsibility is entirely on the shoulders of the Government. Here the evidence before us shows that the Government have not carried out the recommendations of the Tariff Board. All that has been dealt with in detail by others. Whatever may be the cause, here we have a Bill upon which there is not that amount of unanimity of opinion, even among those who consider that it should be passed immediately. And surely as somebody else has pointed out, the millowners of Bombay have broad enough shoulders to carry their weight ; even if they are not given this shadowy protection. Give them real help. What is the use of giving some shadowy help to a set of people and for that hurting others ? This Bill seems to be therefore neither fish, flesh nor good red herring. I cannot understand why we should pass this. The straightforward course would have been—but Governments are not expected to take straightforward courses—that Government should have tackled the whole problem in a very much more brave, courageous and honest fashion. If Japan was competing in a manner not quite fair, Japan ought to be penalised, whatever may be the consequences. If other countries are competing with India, if there is genuine desire

on the part of the Government of India to protect the native industries of India, the handloom or the mill industry, there ought to be a real kind of protection given by imposing heavy duties upon all foreign cloth imported into India. If we had a Government of our own we should have done it. Other Governments have done the same thing in other countries, because they love their own industries, their own trades, their own workmen, better than of course a foreign Government can love and cherish the industries and workmen of foreign country. However, Sir, there is no real remedy ; there is the evil, we admit. I for one, Sir, have nothing to say against the Bombay millowners. If they raised their prices, it was part of their human nature. Who has not done it ? What had the East India Company done in days of yore ? What has every company done ? That is the business morality of every merchant. Of course a philosopher like me or like Professor Ruthnaswamy may not like it. But the business ethics of merchants and our academical ethics are quite different. The whole ethics of the British nation has been the ethics of the business man, of the profiteer. Therefore there is no use of talking high ethics to the British Government either here or there. I repeat I have nothing to say against the Bombay millowners. Poor fellows, they had a good day ; they did not make good use of it ! They are now in trouble, in hot water. I would personally like to help the Bombay millowners, if I can without hurting anybody else. But this Bill does not help them, does not enable them to receive any help, without hurting the poor cottage handloom weaver. Therefore, Sir, I appeal to the genius of the Government Benches, to Sir George Rainy and Sir Basil Blackett, to kindly give us a better Bill which will really help the millowners of Bombay without hurting the handloom weavers of India. I join in the chorus of all who have sung that the handloom industry alone is in India a national industry. I am to-day almost in a mood to accept the Gandhian doctrine that all huge machinery is an evil. I wish that this doctrine will spread and place machine-made things at a discount, because I feel how the machineman, the millowner, will readily make use of the human element for his purposes so long as it suits him and pays him amply ; but if he can, by getting rid of his human labourers, and substituting machinery instead, get the work for two annas less, then it does not cause him the slightest pang how many are thrown out of work. Whether 2,000 or 3,000 and 4,000 men, they must go.

“ Theirs not to reason why,
Theirs not to make reply,
Theirs but to do and die.”

That is the Capitalists' ethics for whose help indeed this Bill is before us.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. D. V. Belvi (Bombay Southern Division : Non-Muhammadan Rural) : Sir, I do not think that I should give a silent vote either in favour of the Bill or against it. But I may tell the House that I am not

[Mr. D. V. Belvi.]

a millowner nor am I a handloom weaver. I come from the southern part of the Bombay Presidency in which there are not many cotton mills, but there are a good many handloom weavers and some of my voters happen to be handloom weavers. So it is my duty to see that their interests are safeguarded. Now, I find it rather difficult to understand the position of Government. Government has placed before us two Tariff Bills, one of which only is now under consideration. As soon as we have finished the consideration of this Bill, I believe that the second Bill will also be taken up. I have read the Report of the Select Committee on that Bill and I find that Government is in a position to forego a revenue of 85 lakhs of rupees a year. The Government proposal there seems to be to remit the import duties on certain machinery and stores. It is very difficult for me to understand the position of Government. If Government is in a position to forego an annual revenue of 85 lakhs, why should not Government give a bounty to these millowners who are crying for relief? That is a very difficult question for me to solve. My second doubt is that we are told here that the handloom weavers will be mulcted to the tune of 12 lakhs a year. My Honourable friend Mr. Shanmukham Chetty was good enough to tell us that the loss of the handloom weavers will be the gain to that extent of the millowners. Am I to understand that the millowners are crying here for a crumb of 12 lakhs only a year? It is said that 12 lakhs is not much in the case of these handloom weavers. It is a mere flea-bite in their case. Is it not a flea-bite in the case of the Bombay millowners who are applying for assistance in their difficulties? These are the two points on which I should like to be enlightened by the Honourable Member who has introduced this Bill. Why should not a bounty be given to the millowners out of the 85 lakhs which we get annually by the duties on importation of machinery? Where is the need of abolishing the import duties? Are we to abolish these import duties for the benefit of the manufacturers of machinery in England? Who wants this abolition of import duties on machinery and stores? We know that there is a very strong agitation in favour of the millowners. It is true that the millowners are suffering terribly. There is no doubt on that point. I do not agree with the heavy indictment that was preferred against the millowners of Bombay by some of my Honourable friends. There may be sins of omission and commission on their part but we have to consider their industry which happens to be a very important industry in the country. If they have got a legitimate grievance and if that grievance can be redressed, it should be redressed by this Legislature. I find it difficult to understand the new habit which Government has unfortunately and dangerously for this country recently contracted. Government appoints committees; Government appoints commissions and Tariff Boards, and spends lakhs of rupees on them. These bodies go round the country, hold inquiries and submit their reports to the Government, and when their recommendations are made, Government quietly sets aside their recommendations and proceeds with its own ideas. I find that the Government of India was pleased to appoint the Skeen Committee. They spent a good deal of money on that Committee. The Committee made certain recommendations, but the other day I found that Government opposed all those recommendations and did so successfully in another place. When the Resolution comes up here,

for discussion on the 13th instant, I do not know how it may fare. I find the same thing here. Government appointed the Tariff Board and they have made a report. They have suggested a remedy and now Government for its own purposes has set aside the recommendations of the Board and has proceeded to legislate after its own fashion. It is very difficult for some of the Members of this Legislature to give their votes in this predicament. We are told by the Honourable the Finance Member that if this Bill is rejected or if this dilatory motion of Mr. Neogy is passed, the responsibility will rest upon our shoulders. That is an argument to which my friend Mr. Acharya has given a sufficient answer. I do not think I should repeat his arguments. It is not we who are to blame. We do not draft these legislative measures. Government has got at its disposal highly paid officers whose business it is to draft Bills. Government has got in its custody all the necessary material. It should draft Bills in time; the Bills should be published for the information of the public. Public opinion should be invited and if it be necessary to consult Provincial Governments, that should be done in time. But what do we generally find? Without resort to any of these salutary measures, all of a sudden Bills are sprung upon this Legislature and if we oppose them we are considered to be bad fellows. We are dubbed as irreconcilables. It is not out of cussedness that we sometimes oppose these Bills. More often than not we oppose them because sufficient time is not given to us to consult our constituents and to understand what the opinions of the various Local Governments are. Very often sufficient time is not given to us to consider these measures in detail. As a matter of form, every Bill is referred to a Select Committee. The Select Committee meets once or twice and it presents to us a report. Sometimes we find that the report is unanimous, and sometimes we find that there are divergent opinions. Now, take the case of the Bill which is under consideration. How is it possible for a man like me to follow the Report of the Select Committee? I find that men of equal authority are ranged on opposite sides. I find that men like Sir Purshotamdas Thakurdas, a gentleman whom I have known for many years and who was my colleague for some years in the Bombay Council, says that this Bill is a mere eye-wash. Now, take the case of another friend, Raja Ghazanfar Ali Khan, who is a Muhammadan gentleman of light and leading. He says that this Bill is absolutely worthless and his opinion which is given in two or three lines is to the effect that this Bill should not be proceeded with. Take again the case of another gentleman, Mr. Jamnadas Mehta or Mr. Duraiswamy Aiyangar. Both of them say that this Bill is absolutely worthless and it should be dropped at once. It is thus very difficult for men like me to form their opinions. We have got very little material before us and there is no time for us to look into all the literature that is available. I submit that in view of the fact that sufficient time has not been given to the country and to the Legislature for the consideration of this measure, the amendment brought forward by Mr. Neogy should be passed by this House. I do not support it simply because I want to delay the passage of this Bill. If we receive the opinions of Local Governments in favour of this Bill, we may pass this measure in the next Delhi Session. The millowners will have to suffer very little during this period of two or three months because we are now told that the millowners are to get only 12 lakhs of rupees a year. This 12 lakhs would be the loss of the handloom weavers and whatever the loss is of the handloom weavers will be the gain of the

[Mr. D. V. Belvi.]

millowners. I do not believe that the Bombay millowners are so very poor. I have known some of them. I know how many motor cars they each keep, how many bungalows they own and I know also the amount of income-tax and super-tax they pay. They are not so very poor as these poor handloom weavers are. Why should there be so much hubbub about only 12 lakhs a year ? If these two points are cleared up, I shall see my way to make up my mind as to whether I should vote in favour of the measure or against it. At present it seems to me that I shall be doing my duty if I vote in favour of Mr. Neogy's amendment and against the motion of the Honourable Member in charge of the Bill.

Diwan Chaman Lall : Sir, it is indeed with diffidence that I speak on this motion. I do not want the impression to go abroad that the attitude that we are adopting in regard to this Bill is one of mere delay, delay in order that we should wreck this Bill or the mill industry. Among my friends who have spoken on this side of the House, some waxed very tragic like Mr. Shanmukham Chetty about the woes of this industry ; others like my friend Mr. Rahimtoola waxed very patriotic, still others like Mr. Jamnadas Mehta became quite romantic, I may say that the latter waxed in turn both patriotic, tragic and romantic about this industry. He said that as far as this industry is concerned, " we " have a great affection for it. The reason why I want to oppose this Bill is because I have no affection for this industry as it is constituted. (*An Honourable Member* : " Shame.") My Honourable friend says " Shame ". When I relate before you the facts connected with this industry he will perhaps cry shame on the millowners and not upon us who are opposed to this Bill. May I call the attention of my friend Mr. Jamnadas Mehta to what has actually been said by a Union which gave evidence before the Tariff Board ? The Union was the Gimi Kamgar Textile Union of Bombay, with which neither my friend Mr. Joshi nor I are connected. They said that the millowners have made no efforts to increase the efficiency of the mill hands. They say :

" The wide powers of dismissals, fines, leave giving, etc., though technically in the hands of the higher authorities such as the managers, weaving and spinning masters, are in practice exercised by the head-jobbers and jobbers and are in many cases abused by them."

Are these the people who have an affection for this industry ?

" It is notorious that several jobbers, head-jobbers and the women overseers called the " naikins " in the Winding and Reeling departments receive bribes or *dasturi* from the operatives at the time of employment and even during the continuance of their service. The rate of the *dasturi* varies from Re. 1 to Rs. 5 per month. Instead of taking prompt steps to stop the practice, the Agent had the audacity to tell the Union that such practice of taking bribes prevailed in all the mills and that, if he were to take notice of it and adopt measures to stop it, he would soon require to close down his mill."

