

Wednesday, 19th March, 1930

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1930

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EIGHTH SESSION

OF THE

SECOND COUNCIL OF STATE, 1930



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CONTENTS.

	Pages.
Monday, 17th February, 1930—	
Members Sworn	1
Messages from His Excellency the Governor General ...	2
The Railway Budget for 1930-31	2-8
Special Marriage (Amendment) Bill—Introduced ...	9
Repealing and Amending Bill—Introduced ...	9
Prisons (Amendment) Bill—Introduced ...	10
Motion <i>re</i> Attempt to wreck the Viceregal Train ...	10-14
Death of Khan Bahadur Nawabzada Saiyid Ashrafuddin Ahmed	14
Governor General's Assent to Bills	15
Bills passed by the Legislative Assembly laid on the Table ...	15
Message from the Legislative Assembly	16
Committee on Petitions	16
Congratulations to Recipients of Honours	16-18
Wednesday, 19th February 1930—	
Questions and Answers	19-44
Resolution <i>re</i> Announcement by the Governor General on the Subject of Constitutional Progress in India—Adopted ...	44-59
Thursday, 20th February, 1930—	
Member Sworn	61
Messages from His Excellency the Governor General ...	61
General Discussion of the Railway Budget	61-76
Statement of Business	77
Monday, 24th February, 1930—	
Member Sworn	79
Bill passed by the Legislative Assembly laid on the Table ...	79
Motion for the Election of a Member to the Governing Body of the Indian Research Fund Association	79
Election of a Panel for the Central Advisory Council for Railways	80
Indian Patents and Designs (Amendment) Bill—Passed, as amended	80-82
Dangerous Drugs Bill—Passed	83-84
Special Marriage (Amendment) Bill—Passed ✓	84
Repealing and Amending Bill—Passed	85
Prisons (Amendment) Bill—Passed	85
Thursday, 27th February, 1930—	
Member Sworn	87
Questions and Answers	87-88
Messages from His Excellency the Governor General ...	88
Election of a Member to the Governing Body of the Indian Research Fund Association	89
Elections to the Panel for the Central Advisory Council for Railways	89
Resolution <i>re</i> Prohibition of the Import of Vegetable Ghee— Negatived	89-109

	Pages.
Friday, 28th February, 1930—	
Member Sworn	111
Questions and Answers	111-18
Bills passed by the Legislative Assembly laid on the Table ...	114
General Budget for 1930-31	114-22
Statement of Business	122
Tuesday, 4th March, 1930—	
Resolution <i>re</i> Road Development—Adopted	123-31
Transfer of Property (Amendment) Bill—Passed ...	132
Indian Sale of Goods Bill—Passed	132-38
Indian Contract (Amendment) Bill—Passed	138-39
Thursday, 6th March, 1930—	
Member Sworn	141
Questions and Answers	141-42
General Discussion of the General Budget	143-90
Statement of Business	190
Monday, 10th March, 1930—	
Question and Answer	191
Bills passed by the Legislative Assembly laid on the Table ...	191
Messages from the Legislative Assembly	191-92
Resolution <i>re</i> Recommendation of the International Labour Conference concerning the Prevention of Industrial Accidents—Adopted	192-94
Indian Income-tax (Amendment) Bill—(Amendment of Sections 2, 23, etc.)—Passed, as amended	195-98
Indian Income-tax (Amendment) Bill—(Amendment of Sections 14, 25A, etc.)—Passed, as amended	198-200
Transfer of Property (Amendment) Supplementary Bill— Introduced	200
Destructive Insects and Pests (Amendment) Bill—Introduced	200-01
Motion for Elections to the Standing Committee on Roads— Adopted	201
Tuesday, 11th March, 1930—	
Members Sworn	203
Resolution <i>re</i> Slump in Government Securities—Adopted, as amended	203-20
Wednesday, 12th March, 1930—	
Questions and Answers	221-28
Elections to the Standing Committee on Roads	226
Canotments (House-Accommodation Amendment) Bill— Passed	226-27
Insolvency Law (Amendment) Bill—Passed	227-28
Destructive Insects and Pests (Amendment) Bill—Passed ...	228-29
Transfer of Property (Amendment) Supplementary Bill— Passed	229-30
Elections to the Standing Committee on Roads	230
Statement of Business	231