Then there is the question of dismissals which take place summarily without any regard to the well-being of the workers—and it is said in the report that the dismissals that take place are the normal feature of the working of these mills. Am I to take it that these workers, who are really the producers of the wealth of this industry, but who are thus abominably treated have an affection for this industry ? Am I to take it that those of us who want to see their condition bettered have an affection for this industry ? What sort of affection has my Honourable friend ? He says

that he is a "devoted servant" of this industry. Far better would it be if my Honourable friend were a devoted servant of humanity instead of being a "devoted servant" of any particular industry. Sir, the question that arises is, whether you are going to protect this industry at the expense of cognate industries, of workers and of consumers. I think my friend Mr. Rahimtoola used the expression that some of us wanted to kill the mill industry. He went beyond this and said that was a national industry. At 20 minutes past 11, I put a question to him whether it was a national industry, and at 5 to 12 when he sat down, although he had promised to give me a reply he did not. May I remind Mr. Rahimtula and Mr. Chetty who are so anxious to regard this industry as a national industry of a sentence, in Horace, "*Dulce et decorum est pro patria mori*"—Better for them, more proper for them, to die for their nation than to die for an industry which they consider to be merely national. If the industry is not in a better position to claim the support of the opposition and of public men in this country except by arguments of this nature, I say, Sir, that that industry does not deserve the support that it asks us to give it. On the contrary, I have facts and figures here to show that far from helping the poverty-stricken workers, this industry has been drawing enormous profits from 1917—1922, profits, I compute, ranging up to 178 per cent. I am sorry I made that mistake. The profits are not *all* the profits. These are but the dividends that have been distributed to the shareholders during the years 1917—1922. 178 per cent. of the total capital invested in this industry has been distributed in dividends to the shareholders of this industry. Why did not this industry, in this boom period, set apart a portion of its profits in order that it might meet a period of depression? It was bound to follow what other industries have done. Take the jute industry of Calcutta. During the war period this industry made enormous profits. Then came the period after the war in 1921, when that industry discovered that it had produced goods 25 per cent. over and above the limit required for proper consumption, and the industry was naturally in a particularly bad way. What did those who control that industry do? They immediately organised scientifically, and the result was that within a very short period they were in a position to pay equally good dividends after the war as they paid during the war.

Sir Hari Singh Gour (Central Provinces Hindi Divisions : Non-Muhammadian) : Jute is a monopoly, cotton is not.

Diwan Chaman Lall : My friend says that jute is a monopoly. Is he not aware that cotton is practically a monopoly for consumption purposes in India?

Sir Hari Singh Gour : No. ●

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : Absolutely not.

Diwan Chaman Lall : Let my friend look at the import and export figures. He will have a chance of replying to my arguments when he speaks. The question that arises is this. Why did not this industry do what the other industry did? I will tell you the reason why it did not do so. They were more concerned with their profits. They were more concerned with taking as much as they could from their shares; they were more concerned with getting rich quickly. That was the real reason, and they know it perfectly well. It is no good coming to us

[Diwan Chaman Lall.]

and blowing hot and cold and saying, "We are nationalists; we are patriots; pray, for Heaven's sake, support us." The jute industry did not come with a begging bowl at the time of its need and ask us to support it in its period of depression. Why should the cotton industry now come before us and ask for protection? I see no reason for their so doing, and I have not been able to find any reason except merely that they have been profligates. It is their financial profligacy that has brought them to their present position, and the result is—what they are asking us to do. They are asking us to impose a burden on the handloom industry, on the average consumer of coarse cloth in this country, in order that they may tide over this period of depression. Will my learned friends, who are representing the millowners in this House, give me a guarantee that they will not, as a result of this duty, be putting up the price of coarse yarn? Do Honourable Members know that the actual amount of coarse yarn which is being used in this country is something like 260 million pounds? The result of this duty will be, not as my friend Mr. Chetty put it, merely a burden of 11 or 12 lakhs. The real burden will be on the coarser yarn, the price of which is bound to go up under these circumstances by at least one anna per pound. One anna per pound on 260 million pounds works out to about 1½ crores. Where is that going to come from? Who is going to pay it? The average consumer of coarse yarn is going to pay that sum. And who is he? The poorest of the poor. That aspect of the question has not been mentioned in this House, because, if it had been mentioned, the reply would have been there, namely, that you are going to penalise the user of coarser yarn, penalise the poor man in the country. Who is there who wants to help the poor man of this country who is yet prepared to accept that argument? I say, Sir, not one of these millowners—I should be very glad if they do it—not one of the millowners will be willing to give us a guarantee that he will not put up the price of coarse yarn. They cannot do it. In fact, all their plans are working on these lines, namely, that they are not going to get very great advantages out of the present duty as far as 31s. to 40s. are concerned, but that they will get a tremendous advantage by imposing an extra anna per pound on the coarser yarn which is consumed in this country.

Sir, in these circumstances, I want to know how it is possible for any man to help this industry at the expense of the poor consumer of this country. How is it, again, possible for us to help this industry at the expense of the handloom industry? There are exponents of the creed which is being put forward on behalf of the millowners, who say that the handloom industry is not going to be hit hard. On the other hand, I have my Honourable friend, Mr. Rahimtulla, who spoke about the protection of cotton. He was really wanting to protect the wool industry. His arguments were decidedly woolly (Laughter). He said that he agrees with the argument that the handloom industry is going to be hit very hard. If the handloom industry is going to be hit very hard, should you not devise some other means of helping the mill industry? Although you could have devised your means in your boom period, you did not do so, and you now call yourself a national industry. Precious little did you care for the nation at the time of its need. My learned friend wanted to know how it is possible for them to get something more out of the Government. What was my friend, and what

were his colleagues doing at the time of political stress in this country ? Did they join hands, did they join forces with the popular parties in this country to coerce the Government into granting the rights that are the birthrights of this nation ? No. If they had joined the national forces, they would have found the method of doing it. They would have learnt that unitedly you can demand from this Government your rights, if you have any rights, but by begging from this Government all that you will get is not protection that you require but a great deal of humiliation which you are experiencing to-day in this House and in the country. Take the handloom industry. The Assam Government says—the note presented by the Assam Government says :

“ I do not think the handloom industry competes with the mill industry to any extent. On the other hand, it is the mill industry that tries to throttle the handloom industry by fair or unfair means.”

Here is the verdict of the Assam Government. The agricultural population of Assam uses the handloom industry produce to a great extent, and that Government says that even now the mill industry is trying by fair and unfair means to throttle the handloom industry. Are you going to give another advantage to this industry and say, “ Although you are already using fair and unfair means to throttle the handloom industry, we shall go beyond that and we shall give you protection in order that you may kill that industry outright.” The Punjab Government again—another agricultural province—what do they say ? They say :

“ As regards question 113, the object of the proposed increase in duty on imported yarn appears to be to give a better price to the Indian millowner. If it does this, the cost of production of handloom articles will necessarily increase. It is possible that the extra cost would be shared by the consumer, but the demand for cloth in India is characterised by one feature, viz., it is a demand by a poor population for a cheap article. It seems therefore to be inevitable, if the price of yarn rises, that the demand for the handloom product will decline.”

I need not quote any more extracts from the evidence that was tendered before the Tariff Board, but I think those two extracts are quite sufficient to indicate the fact that the handloom industry is going to suffer, and to suffer to an extent which we cannot realise at the present moment. Therefore, as I suggested in my minute of dissent, we cannot be parties to what I consider to be an act of vandalism against the handloom industry.

Now, Sir, the question does arise as to why this industry has been in such a parlous state. Take the case of Japan. Japan imports its cotton, it has to pay freight from the importing country. It re-exports the goods which it produces, and it is said that the reason why Japan can compete favourably with countries like India is because the labour conditions in Japan are very much worse than labour conditions in India. A great deal has been made of the Washington Convention. It is said therein that night work by women has to be prohibited, and my friends fix upon that and say that because in Japan there is a double shift system and women work at night, therefore it gives a very unfair advantage to Japan. But do my friends realise that the wages of women workers in Japan even to-day are more than the wages paid to male hands in the mill industry in Bombay ? They have no knowledge of that. If that is

[Diwan Chaman Lall.]

the position, how is it a charge against that country that that industry is competing unfairly with the Indian industry because of the labour conditions in that country? I admit, and I condemn the horrible condition of the workers in Japan. I admit that their condition is deplorable. But it is to be concluded that the condition of the workers in this country is not deplorable but that they are leading serene lives of cerulean happiness? Every one of the millowners, every one of the supporters of the millowners knows that the mill hands in Bombay are leading the most miserable lives that any human being can lead. They know it perfectly well, but they do not want to discuss that question merely because it is not relevant to the issue as far as their own arguments are concerned. But as far as our arguments are concerned, it is the one issue that is really relevant. Now, Sir, let me take the question of Lancashire. There we have an industry in which the workers are fairly highly paid. I have an extract in my hand from a report regarding India and Piece-goods—"Lancashire Cotton Outlook":

"There is one handicap to British industry in competing with the rivals which is always in evidence, the enormous increase in taxation both Imperial and local. An illustration of what this means to cotton was given by Mr. Dewhurst to the Shareholders of Williams Deacon's when he quoted the annual report of the Oldham Master Cotton Spinners' Association to the effect that for a typical mill in the Oldham district the actual percentage increase in cost over 1914 of one pound of weight of yarn was 174 per cent. for local rates, 277 per cent. for income-tax, and 640 per cent. for health, pensions, and unemployment insurance."

Even in Japan the mills have a system of health insurance which you do not have in Bombay, and here in Lancashire they have been paying 640 per cent. more than the 1914 rates per pound of yarn because of health insurance, unemployment insurance and pensions. Those charges our millowners do not have to pay; they do not pay those charges, and yet they are not in a position—they, who use the cotton produced in this country, they who pay practically the cheapest wages that are paid anywhere in the world—they are not in a position to compete with Japan or with China. I am really surprised that they should have brought this industry to this sorry plight. They have only themselves to blame for it. Their system of management—my Honourable friends will pardon me for referring to it, I do not want to refer to it with any bitterness, but I do want to make this point that their system of management has been faulty—let me put it at the lowest and say it has been faulty. (Hear, hear.) The managing agents—they are themselves interested often in the selling agencies. They take their little bit of profit from the selling agencies. They are often interested in the insurance companies with which they insure their mills, and in some cases—I have got a statement here—in some cases they will insure with companies which pay the largest rebates to the managing agents. Cloth is sold through agencies in which, as I have already said, the managing agents are interested; and this is a point which is not well worth making, but nevertheless there it is, the directorates are merely the cliques of managing agents. The result is that this industry has been handed down from father to son as a heritage without a scientific outlook. In many cases this industry has been run upon an unscientific basis of finance and today it naturally finds itself in this difficulty. The report of the Tariff

Board says if they had only conserved the great profits that they made in the boom period they would not have been faced with this difficulty. They say that the profits from 1919 to 1922 inclusive were 40.1 per cent., 35.2 per cent. and 16.4 per cent. These are the profits. I know that my Honourable friend, Sir Victor Sassoon will get up, add up all the profits for the various years, he will then divide the total by so many years and he will say the result is 8 per cent., and 8 per cent. is a very small return for this industry. No. The point I want to make is this, that the total percentages, as I have worked them out, came to over 178 per cent. is for but a few years. These profits represent practically $1\frac{1}{2}$ of the total capital invested in this industry. If they had preserved these profits they would not have been in their present plight. Why should they come now on the plea that it is a national industry—a plea that they cannot substantiate—and ask the nation to support them. I would consider it a national industry if it were an industry in the hands of the State working for the people of this country—I consider it to be an anti-national industry because it is working for the benefit of the few mill-owners of Bombay and Ahmedabad. My friend Mr. Jamnadas stated that practically the whole of this industry has supported this demand for protection. He knows perfectly well that it is not so. What has actually happened is this. Ahmedabad and Bombay have been very hard hit, not the upcountry mills. I am indebted for an extract I shall presently read to Sir George Rainy regarding the Delhi Cloth and General Mills. There is a statement in the Tariff Board's report of last year that these Mills paid 35 per cent. in dividends. There is the fact staring us in the face that these upcountry mills are in a prosperous condition, that they were not so badly hit as Bombay and Ahmedabad. Even in Madras there is no urgent demand for protection. (*Sir Hari Singh Gour* : "What mills have you got in Madras?") I am simply surprised at Sir Hari Singh Gour. (Laughter.) This is not the first time that he has surprised me. (Loud laughter.) Has he read the Tariff Board's Report? If he has, he will no doubt have seen what sort of mills there are in Madras. Now, the report of the Delhi Cloth and General Mills says this : "The directors apprehended a gloomy future for the industry, if immediate relief was not given to it by the Government". After recording their appreciation of the highly valuable services of Mr. So and So the directors declare a dividend free of income-tax of Rs. 45 per cent per annum! (Laughter). As I said, this particular industry has been hit most in Ahmedabad and Bombay. When my friend Mr. Jamnadas makes the statement that there is a unanimous demand for the support that is being given to the industry, I would remind my friend Mr. Jamnadas of what the Tariff Board Report says. They say that they examined three out of the large group of upper Indian mills and they found that the costs of production were not placed before them. Of most of the evidence that was taken in this case, the emphasis that was laid in regard to protection came from Bombay and Ahmedabad. That is a patent fact. Nobody can deny it. Ahmedabad and Bombay are the two centres of cotton gambling and financial profligacy. These are the two centres that have been hit hard.

Now, Sir, let me refer for a minute to the question of the condition of the workers in this industry. What have the millowners done for this industry? What is the state of literacy? Is it not a fact that they

[Diwan Chaman Lal.]

have done next to nothing to improve the literacy of the workers in the industry? Is it not a fact, when they complain about the inefficiency of the workers, that they took practically no steps to increase the efficiency of the workers? Even the Tariff Board says that they wished that the millowners had taken the necessary steps in the boom period to improve efficiency. They regret that in the period of depression they are not in a position to take those steps. The reply of the millowners is that they have done all they could for improving the efficiency of the workers. It is for them to eat the humble pie now and admit that most of their trouble is due to the inefficiency of the workers. How can you have efficiency in the workers if the condition of these workers is as bad as has been painted in the official reports from the Labour Office in Bombay? The Labour Office has stated that the condition of these workers is in the highest degree miserable. After considering 2,473 working class budgets they say that no less than 56 per cent. of the workers in Bombay subsist on food the quality of which did not reach the prison standard, the standard which is prescribed by Government for ordinary criminals in His Majesty's prisons. The general conclusion is that industrial workers in Bombay consumed a diet inferior to that prescribed by the Bombay Jail Manual. 96 per cent. of the families in Bombay were living in over crowded single rooms and 47 per cent. of the families in Bombay were in debt. Why pride yourselves on this so-called national industry? These are the signs of "affection" these industrialists have for the 376,000 workers living on this miserable diet! I shall not refer to the question of hours of work or the question of wages. We know that the average wage that is given in Bombay to these workers is Rs. 30-10-1. We also know that it leaves practically no margin for these workers for any of the what I should call ordinary necessities of life barring food and rent and clothing. If these are the workers who are going to be forced under this new scheme that is being propounded, namely, that Indian workers in Bombay should work not two looms but four looms, then I say you are crying for the moon. My Honourable friend Sir Victor Sassoon knows perfectly well that recently when he tried to put that into force in Bombay there was a very serious strike and 20,000 workers marched out of his mills. Here is a telegram I have received from Bombay :

"Textile workers threatened 18 per cent. wage cut. Three loom device without improved materials or labour saving appliances."

You are asking the men who are working under these miserable conditions to put in more work. I say you are crying for the moon. As I understand it the workers in Madras work one loom a day. In the United States of America they work from 9 to 12 looms a day. In Lancashire they work from 5 to 6. I have no hesitation in saying that the first thing you must do is to make the workers more efficient but at the same time I want the millowners to realise that it is primarily their duty to see that the workers are efficient. It is their duty to see that the workers get more food to eat, more clothing to wear, that they are better housed than they are at present. Lady Chattarjee in her book refers to a case in Bombay where she discovered in a room 16 by 12, 30 people, men and women in a precarious state of health. Is that humane treatment for the workers. If

you want protection for your industry, your primary duty is to protect the workers who are engaged in your industry. Your primary duty is to see that the consumers in this country are not penalised at the expense of the millowners.

I hope you will pardon me if I refer to another little matter in regard to the imposition of this burden upon the average consumer in this country. It has apparently been the policy of Government in this country to go on increasing taxation not by direct means but by indirect means. The method of indirect taxation is such that it hits the very poorest of the poor in this country. The present position, as I take it, in regard to indirect taxation in 1924-25 is that 63 per cent. of our total taxation was indirect, 24 per cent. land and 13 per cent. only direct taxation. If you want to tax this country, the poor man in this country, tax him in an intelligent way, in an honest way, in an equitable way but do not go on imposing burdens upon him merely because at the present moment your millowners are crying for what I may call unemployment insurance (cheers). The millowners fear that they will be presently unemployed and therefore they come to us and ask us to insure them against unemployment. When we ask for unemployment insurance for the workers what reply do we get? We get the reply that the matter is still under the consideration of the Government of India. Now, Sir, there is no doubt about it, and we have evidence of it, that in the past too the mill industry has been responsible for a great deal of unemployment in the handloom industry. For example, in textile, the 1911 report records a decrease in the number of textile workers by 6 per cent. in the preceding 10 years despite the extension of textile manufacture in India. That is a fact to which I want to draw the attention of Honourable Members. Why has there been a decrease of 6 per cent. during that decade in spite of an increase in textile manufactures in this country? The reason Sir, and it is stated here, is that it is due "to the almost complete extinction of cotton spinning by hand". That is the reason for it. And we have the evidence of the Tariff Board itself that the result of the imposition of this duty will be a burden upon the handloom industry. We have seen how the mill industry has worked in order to extinguish practically cotton spinning in this country by hand. The result of this duty will be not only to extinguish cotton spinning which is already practically extinguished, but also the cotton weaving industry by hand which is an industry in which hundreds of thousands are employed. This industry will be severely affected. Are we then going to support this measure in spite of the disadvantages that one can see accruing, accruing certainly not to the millowners but to the average man in the street? And shall we, who have come in here on the ticket that we shall protect the interest of the man in the street, be parties to the passing of this measure? Under no circumstances can we be parties to such a measure. I have not the slightest doubt, as I have indicated in my minute of dissent, that I would myself be a party to the discovery of a scientific system of protection, not only for this industry but for all industries, provided two things are made clear, first, that the prosperity of the industry will react favourably upon the prosperity of the workers in the industry, and secondly, that no undue burden is placed upon the consumers of this country; and further, I may add, if it is also made clear that the time will come when this industry and all such industries will become really national, not pseudo national, and will

[Diwan Chaman Lal.]

really become the property of the nation, working not for the profit of the few but for the benefit of the people. (Applause.)

Sir Victor Sassoon (Bombay Millowners' Association : Indian Commerce) : Mr. President, I suppose that in the opinion of Mr. Jamnadas Mahta, and perhaps of Mr. Chaman Lal, I stand before you as the weak-kneed representative of a spineless industry. I regret therefore that my knees must hold me up for a longer period of time than I generally take when I address this House. I am afraid that my subject is so large that I will not be able to compress it within the usual 10 minutes or a quarter of an hour which I think is generally as much as this House ever cares to listen to my voice. So my knees must be stiffened for this afternoon at any rate. I have not only to deal with my Honourable friend Mr. Neogy's remarks and the points made by him and some of the other speakers, but I will have to deal with the question of the mill industry *vis-a-vis* the Government. Sir, Mr. Jamnadas Mehta's speech was, to say the least of it, unusual. He appears to possess a boundless admiration for the mill industry. He has assured this House, in spite of what may have been said by Members on the Benches opposite, that we are held by the people of India in great affection; and then he tells us that he is going to vote against the measure, which though admittedly, as he calls it, a dole, at any rate does do something to help us in our present difficulties. The fact is that whilst I was listening to Mr. Jamnadas Mehta I could not help thinking of the well-known words, "It is all very well to dissemble your love, but why did you kick me downstairs". (Laughter.)

Mr. President, I am afraid I cannot agree with Mr. Jamnadas and Mr. Neogy on the advisability of delaying this measure which is now before the House. On the contrary, the necessity of affording the mill industry of India any kind of help, however, inadequate, is an extremely urgent one, and the urgency lies in the present situation in China. The internal troubles over there which appear to have no end are of a two-fold danger. In the first place, the closing of the home market to their products makes it necessary for the Chinese industry, working as it does under even worse and more unfair conditions than does Japan, to find a market; and in searching for this market it is up against Japan, who in her turn has also to find an outlet for that part of her production which the continent of China used to absorb. So that, we have not only China looking to India as an outlet for her surplus goods, but Japan doing the same. Now what will be the result? The result will be that in the immediate future we shall suffer a dumping war between these two countries. That I think is a very sound reason for pleading urgency, for that war, which appears to be just beginning, is likely to develop to its fullest extent during the next couple of months. That is why we must have any measure of protection that we are going to have *now*. We cannot afford to wait until all these goods have been dumped on our shores. In such circumstances the question of the costs of production is a secondary one, and we may find not only the medium counts of yarn from these countries attempting to oust the admittedly small percentage of 3 per cent. of our production which is in these qualities, but what is much more serious their lower counts driving out the 25 per cent. of our production which is now consumed by the handloom industry in the

form of these lower counts. Now it is here that the duty of 1½ annas offered is of value, amounting as it does to a protective duty of something like 13 per cent. on coarse yarn. This is no bogey which I am putting before the House. It is a very real danger. I am expecting at any time to hear that the namesakes of the firm of my Honourable friend Sir Alexander Murray will be dumping on this country not only yarn but drills and my great fear today is not so much that this infinitesimal measure of protection will raise prices to the detriment of the handloom weaver or the consumer, but that it will fail to stem the wave of surplus goods seeking so urgently a market from the Far East. Mr. President, I wish to assure Members opposite that we who are engaged in the power-driven industry have no desire of any sort to hurt much less to kill our brothers who work handlooms. If I thought that the proposed increased duty on 10 per cent. of their output would cripple their industry, which to my mind is just as much a national industry as ours is—if I thought that even under the least favourable conditions the burden of 12 lakhs on the 30 crores of finished goods which they produce would really prove a severe handicap to them I would not press this measure as I am now doing. It is because I do not believe that in practice the handloom industry will suffer any real detriment that I am so insistent. I honestly believe that as regards the yarns mentioned, the dumping countries will lower their prices by the amount of the duty proposed, as they did when the excise duty was removed, so that the handloom workers will not have to pay more for their yarn than they are paying to-day.

On the other hand, I am perfectly prepared to admit that we in the mill industry will therefore not benefit. (Hear, hear.) All we can say is that the Government will benefit to the extent of something like 12 lakhs at the expense of the Japanese and Chinese exporters. But it is in hopes of keeping out the coarse yarn which we are supplying to handlooms to-day at a loss of 10 per cent., *i.e.*, 10 per cent. below our cost of production, that I am so strongly opposing delay. I want the House to realise that, even as it is, this proposed duty may not be sufficient to safeguard the spinning side of our industry. The loss on this side may be so great that the mills will find they suffer less by closing down and importing yarn from abroad manufactured partly from Chinese cotton and partly from American cotton and use this yarn to keep their looms busy, at the same time selling the cotton which they have got in stock, which they can do at a profit.

Now, Sir, if this deplorable state of affairs comes to pass, what would be the position? We shall have the handloom industry and the powerloom industry competing for this foreign yarn. And the mill industry, with its representatives in China and Japan, is likely to buy largely and so put up the price of this yarn against the small handloom buyers.

Will that be to their advantage in their competition with our mill-made cloth? I say with the greatest confidence that they will suffer a great deal more than if, as at present, they are drawing their supplies from our spinning mills, spinning largely indigenous cotton at a price which is below the cost of production.

Think, too, of the position of the workers who will be displaced from the spinning frames. It is all right to say that they can go back to their homes upcountry, but those who understand these matters assure me that

[Sir Victor Sassoon.]

as regards at least 50 per cent. of the workers in Bombay, their poor little agricultural holdings cannot keep more than one member of their family, and the others can only be made welcome if they bring back in their pockets the money that they have earned at the Bombay mills.

What, then, is going to be the plight of these unfortunate men ? And, Sir, remember that I am only now speaking of one section of our industry, the one whose existence is sought to be safeguarded by this Bill, and that the position of the other side, the weaving side, is by no means a rosy one.

Now, before going back to the main lines of my argument, I want to refer to one or two points which were made by my Honourable friend, Mr. Neogy, in his speech. Mr. Neogy says, " Why not have an inquiry into the handloom industry now as to the effect of this proposed duty ? " I should have thought, Sir, the reason was obvious. The information which we want is, " What harm is this duty doing to the handloom industry ; what are the practical effects of this duty ? " What we want are facts, and not mere opinions, and you cannot get those facts until you put this measure into force, and indeed, it may take a very long time, even when these facts exist, before the necessary information can be collected, when we consider the very wide ramifications of the handloom industry, and when we realize that it took six months to inquire in a fairly cursory manner into the affairs of the concentrated power-loom industry.