	Pages.
Tuesday, 18th March, 1930—	
Members Sworn	233
Questions and Answers	233-44
Resolution <i>re</i> Serious after-effects of vaccination—Negatived	245-49
Child Marriage Restraint (Amendment) Bill—Introduced ✓	249-50
Inland Steam-vessels (Amendment) Bill—Passed ...	250-70
Appendix	271-450
Wednesday, 19th March, 1930—	
Questions and Answers	451-54
Statement laid on the Table	454-62
Indian Tariff (Amendment) Bill—Passed	463
Indian Income-tax (Third Amendment) Bill—Passed ...	463-64
Indian Railways (Amendment) Bill—Passed	464-67
Steel Industry (Protection) Bill—Passed	467-68
Motion <i>re</i> Elections to the Standing Committee on Pilgrimage to the Hedjaz—Adopted	468-69
Thursday, 20th March, 1930—	
Member Sworn	471
Nominations for Election to the Standing Committee on Pilgrimage to the Hedjaz	471
Resolution <i>re</i> Publication of an abridged vernacular edition of the Annual Summary of India's Progress—Withdrawn	471-75
Cattle Protection Bill—Introduced	475
Resolution <i>re</i> Date for the convening of the Round Table Conference—Adopted, as amended	476-95
Statement of Business	495
Tuesday, 25th March, 1930—	
Member Sworn	497
Questions and Answers	497-502
Bill passed by the Legislative Assembly laid on the Table ...	502-03
Elections to the Standing Committee on Pilgrimage to the Hedjaz	503-04
Thursday, 27th March, 1930—	
Members Sworn	505
Indian Finance Bill—Passed	505-64
Valedictory Speeches in connection with the impending retire- ment of the Honourable Khan Bahadur Sir Muhammad Habibullah	564-67
Tuesday, 1st April, 1930—	
Members Sworn	569
Questions and Answers	569-78
Messages from the Legislative Assembly	578
Bills passed by the Legislative Assembly laid on the Table	578-79
Thursday, 3rd April, 1930—	
Question and Answer	581
Cotton Textile Industry (Protection) Bill—Passed ...	581-602
Silver (Excise Duty) Bill—Passed	602-03
Indian Companies (Amendment) Bill—Passed	604-05

COUNCIL OF STATE.

Wednesday, 19th March, 1930.

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

QUESTIONS AND ANSWERS.

MUSLIM REPRESENTATION IN THE PUBLIC SERVICES.

94. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (a) Did Lord Reading, in December, 1925, give an assurance to the Muslim Deputation at Calcutta that the Muslim representation in the ministerial services of the Government will by no means be less than one-third in proportion and if suitable Muslim candidates are available the proportion will be raised to 45 per cent. in Government offices ?

(b) Did the Honourable Sir Bhupendra Nath Mitra state on the 3rd September, 1929, in reply to starred question No. 94 in the Legislative Assembly that he has not followed the assurance referred to in (a) ?

(c) If the answer is in the affirmative, what are the reasons ?

(d) Did the Honourable Sir James Crerar, on the 4th September, 1929, in the Legislative Assembly in answer to starred question No. 125, state that the reservation of one-third applied to certain minority communities ?

THE HONOURABLE MR. H. G. HAIG : (a) I have not been able to trace any such declaration by Lord Reading at Belvedere, Calcutta, in December 1925. In his reply to the address presented by the Muslim Deputation at Calcutta in *December 1924* Lord Reading stated that, as regards the appointment of Muhammadans to the services, the Government of India had accepted the principle that no class or community should preponderate in the public services if qualified men were otherwise available. He then went on to state what the policy of the Bengal Government was in this respect, explaining that it was to give at least a third of the new clerical and ministerial appointments to Muhammadans until 33 per cent. of the posts in each office are held by members of this community.

(b) and (c). I am not clear what assurance the Honourable Member is referring to. The Honourable Sir Bhupendra Mitra stated the accepted policy of the Government of India.

(d) The Honourable Sir James Crerar explained that the reservation of one-third was intended for minority communities generally which fail to obtain adequate representation in the services.

PERMANENT CADRE FOR THE PUBLIC WORKS DEPARTMENT, DELHI.

95. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** With reference to the reply to my question No. 78 in the Council of State debates on the 29th February, 1928, in Vol. I, No. 15, will Government kindly state whether the permanent cadre for the Delhi P. W. D. is sanctioned ; if so, will Government kindly lay on the table a copy of it ?