Now, Mr. Neogy was to my mind rather unfair on another point in his suspicions of the Government, when he asked why counts of 31s. and 40s. were chosen for special reasons. I will later on show how I think the influence of Lancashire has shaped the general tariff policy of the Government. But as far as these counts are concerned, I frankly think Mr. Neogy has been barking up the wrong tree. Lancashire has to pay just as much duty as Japan has on these counts, and Lancashire has not. . . .

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : But it is retaliation.

Sir Victor Sassoon : I beg your pardon. The advantage that Japan has is unfair labour conditions.

Now another of the points that Mr. Neogy emphasised, and which must have appealed to the House as it did appeal to me, was the question of coal as supplied to the mill industry. Now I know the firm of Currimbhoy Ebrahim and Sons very well and have the advantage of a personal acquaintance with the head of the firm, Sir Fazulbhoy Currimbhoy. Those of the Members of this House who know Sir Fazulbhoy must have felt, as I felt, that it was inconceivable that he should have bought foreign coal at a dearer price than Indian coal, and so I wired to Sir Fazulbhoy, and I have received his answer, which is to the effect that all that he has done is to buy 1,500 tons monthly from a local coal merchant in Bombay, and he has asked for a selected grade Lodna Bengal coal but that he has put a clause in the agreement that at his option he can take some of the Natal coal already bought for import, if economy necessitates such action. Now, Sir, that is a very different thing to saying that he has refused to buy the cheaper Indian coal and

preferred to buy at a higher price. I am quite sure that if he is going to pay more for that Natal coal actually per ton of the Indian coal, it must be because the calorific value of that Natal coal is much higher ; it has more heating properties, and is therefore actually, in work, cheaper than the other : and the mill industry of Bombay is not in such a state that it can afford not to buy in the cheapest market. We have to economise all our resources, and I do not think that Sir Fazulbhoy can be blamed for buying in the cheapest market. But at any rate I have now received a second telegram from Sir Fazulbhoy, and it says that he is prepared not to exercise his option to take Natal coal, although it is more economical. I hope, Sir, that on the other hand my friend from Bengal will use his influence with the Bengal producers—I think we have one here (Laughter) : May I appeal to the Honourable Sir Alexander Murray that he will see that the actual price of Bengal coal of equal calorific value is at any rate no higher than what Messrs. Currimbhoy Ebrahim would have to pay for their Natal coal ? Sir, I have been asked to say that this would depend to a large extent on the question of freight. (Hear, hear.) I would appeal to Sir George Rainy to reduce the freight on coal from Calcutta, especially as I have a recollection that if he will look through his files, he will find that the Millowners' Association have lately been making representations to this very effect. As a matter of fact the question of coal for our industry is not as large a one as people might think, due to the fact that out of 83 mills, 72 are now operating by electricity which we get from the Hydro-Electric Works, and of the balance, five or six are now applying to get electric power ; so I am afraid that my Bengal friends must not look to the Bombay mill industry as an outlet for very much of their coal.

Now, one last word and I shall have done with Mr. Neogy. He, and I think another Member, was afraid of retaliation from the Japanese. I for one do not complain of any action which may have been taken by our Japanese competitors. Their industry has to live just as much as ours has, and their industry at the present time is in an even more difficult position than ours is, because their industry already supplies all the textile needs to their own people and therefore they have to look for an outside market. We are in a position of not even being able to supply all the needs of our home people. Now, whatever may be thought of the Japanese nation, I think it will be admitted that they are a very clever commercial nation, and I think I can assure Mr. Neogy with no inside knowledge or any special knowledge, that the Japanese nation buys our pig-iron, for instance,—he mentioned pig-iron—not because she has any special feelings of brotherly love or affection for India, but because pig-iron is a very necessary raw material which she needs and it is cheaper from India than it is from America or any other country. I shall, however, tell Mr. Neogy that Japan is at the present minute developing the production of her pig-iron and I have no reason to doubt that when she has a sufficient output of pig-iron from Korea to satisfy her own needs, there will be a duty on not only our pig-iron but on all foreign pig-iron, whether you pass this Bill or you do not. And the same applies to the other main exports of this country to Japan, for instance, cotton. Is Japan going to put a duty on all cotton ? The House must remember that as under the treaty we are debarred from singling out Japan, similarly Japan is also debarred from singling us out. To carry into effect the point

[Sir Victor Sassoon.]

mentioned by Mr. Neogy, Japan must put a duty on all pig-iron, on all cotton and on jute products and if she does so, I think that will be a case of cutting her nose to spite her face ; and therefore I do not think we need have any fear of any retaliation on that score. Now, I have done with Mr. Neogy.

I am not able to deal with the remarks that have been made by some speakers, because on this side of the House owing to the accoustics I am afraid we lost the advantage of appreciating what the eloquence of Mr. Duraiswamy Aiyangar, for instance, was about ; so I must leave that to another speaker. But I did hear, I think, that a handloom weaver only made three annas a day. If I did, surely that cannot be the normal wage of a handloom weaver all over India ; otherwise I may find my friend Mr. Joshi, and probably even Mr. Chaman Lall, asking me to try and get a loan from the Government to increase our industry, so as to be able to employ all these poor handloom weavers. For, at the present moment, if what we are told is right, it must really be a sweated industry. Even the very poorest wages paid in India—and these wages I may say are a great deal lower than what we pay in Bombay. Let me take the wages in Pondicherry, where, I find, that they pay their hands anything from 50 per cent. (higher rate) down to 33 per cent. of what we do in Bombay. Madura pays anything from 75 to 44 per cent. of what we do in Bombay. And yet, even those miserable wages will be better than the three annas a day which we are now told is all that the handloom industry is paying. Sir, if that is true.....

Mr. B. Das : What about the cost of living in Pondicherry ?

Sir Victor Sassoon : I do not care how low the local cost of living is. The real wages of those unfortunate people must be better than those of anybody earning only three annas. And if this is really the case, the great problem before this House is what to do to alter the situation that allows anybody in this country to only earn three annas a day, and before trying to attack an industry or particular part of the industry, like Bombay, which does pay an average of Rs. 30 per month to its workmen, it seems to me that there is a large beam to be taken out of somebody else's eye.

Mr. C. Duraiswamy Aiyangar : You shift your mills outside Bombay.

Sir Victor Sassoon : Now, Sir, I would like to deal with one or two other speakers. We are very much interested in the remarks made by Mr. Alexander and I am sure we all hope he is right and that world conditions will change and that prosperity will come to this country. I have not been in this country as long as he has, but I know that for the last three years we have had fairly good monsoons, and I have always been told that things were going to be better, and they have not been. And as my informants have all been in this country for something like 30 years I cannot feel, even after hearing Mr. Alexander's remarks, as optimistic as I might be. Mr. Alexander made an assumption, which, I am afraid, I am in a position to contradict. He assumed that all the mills bought a year's stock of cotton. I take it, at the beginning of the year. Of course those mills which bought their year's supply of cotton in the beginning of this year, when cotton was down, will naturally not make a loss this year ; but that, by no means, is the general state of affairs and the House

will soon realise that if you buy a year's supply of cotton you are gambling in cotton, because what would have been your position two years ago when the cotton market slumped. You would have got dear cotton on your hands and would not have been in a position to compete with mills which had not stocked their cotton and therefore were enabled to buy cheaper raw material. As a matter of fact, it is generally considered undesirable for a mill to speculate in cotton. It does so in this country to some extent ; it has to ; but on general principles, I do not think that you could count a speculative profit as a legitimate trade profit, because it might as easily have been a speculative loss.

Mr. Chaman Lall—I regret he is not in the House just now—has made certain charges against the mill industry, which I feel bound to refer to, although it may mean that I am taking more time than I had intended. He made a general statement that no efforts to increase the efficiency of the millhands had been made by the millowners. It is true that he practically contradicted that same statement, because a little later on he admitted that in my own group of mills there had been a strike because we had tried to increase the efficiency of the millhands and they did not want to have their efficiency increased. In that connection Mr. Chaman Lall says that we did not give them the necessary labour-saving devices. I can assure the House that in my group of mills they have just as good labour-saving devices as they would have in Lancashire or Japan or anywhere else. We naturally gave our men everything that they needed to enable them to look after 3 or 4 looms. We naturally, instead of letting them go and supply themselves with weft, have supplied them with facilities for it being fetched for them. The accusation is frankly inaccurate. We are trying our best to increase efficiency because it will not only increase the wage of the millhand but will enable us to reduce our cost of production which at the present minute means not that we are going to make a bigger profit but that we are going to make a smaller loss during the very critical period which we are now going through. Mr. Chaman Lall also says that millowners have approved of bribes being taken by jobbers. I can only speak for our own mills. I can only speak about what I know and we have done everything we can to stop these jobbers taking bribes. Our difficulty has been that not even one man has ever told us that he was asked for bribes. It was only when we dismissed a jobber as we did for something quite different, and after the men threatened to go on strike if he were dismissed, that we found out **after** he had gone that they were very glad that he had gone because he had been taking bribes from them. But they were frightened to tell us before so as to enable us to get rid of this obvious injustice. Mr. Chaman Lall then referred to the profits of the millowners. He has an extraordinary method of calculating profits. He apparently thinks that if you take the profits for a period of years—it may be 5, 10 or 15 years—and if it comes to over 100 per cent., then capital is not entitled to anything more. He apparently follows the tenets of my Mussalman friends who object to any interest being earned on money. He is entitled to his own point of view, but this is not the usual commercial point of view. When you want to know what profit an industry has made, you naturally divide the profit by the number of years and so get the figure of the yearly profit. Although Mr. Chaman Lall may be entirely right when he mentions that there was something like 175 per cent. profit for a term

[Sir Victor Sassoon.]

of years, I am equally right when I say that the average yearly profit for 10 years including the boom years is only $7\frac{1}{2}$ per cent., taking into account the amount required for depreciation. Now, as the Tariff Board themselves admit, 8 per cent. is a fair return. The consumer, if I may use a slang expression, has nothing to kick about? Whatever we have taken away from the consumer in the boom years we have given back to him since. So he really owes us $\frac{1}{2}$ per cent. per annum. I take it that this small measure is supposed to represent that $\frac{1}{2}$ per cent. average for 10 years which we have not yet got out of the consumer.

Now, Sir, I should like to deal if I may with my friend the Honourable Member in charge of this Bill and here I am in somewhat the same position as my friend Mr. Jamnadas Mehta because, although I am supporting the Bill, I am going to attack my Honourable friend. My Honourable friend objects to the word "protect" and prefers the word "safeguard", the word which we altered in the Preamble of the Bill in the Select Committee. Personally I do not care which word he uses as long as it carries out the dictionary meaning of the word. What I say is this: whatever words you may be using, this Bill is not going either to protect or safeguard the industry if in spite of it the yarn industry cannot live. Can you say that you safeguard an industry if that industry dies? Some of the remarks of my Honourable friend were extremely interesting. I was reading over his speech when he moved the reference of this Bill to a Select Committee and I noticed with peculiar interest a remark of his that an Indian cotton manufacturer was entitled to come to the Indian Legislature and say: "If I am to be subjected to a restriction from which my rivals from other countries are free, then I ought to be compensated in some way, because these restrictions raise my cost of production." The Honourable the Commerce Member added that it was "a perfectly tenable line of argument". So, I take it that my Honourable friend is in agreement with his own statement. (Laughter.)

Now, Sir, the exports of our mill products to the Levant and East Africa have increased during the last year which I see is looked on with approval by certain trade journals. The reason why these exports have increased was that most of us decided that we must try and get back our lost markets and therefore we sold our products at any price irrespective of the fact whether that price showed a profit or a loss. As a matter of fact, the prices at which these goods were sold have shown a loss. I may here point out to the Honourable the Commerce Member that the exchange policy of his colleague the Honourable the Finance Member is responsible for the fact that the manufacturers in this country have found themselves at a disadvantage as compared with their competitors in other countries. (Hear, hear.)