THE HONOURABLE MR. J. A. SHILLIDY : Proposals in respect of a permanent cadre of the superior engineering staff required for the Delhi Public Works Department have recently been sanctioned by the Secretary of State. This staff includes the following posts :—

- 1 Chief Engineer.
- 2 Superintending Engineers.
- 6 Divisional posts.

The above cadre provides also for requirements for the central works in the United Provinces and the Punjab (including Simla).

As regards the other staff required permanently for the Department, proposals are at present under preparation.

NUMBER OF SUBORDINATES IN THE PUBLIC WORKS DEPARTMENT, DELHI, WHO HAVE RETIRED ON PENSION OR GRATUITY.

96. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** Is there a rule that subordinates serving in the Delhi P. W. D. in the temporary establishment should retire on pension after 10 years and on gratuity after three years without claiming permanency ? If so, will Government be pleased to state the number of subordinates retired on pension or gratuity in the Delhi P. W. D. ?

THE HONOURABLE MR. J. A. SHILLIDY : There is no such rule. The second part of the question does not arise.

PROPOSAL TO MAKE PERMANENT UNQUALIFIED ENGINEERS AND SUBORDINATES SERVING IN THE PUBLIC WORKS DEPARTMENT, DELHI.

97. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** With reference to the reply to my question No. 81 in the Council of State debates on the 29th February, 1928, Vol. I, No. 15, will Government kindly state whether the Delhi P. W. D. has proposed to make permanent the unqualified engineers and subordinates (*i.e.*, those who have no recognised qualification as prescribed for engineers and subordinates) serving in the Delhi P. W. D. ?

THE HONOURABLE MR. J. A. SHILLIDY : No such proposals have been received by Government.

NUMBER OF PERMANENT CLERKS, DRAFTSMEN AND OVERSEERS OF THE DELHI PROVINCE SERVING IN THE PUBLIC WORKS DEPARTMENT, DELHI.

98. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** Will Government be pleased to state the number of permanent clerks, draftsmen and overseers of the Delhi Province serving in the Delhi P. W. D. ? What is the total amount of their pay per month ?

THE HONOURABLE MR. J. A. SHILLIDY : The number of permanent employees in these classes is :

Clerks	One.
Draftsmen	One.
Overseers	Two.

The total amount of their monthly pay is Rs. 662.

NUMBER OF CLERKS, DRAFTSMEN AND OVERSEERS OF THE CHIEF ENGINEER'S STAFF WHO WORK IN THE LAND AND DEVELOPMENT BRANCH OF THE PUBLIC WORKS DEPARTMENT, DELHI.

99. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : With reference to the reply to my question No. 151 in the Council of State debates on the 19th March, 1929, Vol. I, No. 13, will Government be pleased to state the number of clerks, draftsmen and overseers of the Chief Engineer's staff who work in the Land and Development Branch in the P. W. D., Delhi ? What is the total amount of their pay per mensem ?

THE HONOURABLE MR. J. A. SHILLIDY : The Land and Development work has since been transferred to the local Administration and is no longer in the Public Works Department. The staff comprises two surveyors, eight clerks, four draftsmen and four menials, whose pay amounts in all to Rs. 2,517 per mensem.

LAND AND DEVELOPMENT OFFICE IN THE PUBLIC WORKS DEPARTMENT, DELHI.

100. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is the Land and Development Office in the P. W. D., Delhi, under the Chief Commissioner of the Delhi Province ?

THE HONOURABLE MR. J. A. SHILLIDY : The Land and Development Office no longer forms part of the Public Works Department establishment, but is under the Chief Commissioner.

SUB-DIVISIONAL OFFICERS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

101. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : With reference to the reply to my question No. 101 (b) and (c) in the Council of State debates on the 12th March, 1929, in Vol. I, No. 11, will Government kindly state whether competency is a factor in the service of Sub-Divisional Officers ?

THE HONOURABLE MR. J. A. SHILLIDY : Yes.

NUMBER OF MUSLIM AND HINDU TEMPORARY ENGINEERS APPOINTED IN THE PUBLIC WORKS DEPARTMENT, DELHI, FROM THE 1ST MARCH, 1929, TO THE 1ST FEBRUARY, 1930.

102. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : With reference to the reply to my question No. 96 in the Council of State debates on the 12th March, 1929, in Vol. I, No. 11, will Government kindly state the respective number of Muslim and Hindu temporary engineers appointed in the P. W. D., Delhi, from the 1st March, 1929, to the 1st February, 1930 ?

THE HONOURABLE MR. J. A. SHILLIDY : One Muslim and one Hindu.

ARTICLE IN THE *Muballagh* REGARDING MUSLIM CLAIMS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

103. **THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** Has the attention of Government been drawn to the article published in the newspaper *Muballagh* of the 19th April, 1929, under the head "Crush of Muslim Claims in the Delhi P. W. D." ? What action has been taken on it ?

THE HONOURABLE MR. J. A. SHILLIDY : Yes. Instructions have been issued to the Chief Engineer, Public Works Department, Delhi, for the adequate representation of minority communities (including Muslims) in the clerical and subordinate technical establishments under his control.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Do the instructions relate to Muslims in particular ? "Minority communities" is a vague term.

THE HONOURABLE MR. J. A. SHILLIDY : "For the adequate representation of minority communities (including Muslims)."

STATEMENT LAID ON THE TABLE.

COMMERCIAL TREATIES AFFECTING INDIA.

THE HONOURABLE MR. J. A. WOODHEAD (Commerce Secretary) : Sir, I lay on the table a list of further commercial treaties which affect India. The agreements mentioned in Part II are also laid on the table.

PART I.

The treaties mentioned in this part provide for the grant of most-favoured-nation treatment to the products and manufactures of India on terms of reciprocity. Such treatment, however, does not include special privileges granted by Guatemala to any other Central American country and to no other foreign country, and does not apply to stipulations between Panama and the United States of America for the construction, maintenance, operation, sanitation or protection of the Panama Canal.

Country.	Nature of agreement.	Description.	Date.
Guatemala .	Treaty and Notes .	Commerce and Navigation.	February 22, 1928.
Panama . .	Treaty and Protocols .	Ditto .	September 25, 1928.

PART II.

The agreements mentioned in this part are applicable to, or have been acceded to by, India.

Country.	Nature of agreement.	Description.	Date.
China . . .	Notes	Trade and Commerce .	December 20, 1928.
Greece . . .	Notes	Consular fees on certificates of origin.	June 21, 1929.
Turkey . . .	Notes	Commercial relations .	July 2, 1929.

(Enclosures to Part II of Statement.)

CHINA.

A.

EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT AND THE CHINESE GOVERNMENT AT THE TIME OF SIGNATURE OF THE ANGLO-CHINESE TARIFF AUTONOMY TREATY.

(1)

*Sir M. Lampson to Dr. Wang.**Nanking, December 20, 1928.*

Sir,

With reference to the treaty concluded this day between His Britannic Majesty and the President of the National Government of the Republic of China, I have the honour to assure your Excellency, on behalf of His Majesty's Government in Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa and the Irish Free State and the Government of India, that the rights of those Governments to benefit by those provisions of existing treaties which limit in any way the right of China to settle her customs tariff or to impose tonnage dues at such rates as she may think fit are renounced by His Majesty as from the entry into force of the treaty.

I have also the honour to assure your Excellency that His Majesty similarly renounces his rights in respect of Newfoundland, Southern Rhodesia and all his non-self-governing Colonies and Protectorates.

I shall be glad to receive the assurance of the National Government of the Republic of China that goods produced or manufactured in any of the parts of His Majesty's territories mentioned above, or in any of the territories under their administration, or in any territory under His Majesty's suzerainty, or in any territory in respect of which a mandate is exercised by His Majesty's Government in Great Britain, the Commonwealth of Australia, New Zealand or the Union of South Africa, will be accorded most-favoured-nation treatment in China, so long as goods produced or manufactured in China receive in such territory treatment as favourable as that accorded to goods produced or manufactured in any other foreign country.

I shall also be glad to receive the assurance of the National Government of the Republic of China that articles produced or manufactured in China and exported to any of the territories mentioned above will receive most-favoured-nation treatment as regards export duties, internal taxation or transit dues, levied before export, or matters connected therewith, so long as goods produced or manufactured in such territory and exported to China receive in corresponding matters treatment as favourable as that accorded to goods exported to any other foreign country.