I now take up what my Honourable friend terms "a perfectly tenable line of argument", and ask him whether this action has not raised our cost of production in terms of foreign currencies resulting therefore in a form of unfair competition and whether adequate relief should not be afforded us. Further, the Commerce Member has stated that this duty has been put on to make up for the unfair competition of Japan, but it is no secret that the Japanese themselves consider that they are seriously handicapped

by the even more unfair competition that takes place in China. When I was there the mills were working two shifts of 12 hours each with half a day off every other week, and I have seen with my own eyes children of 8, 9 and 10 years working at ring frames without any pay as a favour to their parents. It sounds rather ridiculous, but the parents say that they want their children to work even without pay because after they have worked for a short time and learnt their business, they could then go to earn their livelihood.

Now, Sir, what adequate relief has the Honourable the Commerce Member offered to us. He has pointed out that there is no treaty with China such as we have with Japan, so he can put a special import duty on Chinese goods. He must know the conditions of work in China and yet there is no suggestion in his speech that he is going to investigate these points at once and give us any relief for them. He merely says that if, when the Japanese have carried out the terms of the Washington Convention, it is found that we are suffering from the imports of yarn from China, then the present duty will remain on. But it ought to be clear on his own showing that we should get additional relief from China. I consider this a very unsatisfactory statement on the part of the Commerce Member and I consider as much as my Honourable friend Mr. Jamnadas Mehta or anybody else in this House that the mill industry is being scurvily treated by the Government.

Mr. President, if this had been Japan, if Japan had been in the position that we are in to-day, it is easy to imagine what steps would have been taken to mend matters. I have here a bulletin from the *Japanese Financial and Economic Monthly*. I do not propose to follow in the footsteps of my friend Mr. Duraiswamy Aiyangar and read it all.

Mr. C. Duraiswamy Aiyangar : You cannot afford to read the whole of it.

Sir Victor Sassoon : I would merely point out that the Japanese Government has laid down that in protecting industries half-hearted measures would do no good. If this were Japan I can see the Government in these conditions putting a penalising protective duty on high counts of yarn and cloth. I can also see the natural corollary that our mills will then turn to making yarn of higher counts and that our handlooms with adequate protection would buy this yarn and turn it into a high grade cloth instead of weaving the low grade cloth they do now—thus relieving the pressure on the mills in their output of low class cloth : then the whole industry would benefit, although admittedly this would be at the expense not only of Japan but also of Lancashire, but I suppose, no such heresy will ever be tolerated by the Government of this country.

So, as we have not got the benefit in this country of a Government like the Japanese Government and as we are poor beggars, we have to take whatever is offered to us. I know some of my friends opposite want me to join them in a heroic gesture. They want me to say, "We wanted bread, you throw us a crust ; we cast it back in your face". But that is all very well for the politician. (Laughter.) We have to live on that crust, and if it prolongs our existence by even one hour, we cannot afford to be proud and spurn it.

[Sir Victor Sassoon.]

The position is that the mill industry is like a poor wounded man lying in the road. Mr. Jamnadas Mehta says, "This man needs an ambulance". Mr. Jamnadas is entirely right. He does need an ambulance to take him to the hospital, but all that is offered to him is a broken crutch. He cannot go far or fast on this crutch, but he takes hold of it and stumbles towards the town in the hope that somebody will help him on the road. But Mr. Jamnadas says he should not take the crutch but remain lying on the road while he apprises the municipal authorities. Unfortunately, Mr. Jamnadas cannot guarantee to us that we will ever get this ambulance or I would certainly join him. (*An Honourable Member* : "It might be the funeral".)

Mr. Jamnadas M. Mehta (Bombay City : Non-Muhammadan Urban) : If you work with me you will get it.

Sir Victor Sassoon : I say on the floor of this House that unless there is a change in world conditions, this protection which is offered us is not enough. I tell the Government that it is taking a very serious risk. I tell the Government that it is taking the risk of receiving the congratulations of our foreign competitors for having so successfully crippled, if not killed, the second largest industry in this country.

And so, I appeal to Mr. Neogy not to press his amendment, because, I know that the last thing in the mind of Mr. Neogy and his friends is to do anything to wreck the Indian industry for the benefit of foreign competitors. (*An Honourable Member* : "Not yet".) I know that. But I must warn Mr. Neogy and his friends that if he persists in his amendment and if he carries it, it means the dropping of this Bill : it means that the Government will have the right to say to him afterwards, if anything untoward happens to our industry, "Whatever the defects of our Bill it did afford protection to the coarse yarn manufacture of the country, and by rejecting this Bill, you have given India's foreign competitors the opportunity of attacking this vital spot, and had this not happened, the industry might have carried on?" It is because I know that the bulk of the Members of this House have no antagonism to the mill industry, which does not only consist of a few millowners, not only consist of a few thousand shareholders, but consists of a population of mill agents, shareholders, and working people, and know that everything that hurts us (the masters) is not going to be borne by us alone, but is also going to be borne by the work people, I feel that I shall not have made my appeal in vain.

Mr. T. C. Goswami (Calcutta Suburbs : Non-Muhammadan Urban) : I take it, Mr. President, that the Honourable Baronet who has just spoken attaches a particularly "high calorific value" to any crumbs that may be thrown by the Honourable gentleman opposite me, and possibly, he thinks that even a broken crutch supplied by the Government of India to a crippled industry possesses great "calorific value".

An Honourable Member : No, none at all.

Mr. T. C. Goswami : For, I think he and his friends have carried mendicancy to the last limit. Having themselves admitted that the measure of protection offered in this Bill is a very meagre one, I cannot understand why they are prepared to accept, with gratitude, the modicum

of mock sympathy which has been exhibited on the other side of the House. (*Sir Victor Sassoon* : "Not with gratitude".) Since the time of Newton, and what could never have been intelligible to him, a new calculus, it seems, has been invented, by which the same set of figures can be juggled so as to produce any kind of inference. (*Lieut.-Colonel H. A. J. Gidney* : "Differential Calculus".) For instance, my Honourable friend *Mr. Chetty*, this morning, worked out figures—and he is always strong in facts and figures—and he tried to prove to us that the effect of this Bill would be to hit the handloom weavers to a very small extent only. I noticed one device. He is a great statistician, I am not. He will pardon me if I am slightly sarcastic. He employed a method which I have seen in shops like *Whiteaway Laidlaw* when they have a "sale" on. When they want you to buy a pair of socks for Rs. 4, they generally put it down at Rs. 3-15-0, so that when you look at it at first, you feel that you are paying only Rs. 3 and something. Similarly, *Mr. Chetty* compared the 6 million handloom spinners and weavers to the 4 or 5 lakhs of workmen employed by the mill industry. I observed the juxtaposition of the two figures 5 and 6, but one was in terms of lakhs and the other in terms of millions. Even if we are to accept the figures of the Honourable *Mr. Chetty* that only 8 per cent.—I believe that was his figure—of the handloom industry would be affected by this Bill, I think it does not require a great mathematician to find out that even 8 per cent. of 6 millions works out to a higher figure than the percentage of the 4 or 5 lakhs of people who are employed in the mill industry, who, on the computation of the millowners themselves, would suffer if this Bill be rejected. *Sir Victor Sassoon* said that, if *Mr. Duraiswamy Aiyangar's* figures were correct, namely, that some of the people in the handloom industry get only three annas a day, then it was time that *Sir Victor Sassoon* and his friends should get them employed in his own mills. Well, Sir, I would invite the millowners of Bombay, or anywhere else in the world, to employ the six million handloom weavers in India. He might have made a debating point, and I don't grudge him that. But can he employ this large mass of the population of India who are engaged in the handloom industry and pay them at the rate of Rs. 30 a month? Besides, Sir, figures are elusive. I do not, first of all, accept that in most places, the handloom people get only 3 annas a day. That is a figure which I am not prepared to accept. But I will accept this, that if their wages, their earnings, are very low, they have other advantages while they live in the villages. There is, for instance, always a little land attached to their handloom industry.

Mr. C. Duraiswamy Aiyangar : I would ask my friend to divide the production—over 30 crores are said to be the production—by the 6 million who work, and you will then get the figure.

Mr. T. C. Goswami : I do not think that sort of average appeals to me at all; it is fallacious; because, there are many people who may be getting only a very small wage in the handloom industry, but who may be occupied in other industries. I am not going into the mathematics of that. But I submit that their earnings from the handloom industry do not represent their total earnings. And when we calculate "real wages" we have to calculate the other advantages that are derived from their living in their villages. I hope, I need not pursue that further.

I think the Honourable Baronet is very wise in not calling this mill industry a national industry. That was the great mistake which was made

[Mr. T. C. Goswami.]

by my Honourable friend, Mr. Fazal Rahimtulla. Because, what do we find here in India? We find here, as in every country, that these vested interests are the allies of the powers that be for the time being, and the powers that be to-day are powers which are not only not national but definitely anti-national. Sir, to think of the mill industry as a national industry, I have to forget that history of repression of strikes by means of fire-arms, that history which has been written in letters of the blood of my countrymen by the class of gentlemen who sit on those benches there (pointing to the Treasury Benches), the Collectors and Magistrates of districts.

Then, as regards Japan, the Honourable Baronet told us that Japan cannot under the Treaty erect a tariff wall against India. I find in the Bill presented by the Honourable Sir George Rainy that he has hardly been able to avoid mentioning Japan prominently even in his statement of Objects and Reasons attached to the Bill. This Bill is obviously intended to hit Japan; and may not Japan retaliate? The pivot of this Bill is—I would like to emphasise this point though it has been brought out already—the pivot of this Bill is to be found in certain figures given in the Report of the Tariff Board at page 19. There it is shown that Japanese yarn has been coming into this country in increasingly larger quantities, whereas Lancashire has been able more or less to maintain its export to India of piecegoods. It would be idle for any side of this House to pretend that this Bill is not aimed at Japan. I have no particular love for Japan, but I think every Indian patriot ought to realise that the history of India in the future may not entirely be determined by the Government of India Act, and that even in the near future we might be at a disadvantage if we alienate the sympathies of a great Asiatic power like Japan. Further, Sir, a Bill which deliberately aims at crippling Japan and upholding Lancashire, is and must be, an object of abomination to every patriotic Indian. And why? Because our political dependence is bound up with our economic dependence,—the big battalions of the foreign powers here are maintained for the purpose of keeping England's economic hold on this country. That is a fact which no Indian patriot can afford to forget.

And, Sir, I appeal even to the millowners of Bombay, to reject what I have called this modicum of mock sympathy and to take a truly national view of this matter. There was a time, not very many years ago, when I felt proud to walk the streets of Bombay. There was a time, not many years ago, when the names of some of the Captains of industry in Bombay were names that were hallowed in every household in India. There was a time—when I for the first time visited Bombay—I was filled with pride to discover the contrast between Bombay and Calcutta, to discover that in Bombay it was not the *sola topee* but the *pugree* and the native cap—I use the word “native” deliberately—which predominated. I tell you frankly I felt that. Then it came to me as a great surprise 3 or 4 years ago that these great captains of industry of whom we had thought so much, had so utterly mismanaged their business that Bombay was in danger of an economic collapse. Sir, we, who come from the paddy fields of Bengal, could hardly dream of the crores and millions that were supposed to have been made and lost by the people of Bombay. Now we find that the mill,

industry, that great mill industry of Bombay, has come with its begging bowl for a few lakhs of rupees. I do not say this in any spirit of provincial jealousy. Far from it, I say this from my heart, and I feel it very strongly, that my countrymen have mismanaged their business. As on their own admission this Bill does not give anything like adequate protection to the mill industry in Bombay, it is only consistent with self-respect, it is only consistent with a national attitude, that they should reject this offer.

I have very little more to say except this. I do not wish in the course of my speech to raise a point of order. But, Mr. President, you will remember that a few years ago, in 1924, a question was raised whether those Honourable Members who are directly interested in the vote of the House should be allowed to vote one way or the other,—a question which I shall not discuss beyond just mentioning to you. Probably the matter will receive your consideration.

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

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, my only excuse for asking the indulgence of the House at this late hour is the great importance of the problem with which we are dealing. I do not think I need say anything to express my full and deep sympathy with the handloom weaver. I have the proud privilege of being able to say that to the best of my belief, excepting the socks, there is not even one inch of the clothing on my body which has not been made out of handspun yarn and handwoven cloth. I do not make any difference between Japanese yarn and English yarn, or any other outside yarn. To me the yarn that is not of India is foreign yarn, and even there I prefer handspun yarn and cloth to mill yarn and cloth. At the same time, I must say that the mill industry also has my full sympathy. I think my Honourable friend, Mr. Jamnadas Mehta, did extremely well when he pointed out the great service that the cotton mill industry has done to India. What would have been the position of India if the mill industry had not developed to the extent it has developed, and if it was not supplying about 40 per cent. of the cloth that we use ? Therefore, we have to look at both the mill industry and the handloom industry as national industries, and we have to extend our sympathy and support to both. I do not wish the mill industry to be benefited or helped at the expense of the handloom industry. But I wish to see what the danger at present is which is facing the cotton mill industry. And here I would ask my Honourable friends who are interested in India's welfare to look at the question from the national point of view. To me the question at this moment, is not the acts of omission and commission of the mill industry, nor the mistakes of some millowners. If they committed these, I do not apologise for them. I regret their mistakes. If they have not improved the conditions of the working of the mills to the extent that we desire, I regret it, and I join with my Honourable friends who have spoken on the subject in appealing to them to make those conditions as good as those existing in any other part of the world. This is not the time to discuss the shortcomings of our brethren who are engaged in this national industry. I am grieved to find an attitude of hostility against the millowners of Bombay and of other places. I have been grieved to hear remarks made against them in a spirit which would lead one to think that the millowners stood by themselves on one side and the workers and others on the opposite side. The millowners too are our own brethren, as patriotic and

[Pandit Madan Mohan Malaviya.]

as much interested in the welfare of the country as any of us, and those of them that are not, will not be converted to our view if we go on abusing them and regarding them as opponents of the general welfare of the community. We have to think of the problem before us as one that concerns the whole country. The millowners as well as the mill hands are our brethren, and we have to see what service both can render to the country in developing this national industry and shutting out foreign manufactures. We have to look at the question in that light. As regards the question of protection which is now before us the point is whether the mill industry has been hit hard by foreign competition. Everybody has admitted that the mill industry has not worked under ideal conditions. This may be a legitimate point of complaint. We have to tell our friends the millowners of what more they have to do. I have no quarrel with anyone on that point. But that should not be the deciding factor in determining the course of action which we are to follow to-day. I submit, Sir, the question before us is whether this national industry does stand in need of help, whether it is being hit hard by foreign competition. We have the figures given by the Tariff Board and these have been cited by many people. Japan has been sending us over 20 million pounds of yarn for many years. And China which sent us only 4,000 pounds, a year ago, is now sending more than 2 millions of pounds of yarn. These are the facts that stare us in the face. Is it for the good of India that so much foreign yarn should come into this country? I consider it a matter of deep shame for the Government of India and the people of India that India which grows so much of cotton should allow any of its cotton to be exported to Japan and not change it into yarn and cloth. Bearing that in mind, our determination should be to wipe off this shame. I have nothing to say against our Japanese friends. I honour them for their patriotism. I honour them for having developed this cotton industry as they have developed it. I wish them all prosperity and greater power. But we have to learn a lesson from them. That lesson is that the Government in charge of the country should unite with the people in giving real protection to the industries of the country and in building them up as Japan has done during the last thirty years. Japan takes cotton from India so many thousands of miles away and brings it back to India, spun and woven, and dumps the Indian market with it at a cost below that at which the Indian manufacturer is able to spin yarn. It has done so because of the help which the Government of Japan have given and the tender care have they bestowed upon the development of the cotton industry in Japan. That is what the Government of India have to do and we have to contribute our share towards it. Our share towards it will be that we should agree to pay the penalty for the crime of omission of the Government of India and of the people of India put together in not utilising all the cotton that India grows, for allowing any part of this cotton to go out of India to Japan or China or anywhere else. That price we have to pay because the mill industry is exposed to danger to-day. We have to pay the penalty by accepting even this miserable measure of support which the Government of India is extending to this industry. We are placed on the horns of a dilemma. It is the case of a woman who has got the husband to be hit on the one side and the son to be hit on the other. We are in that perilous position. India is unable to decide what is right for her people, not being given the power by our English

fellow subjects who have come by Providence to rule over us of deciding what is good for us. We are here left at the mercy of an irresponsible Government, which is neither responsible to this Assembly, nor responsible to the people of India, nor it seems responsible to God himself. In the situation, that Government decides what it shall give to India. It has got many considerations underlying its decision. We the representatives of the people have not the power even to get the Government to accept the Report of the Tariff Board which the Government itself appointed. The Tariff Board recommended that both yarn and piecegoods should be taxed. The Government have picked up the one item of yarn and they present it to us and say "You take this or perish". We are now in this unfortunate position. If we say "We will not have it, you take it back", then the result of it would be not merely the loss of 12½ lakhs to Bombay. I am not concerned at this moment with the small gain to Bombay, but I am concerned with this—that you are allowing the Chinese and the Japanese a great opportunity to send more and more yarn into this country and making it more difficult for the mill industry to produce that yarn and compete with the foreign manufacturer. That is the situation which confronts us. No doubt the handloom industry runs the risk of being hurt. I am deeply sorry that it is so, but let us take courage in both our hands and face the situation. If we have not the power to compel Government to put on an import duty on piecegoods, let us not reject the Bill before us. Let us accept it, knowing that it will hurt our fellowmen, the handloom weavers, to some extent. Why do I say this? I say it in the same spirit in which we decided to use Swadeshi cloth. In the Congress of 1906 which was presided over by that Grand Old Man of India, Dadabhoj Naoroji, those who belonged to the two camps as they were then called, the moderates and the extremists, passed a Resolution that we should use Swadeshi cloth even at a sacrifice. My friend Lala Lajpat Rai was one of those who settled this matter with other friends, and from that time forward we have considered it a religious duty to our country that we should use Swadeshi cloth even at a sacrifice. I say "Let us at this juncture help the mill industry even at a sacrifice to some extent of the interests of the handloom weavers". Let us unite and combine all our forces to force the Government to do what is right and just, namely, to put on an import duty, an additional import duty, on cotton piecegoods. But let us accept the Bill. When I ask my friends to do so, I do so with the consciousness that there will be some loss to the handloom weaver. I submit we should bear that loss. We should also remember that we do not want any cloth of foreign yarn to be manufactured in our country. I wish our handloom weavers to use more and more hand-spun yarn or if they cannot do so to use country-made yarn. I wish to discard the use of foreign yarn and foreign cloth, not that I have the smallest feeling of ill-will or any desire to hurt our fellowmen outside India. I honour them and love them as fellowmen. All that I wish to do is what they do in their own country. My Honourable friend Sir Victor Sassoon was perfectly right when he said that when the Japanese find that they are able to produce their own pig-iron, they will not hesitate to put on a duty on the foreign imports of that commodity. They have done so in the cases of other articles, and I expect them to do the same in the case of pig-iron if it becomes necessary for them to do so. We have to do the same here to-day. We have to shut out foreign yarn because it is a great threat to the Indian mill industry. We use

[Pandit Madan Mohan Malaviya.]

all the weapons we have, even if we have to pay a somewhat heavy price for some of them. I appeal to all my friends on this side to look at the question in that point of view. I am pained that we should be in this position of helplessness before the Government. But I submit, let us not, because we feel the pain of it, because we feel the humiliation of it, because we feel the helplessness of it—let us not throw away this limited help that is coming to the Bombay industry. As I have said before, it is not the 12½ lakhs which count with me. They do not weigh at all in the balance. What weighs with me is not the gain of the Bombay mill industry to that small extent, but the danger we are exposed to of Japanese and Chinese manufacturers dumping their yarn in this country. They are in a position perhaps to reduce the cost price even further, and they may do so. Already you have heard that yarn of coarser kinds is coming from China. If they can send in more and more yarn and make the life of your industry more miserably and uncertain, where shall we be? You must remember, as Mr. Jamnadas Mehta reminded us, that the cotton mill industry has grown up in India without any help from the Government of this country. It is a matter which cannot be disputed. It has grown in spite of the handicap which the Government placed upon it in the shape of the cotton excise duty. Now the industry has been freed from that incubus and it is struggling against other heavy odds. Let us by all means point out all the reforms needed in the management of our mills. Let us fight our friends of the Bombay industry on that account. Let us fight them in the interests of the labourers, the mill hands. Let us use all our strength to get them to do whatever justice demands. But let us be just. Let us study the conditions under which they are working; and remember they are working for the nation, for the country; that they are the servants of the motherland as much as we are. Let us see that we deal with them also justly. At the present moment the great danger is that if we do not put on this duty it will be easier for Japanese and Chinese merchants to dump their yarn in large quantities in our country. And when that has been done you will be yielding to the temptation to use that foreign yarn because it is cheaper. You are thinking of the loss to the handloom weaver. Did you forget the higher cost when you preached that hand-spun yarn should be used? Do I not pay a higher price for cloth made of hand-spun, home-spun yarn than I would if I bought the foreign cloth? But if there is a body of opinion which has deliberately decided to encourage hand-spun yarn and cloth, let that body of opinion remember the situation at this moment and decide the question from the true national point of view. It is quite easy for any foreign manufacturer to reduce his price and thereby compete with our own products. Will you yield to the temptation of the cheaper cost of cloth, or will you remember that this is an insidious poison which will poison the body politic of industry in India; and remembering that, look at the question in the correct light and decide, even though it be with pain, with keen regret that we are not in a position to help the Bombay mill industry in the right way, in the way which would not inflict injury on the handloom industry. But decide that you will, though with very unwilling hearts, with a consciousness of your duty to the mill industry and to the country, accept this measure, accept it with a sense of sorrow and of shame that we have not the power to put the right measure on the Statute-book,

and that we are compelled by the circumstances in which we are placed, to accept this faulty and half-hearted measure. (Applause.)

The Honourable Sir George Rainy (Member for Commerce and Railways) : I should like at the outset of my speech, Mr. President, to clear away a small misunderstanding which occurred yesterday. More than one speaker was inclined to censure me somewhat severely under the belief that I had described the cotton mill industry as a national industry, and implied that the handloom industry was not a national industry. I was not conscious of any sense of guilt on the subject because I was pretty sure I had not used the words complained of. But I thought it better to await the reporter's notes of my speech, and I have found that the phrase "national industry" does not occur anywhere in my speech. The phrase "national interest" does, and on each occasion in the same context, when I was urging upon the House that in the conflict of interests which undoubtedly exists between the two industries it was in the national interest that in this case the interests of the cotton mills should be preferred. Obviously, unless I did hold that view, I could not have brought forward this Bill at all.