I avail, &c.,

MILES W. LAMPSON.

(2)

*Dr. Wang to Sir M. Lampson.**Nanking, December 20, 1928.*

Excellency,

I hereby take note of the renunciation by His Britannic Majesty of the rights of his Governments in Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa and the Irish Free State, and of the Government of India, as from the entry into force of the treaty concluded this day between His Britannic Majesty and the President of the National Government of the Republic of China, to benefit by the provisions of existing treaties which limit in any way the right of China to settle her customs tariff or to impose tonnage dues at such rates as she may think fit. I also take note of the renunciation by His Majesty of his rights in respect of Newfoundland, Southern Rhodesia and all his non-self-governing Colonies and Protectorates.

I have the honour, on behalf of the National Government of the Republic of China, to assure you that goods produced or manufactured in any of the parts of His Majesty's territories mentioned above, or in any of the territories under their administration, or in any territory under His Majesty's suzerainty, or in any territory in respect of which a mandate is exercised by His Majesty's Government in Great Britain, the Commonwealth of Australia, New Zealand or the Union of South Africa, will receive most-favoured-nation treatment in China, so long as goods produced or manufactured in China receive in such territory treatment as favourable as that accorded to goods produced or manufactured in any other foreign country.

I have also to assure you, on behalf of the National Government of the Republic of China, that articles produced or manufactured in China and exported to any of the territories mentioned above will receive most-favoured-nation treatment as regards export duties, internal taxation or transit dues, levied before export, or matters connected therewith, so long as goods produced or manufactured in such territory and exported to China receive in corresponding matters treatment as favourable as that accorded to goods exported to any other foreign country.

I avail, &c.,

CHENGTING T. WANG.

B.

EXCHANGE OF NOTES REGARDING THE TREATMENT OF CHINESE NATIONALS IN HIS MAJESTY'S DOMINIONS, INDIA, BRITISH COLONIES AND BRITISH PROTECTORATES.

(1)

Dr. Wang to Sir M. Lampson.

Excellency,

With reference to the treaty signed between us this day, and the exchange of notes in connexion with His Majesty's Dominions, India, non-self-governing Colonies and Protectorates, I should like to draw your attention to the possible contingency of discrimination against Chinese nationals in the abovementioned territories.

I realise that it requires time for your Government to consult all the Dominions in the matter, and therefore did not insist that the point be covered in the treaty itself. Should the contemplated contingency, however, arise at any time in the future, my Government shall be constrained to raise the question.

I avail, &c.,

CHENGTING T. WANG.

(2)

Sir M. Lampson to Dr. Wang.

Nanking, December 20, 1928.

Sir,

I have the honour to acknowledge the receipt of your Excellency's note of to-day's date, drawing attention to the possibility under the treaty signed between us to-day, of discrimination against Chinese nationals in His Majesty's Dominions, India, non-self-governing Colonies and Protectorates.

I have the honour to inform your Excellency that I have taken due note of its contents, which I will bring before my Government.

I avail, &c.,

MILES W. LAMPSON.

C.

EXCHANGE OF NOTES REGARDING THE IMPORT AND EXPORT OF GOODS BY LAND BETWEEN
INDIA AND CHINA.

(1)

*Sir M. Lamson to Dr. Wang.**Nanking, December 20, 1922.*

Sir,

With reference to the declaration contained in Your Excellency's note of to-day's date regarding the uniform application of the new national tariff rates on all land and sea frontiers of China, I have the honour to invite your attention to the notes exchanged on the 9th and 16th January, 1922, respectively, at the Washington Conference, between Mr. Sastri on behalf of the Government of India and Dr. Sze of the Chinese delegation. Copies of these notes are enclosed herewith for convenience of reference.

I shall be glad to receive from Your Excellency, in the name of the National Government of the Republic of China, confirmation of the understanding embodied in that exchange of notes.

I avail, &c.

MILES W. LAMPSON.

Enclosure 1 in (1).

*Mr. Sastri to Dr. Sze.**Washington, January 9, 1922.*

Your Excellency,

I have the honour to address you on the subject of the reductions now applicable to the customs duties collected on goods imported into and exported from China by land.