It would clearly be impossible for me, Mr. President, after the number of most interesting and able speeches to which we have listened from all sides of the House advocating many different points of view, to attempt anything like a complete survey of the debate. It will be necessary, therefore, for me to limit myself to the more important and obvious points with which I ought to deal. Indeed, quite naturally in the circumstances, the debate has taken a somewhat discursive course, and at a good many points cotton yarn has not been the subject which has held the most prominent place in the minds of speakers or in the mind of this House. But I think the House will recognize that, if I were to deal with all the questions that have been raised, I am afraid before very long, Sir, you would be asking how much longer my speech was going to go on. Now my opponents, the supporters of the motion moved by my friend Mr. Neogy, can be classified in three categories. There are those who genuinely apprehend that the consequences to the handloom industry may be very serious. There are those again who are apprehensive as to the consequences that the passage of the Bill may entail in the way of possible retaliatory action from another country. And there are those who will have nothing to do with the Bill because the Government of India ought to have done something else or something more. I will try to say something about each class. I desire in anything I say to speak with great respect of those who have urged the claims of the handloom industry, urged them with obvious sincerity and obviously under a deep impression of the injury which that industry might suffer if the Bill is passed. I believe myself after giving all the attention I can to the subject that those apprehensions are exaggerated. But if they are not exaggerated, then all I can say is that far from it being a reasonable thing to condemn this Bill as doing nothing at all for the mill industry, if it is going to inflict very serious injury on the handloom weavers it must equally give very substantial assistance to the mill industry. That is in the nature of the case. The only means by which this additional duty can operate is by raising the price of yarn, and to the extent that it raises the price, the mills will gain, and the handloom industry will suffer. That is unquestionable. But, as I have

[Sir George Rainy.]

already said, I have endeavoured to place clearly before the House the reasons which led the Government of India to think that only a comparatively small quantity of the yarn used by the handloom weavers would be raised in price. I do not want once more to go over the ground which I have already traversed, and it is the more unnecessary to do so as my friend, Mr. Chetty, put the substance of my argument with admirable clearness and brevity. But I would like to deal with just one point in this connection. It has been suggested that if we put on this 1½ anna duty on cotton yarn, what is there to prevent—it is said—the millowners combining to put up prices against the handloom weaver? Well, I think the correct reply to that question is that there has been nothing in the previous history of the mill industry to suggest that such a combination is a probable development. Those who have studied attentively the Report of the Tariff Board will remember that on one point after another the Tariff Board drew attention to the necessity of greater combination amongst the millowners to protect their own interests, and pointed out how much they might do by combination to make themselves more prosperous. These passages in the Tariff Board's Report quite clearly indicate that a combination on the part of the millowners to exploit the public or to exploit the handloom weaver is not a development about which we need have any great apprehension. Indeed I should feel more hopeful about the future of the industry if I had more hope that the millowners might be able to combine. In moments of pessimism, I have sometimes been tempted to think that the laudable pursuit of overawing the Governor General in Council is almost the only inducement strong enough to bring them together. May I express the hope that perhaps the practical experience of combination they have had in recent months may not be without a salutary effect, and that we may in the future witness a closer combination of the millowners, not for the purpose of exploiting the public, and not for the purpose of inflicting an injury on the handloom weaver, but for the natural and proper objects for which trade combinations exist. I should like now, Mr. President, to deal very briefly with the apprehensions which have been expressed by certain speakers as to the consequences which the passage of this Bill might entail owing to action by other countries. I should like to deal with this very briefly, because it is not a matter about which much can wisely be said. Quite clearly, when India is claiming for herself the rights to administer her system of tariff duties having regard solely to the interests of India, and irrespective of other interests, then quite clearly we must expect that other countries also who are concerned will claim and will exercise the same right. Indeed to expect anything else would be absurd. Therefore, if the Imperial Japanese Government is of opinion that it is to their national interest that the duty on pig-iron should be raised, I imagine that unquestionably they will take action accordingly. But what I am prepared to say is this, that we have no reason whatever to believe at present that there is any measure in contemplation which would amount to discrimination against India. Were such a measure contemplated, that of course would raise the whole question about the trade agreement, just as the same question would have been raised had the Government of India accepted the proposal put forward by Mr. Noyce for a differential duty against Japan. But

we have at present no reason whatever to anticipate discriminatory action. We have seen a good deal in the newspapers which indicates that the pig-iron interests in Japan are agitating on the subject, just as the cotton mill interests of this country have been agitating here. What the result of that agitation may be, it is quite impossible for the Government of India to forecast, but what I wish to bring out at this point is that, at present, the Government of India have no reason to anticipate any discriminatory action directed against India. I will now come to the third category of my Honourable opponents, that is to say, those who hold that they will have nothing to do with the Bill, because the Government of India have refused to do something else or something more. Now I have the greatest personal regard for all the Members who have taken this line, but will they forgive me if I say that I cannot admire the method in which they conduct their thinking? It is an attitude with which I find it entirely impossible to sympathise, although their heroism or romanticism may perhaps deserve a certain amount of admiration. But I could not help feeling some sympathy with my friend, Sir Victor Sassoon, when he pointed out that it was all very well for those who were not directly interested to take a high line about these things and to say that unless one can get something really worth having, one will refuse to have anything at all. I would most seriously ask the House not to come to their decision on this question in a spirit of that kind, because I do very deeply feel that it is an attitude, however natural, which is not quite worthy of this House. After all, there is a serious question to be decided. Irrespective of what the Government might have done, the House has definitely to answer the question to-day whether they will accept the proposal in the Bill or will reject it, or will adopt the dilatory motion of my friend, Mr. Neogy, which, as the Honourable the Leader of the House pointed out, would be practically equivalent to rejection. I must retrace my footsteps for a moment because Mr. Belvi made an appeal to me, about one point—I think he asked about two points but I only got one of them down clearly. His question was this: "Why are the Government of India prepared to find a sum of Rs. 85 lakhs by way of removing or reducing duties if they were unable to provide the same sum in bounties?" Well, I would like to draw attention to the fact that the Tariff Board proposed both a bounty and the removal of the duties, and they also proposed the removal of a large number of the duties in a form which was practically equivalent to a direct bounty to the cotton mill industry; that is to say, a good many of the duties were not to be removed altogether but special arrangements were to be made by which the cotton mills would be allowed to import their stores free of duty or to obtain a refund after importation.

I think I explained in one or other of the speeches which I made earlier on these subjects that the Government of India were unable to agree either to the bounty or to an arrangement by which the cotton mill industry should import free of duty stores on which other industries had to pay duty, and for that reason they found it necessary to modify the Tariff Board's proposals and to go as far as they could in the direction of removing the duties altogether, so that there would be no discrimination between industry and industry. That is the reason why the Government of India were prepared to sacrifice a good deal of revenue by removing the duties, and were not prepared to grant a bounty to

[Sir George Rainy.]

the cotton mill industry, or to give a refund of duty in a form which was equivalent to a bounty. My friend, Mr. Goswami, spoke with some bitterness about what he believed to be the underlying intention of the Bill which, he said, was aimed at Japan and conceived in the interests of Lancashire. Now, Mr. President, after all what are the actual facts? Here we have before us the recommendation of Mr. Noyce in the Tariff Board's Report, that a differential duty should be imposed against Japan both on cloth and on yarn. What would have been the effect of such a duty? It would obviously have been in effect a measure of direct British preference. What did the Government of India do? They rejected that proposal and what they actually did was this. Although the Tariff Board had found that Lancashire was in no way concerned in the competition which was injuring the Indian mills the Government of India have nevertheless proposed a duty which affects the imports from Great Britain and from all other countries in exactly the same way as the imports from China and Japan. If that is acting in the interests of Lancashire, it seems to me it is action which cannot be prompted by much intelligence, but if it is action, as I most sincerely say it is, Mr. President, which the Government of India are taking in what they conceive to be the interests of India, what then? However much my friends on the other side may think we are wrong—and I honour and respect their opinions—I do ask that they will believe that those of us on this side who have to incur a great deal of responsibility in these matters are honestly doing our best in what we conceive to be the interests of India. (Applause.) I am not in any way ashamed to claim that, Mr. President, and I believe the time will come when the great majority of the people of India will concede our claim. I would like, in conclusion, Mr. President, just to remind the House once more of the decision which it falls to them to make. I endeavoured in my opening speech on this debate to state the case as fairly as I could and not to plead any point higher than it could fairly be pleaded. Undoubtedly the House has a decision to make and must come to a conclusion whether the danger to the cotton mill industry, if the duty is not imposed, exceeds the danger to the handloom industry if it is imposed. That is the real question which the House has got to decide to-day and nothing that may be said about the Government of India being really responsible can in fact prevent the House from deciding it. It will decide it. I do not disclaim responsibility on behalf of the Government of India for the position in which the House has to record its vote to-day. That would be an absurd thing to do. But, nevertheless, the House has a responsibility of its own which in the nature of things it cannot devolve on anyone else. Things are what they are; the consequences will be what they will be. Why then should we deceive ourselves? And I would again impress upon the House what my Honourable friend the Finance Member said this forenoon. If we put this question off, if we say we have not yet enough information to enable us to come to a decision, we shall nevertheless in fact decide it and decide it in the negative. Events will not wait for our tardy consideration. We cannot foretell what the next few months may produce. I do urge, Mr. President, that the information before this House is probably as much as we are ever likely to get on these complicated questions. I quite agree that if we ask Local Governments to express their opinions about the effect on the

handloom industry, we shall get a great many opinions, some of them valuable, some of them perhaps not so valuable, but in the end, we shall not know a great deal more as to the probable effect of this duty than we know at present. I would, therefore, as strongly as I can, urge upon the House, first, that the time has now arrived when the question ought to be decided, and, second, that there is no real escape from decision by way of delay, and that in fact and to all purposes if my friend Mr. Neogy's motion is carried, the House will have decided in the negative and the Bill will practically be dead. I will not at this late hour, Mr. President, weary the House longer with further remarks. I think that the question has been debated in a very full and very interesting manner and I hope that those Members to whose appeals for information I have not been able to reply will understand the reason that I am unwilling to weary the House at this time by a long speech. (Applause.)

Mr. President : The original question was :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India, as reported by the Select Committee, be taken into consideration.”

Since which the following amendment has been moved :

“ That the Bill be circulated for the purpose of eliciting opinions thereon.”

The question I have to put is that that amendment be made.

(A division was called for.)

Diwan Chaman Lal : Before you put this amendment to the vote, may I request you, Sir, to give a ruling on the point raised by my Honourable friend, Mr. Goswami, as to whether those Members who have pecuniary interest in this measure are entitled to vote or not ?

Mr. S. Srinivasa Iyengar (Madras City : Non-Muhammadan Rural) : Sir, may I refer to May's Parliamentary Practice, page 368 :

“ In the Commons it is a rule that no member who has a direct pecuniary interest in a question shall be allowed to vote upon it : but in order to operate as a disqualification, his interest must be immediate and personal and not merely of a general or remote character. On the 17th July 1811 the rule was thus explained by Mr. Speaker Abbot. This interest must be a direct pecuniary interest and separately belonging to the persons whose votes were questioned and not in common with the rest of His Majesty's subjects or on a matter of State policy.”

I understand, Mr. President, that your predecessor ruled that they could vote, though, I understand, Honourable Members who had an interest refrained from voting on their own responsibility. May I submit that directors of mills would certainly have a direct, immediate and personal interests ? Whether it would apply to shareholders or not is another question, but certain managing directors and agents of mills have a direct and personal interest. I leave it, Sir, to the Chair to decide.

Mr. President : What is the ruling that the Honourable Member wants ?

Mr. S. Srinivasa Iyengar : I want your ruling, Sir, whether they can vote or not ?

Mr. President : What is the Honourable Member's contention ?

Mr. S. Srinivasa Iyengar : My contention is that they are not entitled to vote.

Mr. President : My predecessor has already ruled on a similar occasion that they are entitled to vote. It is entirely for them to consider whether in the circumstances in which they are placed they should vote or not.

The original question was :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India, as reported by the Select Committee, be taken into consideration.”

Since which the following amendment has been moved :

“ That the Bill be circulated for the purpose of eliciting opinions thereon.”

The question I have to put is that that amendment be made.

The Assembly divided :

AYES—37.

Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswamy.
Alexander, Mr. William.
Ayyangar, Mr. K. V. Rangaswami.
Ayyangar, Mr. M. S. Sesha.
Belvi, Mr. D. V.
Chaman Lall, Diwan.
Chunder, Mr. Nirmal Chunder.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Dutta, Mr. Srish Chandra.
Farookhi, Mr. Abdul Latif Saheb.
Ghuznavi, Mr. A. H.
Goswami, Mr. T. C.
Iyengar, Mr. A. Rangaswami.
Iyengar, Mr. S. Srinivasa.
Jogiah, Mr. Varahagiri Venkata.
Kidwai, Mr. Rafi Ahmad.

Mehta, Mr. Jamnadas M.
Mitra, Mr. Satyendra Chandra.
Mohammad Ismail Khan, Haji
Chaudhury.
Murtuza Saheb Bahadur, Maulvi Sayyid.
Naidu, Mr. B. P.
Neogy, Mr. K. C.
Pandya, Mr. Vidya Sagar.
Prakasam, Mr. T.
Rao, Mr. G. Sarvotham.
Shafee, Maulvi Mohammad.
Shervani, Mr. T. A. K.
Singh, Mr. Gaya Prasad.
Singh, Mr. Narayan Prasad.
Singh, Mr. Ram Narayan.
Sinha, Kumar Ganganand.
Sinha, Mr. Siddheswar.
Suhrawardy, Dr. A.
Sykes, Mr. E. F.

NOES—68.

Abdoola Haroon, Haji.
Abdul Haye, Mr.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abdullah Haji Kasim, Khan Bahadur
Haji.
Ahmad, Khan Bahadur Nasir-ud-din.
Anwar-ul-Azim, Mr.
Ashrafuddin Ahmad, Khan Bahadur
Nawabzada Sayid.
Ayangar, Mr. V. K. Aravamudha.
Ayyangar, Rao Bahadur Narasimha
Gopalswami.
Bajpai, Mr. G. S.
Bhuto, Mr. W. W. Illahibaksh.
Blackett, The Honourable Sir Basil.
Coatman, Mr. J.

Coeke, Mr. H. G.
Cosgrave, Mr. W. A.
Courtenay, Mr. B. H.
Crawford, Colonel J. D.
Crerar, The Honourable Mr. J.
Crofton, Mr. R. M.
Dakhan, Mr. W. M. P. Ghulam Kadir
Khan.
Dalal, Mr. A. R.
Dalal, Sardar Sir Bomanji.
Donovan, Mr. J. T.
Dunnett, Mr. J. M.
Ghazanfar Ali Khan, Raja.
Gidney, Lieut.-Colonel H. A. J.
Gour, Sir Hari Singh.
Haigh, Mr. P. B.

Haji, Mr. Sarabhai Nemchand.
 Hla Tun Pru, U.
 Irving, Mr. Miles.
 Ismail Khan, Mr.
 Iswar Saran, Munshi.
 Jayakar, Mr. M. R.
 Jinnah, Mr. M. A.
 Joshi, Mr. N. M.
 Jowahir Singh, Sardar Bahadur Sardar.
 Kabul Singh Bahadur, Captain.
 Keane, Mr. M.
 Khin Maung, U.
 Kikabhai Premchand, Mr.
 Kirk, Mr. E. T. F.
 Kunzru, Pandit Hirday Nath.
 Lamb, Mr. W. S.
 Malaviya, Pandit Madan Mohan.
 Mitchell, Mr. D. G.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Muhammad Nawaz Khan, Lieut.-Sardar.

Mukherjee, Mr. S. C.
 Parsons, Mr. A. A. L.
 Pursshotamdas Thakurdas, Sir.
 Rahimtulla, Mr. Fazal Ibrahim.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Roy, Mr. K. C.
 Ruthnaswamy, Mr. M.
 Sams, Mr. H. A.
 Sarda, Rai Sahib Harbilas.
 Sassoon, Sir Victor.
 Shah Nawaz, Mian Mohammad.
 Siddiqi, Mr. Abdul Qadir.
 Singh, Rai Bahadur S. N.
 Tirloki Nath, Lala.
 Tonkinson, Mr. H.
 Wright, Mr. W. T. M.
 Yakub, Maulvi Muhammad.
 Young, Mr. G. M.
 Zulfikar Ali Khan, Nawab Sir.

The motion was negatived.

Mr. President : Does the Honourable Member from Bengal wish to proceed with his next amendment ?

Mr. K. C. Neogy : No, Sir.

Mr. President : The question is :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India, as reported by the Select Committee, be taken into consideration.”

The Assembly divided :

AYES—68.

Abdul Haye, Mr.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Abdullah Haji Kasim, Khan Bahadur
 Haji.
 Ahmad, Khan Bahadur Nasir-ud-din.
 Aney, Mr. M. S.
 Anwar-ul-Azim, Mr.
 Ashrafuddin Ahmad, Khan Bahadur
 Nawabzada Sayid.
 Ayyangar, Mr. V. K. Aravamudha.
 Ayyangar, Rao Bahadur Narasimha
 Gopalaswami.
 Bajpai, Mr. G. S.
 Bhuto, Mr. W. W. Illahibaksh.
 Blackett, The Honourable Sir Basil.
 Coatman, Mr. J.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.

Courtenay, Mr. R. H.
 Crawford, Colonel J. D.
 Crerar, The Honourable Mr. J.
 Crofton, Mr. R. M.
 Dakhan, Mr. W. M. P. Ghulam Kadir,
 Khan.
 Dalal, Mr. A. R.
 Dalal, Sardar Sir Bomanji.
 Donovan, Mr. J. T.
 Dunnett, Mr. J. M.
 Ghazanfar Ali Khan, Raja.
 Gidney, Lieut.-Colonel H. A. J.
 Gour, Sir Hari Singh.
 Haigh, Mr. P. B.
 Haji, Mr. Sarabhai Nemchand.
 Hla Tun Pru, U.
 Irving, Mr. Miles.
 Ismail Khan, Mr.

Jayakar, Mr. M. R.
 Jinnah, Mr. M. A.
 Joshi, Mr. N. M.
 Jowahir Singh, Sardar Bahadur Sardar.
 Kabul Singh Bahadur, Captain.
 Keane, Mr. M.
 Khin Maung, U.
 Kikabhai Premchand, Mr.
 Kirk, Mr. R. T. F.
 Kunzru, Pandit Hirday Nath.
 Lamb, Mr. W. S.
 Malaviya, Pandit Madan Mohan.
 Mitchell, Mr. D. G.
 Mitra, The Honourable Sir Bhupendra Nath.
 Mohammad Ismail Khan, Haji Chaudhury.
 Muhammad Nawaz Khan, Lieut. Sardar.
 Mukherjee, Mr. S. C.

Parsons, Mr. A. A. L.
 Purshotamdas Thakurdas, Sir.
 Rahimtulla, Mr. Fazal Ibrahim.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Roy, Mr. K. C.
 Ruthnaswamy, Mr. M.
 Sams, Mr. H. A.
 Sarda, Rai Sahib Harbilas.
 Sassoon, Sir Victor.
 Shah Nawaz, Mian Mohammad.
 Siddiqi, Mr. Abdul Qadir.
 Singh, Rai Bahadur S. N.
 Tirloki Nath, Lala.
 Tonkinson, Mr. H.
 Wright, Mr. W. T. M.
 Yakub, Maulvi Muhammad.
 Young, Mr. G. M.
 Zulfiqar Ali Khan, Nawab Sir.

NOES—37.

Acharya, Mr. M. K.
 Aiyangar, Mr. C. Duraiswamy.
 Alexander, Mr. William.
 Ayyangar, Mr. K. V. Rangaswami.
 Ayyangar, Mr. M. S. Sesha.
 Belvi, Mr. D. V.
 Bhargava, Pandit Thakur Das.
 Chaman Lall, Diwan.
 Chunder, Mr. Nirmal Chunder.
 Das, Pandit Nilakantha.
 Dutt, Mr. Amar Nath.
 Dutta, Mr. Srish Chandra.
 Farookhi, Mr. Abdul Latif Saheb.
 Ghuznavi, Mr. A. H.
 Goswami, Mr. T. C.
 Iswar Saran, Munshi.
 Iyengar, Mr. A. Rangaswami.
 Iyengar, Mr. S. Srinivasa.
 Jogiah, Mr. Varahagiri Venkata.

Kidwai, Mr. Rafi Ahmad.
 Mehta, Mr. Jamnadas M.
 Mitra, Mr. Satyendra Chandra.
 Mukhtar Singh, Mr.
 Murtuza Saheb Bahadur, Maulvi Sayyid.
 Naidu, Mr. B. P.
 Pandya, Mr. Vidya Sagar.
 Prakasam, Mr. T.
 Rang Behari Lal, Lala.
 Rao, Mr. G. Sarvotham.
 Shafee, Maulvi Mohammad.
 Shervani, Mr. T. A. K.
 Singh, Mr. Gaya Prasad.
 Singh, Mr. Narayan Prasad.
 Singh, Mr. Ram Narayan.
 Sinha, Kumar Ganganand.
 Sinha, Mr. Siddheswar.
 Sykes, Mr. E. F.

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 George Rainy : Sir, I move that the Bill, as amended, be passed.

Pandit Hirday Nath Kuneru (Agra Division : Non-Muhammadan Rural) : Sir, I venture now, as I did in the Select Committee, to place a suggestion before the Honourable Sir George Rainy that in view of the fact that the handloom industry would be handicapped to a certain extent by the duties we are imposing, particular care should be taken in the various provinces to help that industry as far as possible. That was not included in the Report of the Select Committee because it was that that was a matter which was within the competence of the Local Governments. At that time, Sir, our suggestion was a general one, but I should now like to place a specific suggestion before the Honourable Member for Commerce.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : The vote is against us. What is the use ?

Pandit Hirday Nath Kuneru : If this duty hits the handloom weavers to the fullest extent, they will lose about 12 lakhs of rupees on their total earnings, which are believed to amount to more than 30 crores of rupees. Now, this sum may well be placed at the disposal of the Local Governments for the development of the handloom industry. Our duty is not done when we have said that it should get cheap yarn, even though the yarn is sold in this country at a price below that at which it can be produced in indigenous mills. No industry, not even the handloom industry, has a right to ask that it shall get its raw product in such a way as to kill indigenous industries. But it might well ask that the total amount which it would have to pay might be used in such a way as to benefit it ultimately. There are certain improvements that have been proposed by various people interested in the handloom industry. At this late hour I should not like to go into the matter at any length, but I do think that it is one deserving of the serious consideration of Government. Government is willing to part with Rs. 85 lakhs of its revenue, partly to help the millowners, but partly also to simplify the tariff. It can therefore well afford to forego 10 or 12 lakhs of its revenue and place it at the disposal of the Local Governments so that it might be used for the development of the handloom industry.

(At this stage several Honourable Members rose in their places.)

Mr. President : I had allowed Honourable Members sufficient latitude on the consideration stage, and I hope they will not make any speeches on this motion now.

Pandit Madan Mohan Malaviya : I just want to say that I strongly support what has been said by my Honourable friend, Pandit Hirday Nath Kuneru.

(At this stage Mr. B. Das rose in his seat.)

Mr. President : Does the Honourable Member support the motion ?

Mr. B. Das : I will support it, but subject to certain observations. I am a protectionist and therefore I have no other alternative but to support this Bill and vote for the same. Government have put us in this predicament that, while we are very inadequately protecting the mill industry, we are at the same time killing another important industry—the handloom industry. I find that no Provincial Governments have sent in a note of warning to the Central Government or have protested against this measure. If industries are a transferred subject and no Provincial Governments have come forward with their opposition or protests to the Central Government, it is for them to find subsidies and bounties to

[Mr. B. Das.]

protect handloom industries in their provinces, and my Honourable friend, Sir George Rainy, would have done better if he had also introduced a measure of bounties to protect the mill industry than by introducing a measure which will do the greatest harm to another very important industry.

Mr. A. Rangaswami Iyengar : May I say only one word ? I was certainly somewhat amused that my Honourable friend, Pandit Hirday Nath Kunzru, after having voted against the handloom weavers, now lavishes sympathy upon them and wants the Central Government out of the revenue which is going to be foregone under another Bill to put some more funds in the hands of the Local Governments for the benefit of the handloom industry. When you have hit them directly, it seems to me useless to think of trying to prop them up indirectly.

The Honourable Sir George Rainy : I would only say a single word. I think the Honourable Member who made this suggestion as regards the use to which the increase of revenue arising from the cotton duties might be put, cannot possibly expect me at this moment, without any previous notice on the subject, to express any opinion about his suggestion.

The motion was adopted.

The Honourable Sir George Rainy : Sir, I beg to move that the Bill further to amend the Indian Tariff Act, 1894, as reported by the Select Committee, be taken into consideration. I do not think...

Mr. B. K. Shanmukham Chetty : I move that the House do now adjourn.

Mr. President : Under what Standing Order ?

Mr. B. K. Shanmukham Chetty : I suggest it to you, Sir.

Mr. President : Why should the non-official section of the House be always in a hurry to get away early. The Chair expects their co-operation in getting through as much business as possible.

Pandit Madan Mohan Malaviya : There is a conference at 5 o'clock of Hindus and Muslims and we have got to attend it. For that reason alone I most reluctantly submit to you that the House might adjourn now.

Mr. President : My remarks do not apply to this particular occasion, but it is a general remark which I hope Honourable Members will bear in mind. The House will now stand adjourned till 11 o'clock to-morrow morning.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 8th September, 1927.