2. The arrangement between India and China regarding the import and export of goods by land is contained in articles 8 and 9 of the convention of the 1st March, 1894, between Great Britain and China. The substance of these articles is as follows :—

Article 8. The British Government agreed—

- (1) Chinese produce and manufacture, with the exception of salt, to enter Burma by land free of duty.
- (2) British manufactures and Burmese produce, with the exception of rice, to be exported to China by land free of duty.
- (3) The import duty on salt and the export duty on rice not to be higher than the duties on import or export by sea.

Article 9. The Chinese Government agreed—

- (1) The duty on goods imported by land by certain specified routes from Burma to China to be less by three-tenths than the duties specified in the General Tariff of Maritime Customs.
- (2) The duty on goods exported from China by those routes to be less by four-tenths than the duties specified in the General Tariff of Maritime Customs.

Under article 19 these arrangements were subject to revision after six years at the demand of either party, or sooner should both Governments desire it. They are, however, still in force.

3. As you are aware, paragraph 6 of the proposed agreement on the Chinese Maritime Customs Tariff makes the following provision :—

“That the principle of uniformity in the rates of custom duties levied on all the frontiers, land and maritime, of China be recognised, and that it be referred to the special conference mentioned in paragraph 1 to make arrangements to give practical effect to this principle, with power to authorise any adjustments which may appear equitable in cases in which the customs privilege to be abolished was granted in return for some local economic favour.

“In the meantime, any increase in the rates of customs duties or surtax imposed in pursuance of the present agreement shall be levied at a uniform rate *ad valorem* on all frontiers, land and maritime.”

And in paragraph 9 of the aforesaid agreement it is further provided that that agreement shall override all provisions of treaties between China and the Powers, which are inconsistent with its terms.

4. I have the honour to say that while India is prepared to accept the principle that the rates of customs duties levied on all the frontiers, land and maritime, of China should be uniform, it should be clearly understood, with reference to paragraph 2 of this letter, that the arrangements made to give effect to this principle will restore to India the right to impose import duty on Chinese manufactures or produce entering Burma, and export duty on British manufactures and Burmese produce exported to China by land, should she so desire, and that no further action on her part under article 19 of the convention of the 1st March, 1894, will be required. In this connexion I have the honour to point out that at the meeting of the Sub-Committee on Chinese Tariff, held on the 28th December, Sir Robert Borden mentioned that if India renounces the preference at present enjoyed under the terms of the convention referred to in paragraph 2 of this letter, she would recover her freedom as to the treatment of Chinese trade, and it was understood that your delegation had no objection to this.

I have, &c.,

V. SRINIVASA SASTRI.

Enclosure 2 in (1).

Dr. Sze to Mr. Sastri.

Washington, January 16, 1922.

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's note of the 9th instant on the subject of the reductions now applicable to the customs duties collected on goods imported into and exported from China by land.

It will be recalled that at the meeting of the Sub-Committee on Chinese Revenue, held on the 4th instant, my colleague, Mr. V. K. Wellington Koo, speaking of the expression “in return for some local economic favour” in paragraph 6 of the proposed agreement on the Chinese Maritime Customs Tariff, observed, and it was understood that the observation was tacitly accepted as correct by the other members of the sub-committee, that the said expression could refer only to that which clearly *quid pro quo* for the tariff reduction in question. As the provisions of articles 8 and 9 of the convention of the 1st March, 1894, between China and Great Britain appear clearly to be reciprocal considerations one for the other, I have the honour to state, in reply, that it is understood that the arrangements made to give effect to the principle of uniformity in the rates of customs duties levied on all frontiers, land and maritime, of China, would restore the right to India, should she so desire, to impose duty on Chinese manufactures or produce entering Burma, and export duty on British manufactures and Burmese produce exported to China by land; and that no further action would be required on India's part to revise the said convention of the 1st March, 1894.

I have, &c.,

SAO-KE ALFRED SZE.

(2)

*Dr. Wang to Sir M. Lamson.**Nanking, December 20, 1928.*

M. le Ministre,

I have the honour to acknowledge the receipt of Your Excellency's note of to-day's date drawing attention to and enclosing copies of notes exchanged on the 9th and 16th January, 1922, respectively, at the Washington Conference, between Dr. Sze and Mr. Sastri.

I hereby confirm in the name of the National Government of the Republic of China the understanding embodied in that exchange of notes.

I avail, &c.,

CHENGTING T. WANG.

GREECE.

EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE GOVERNMENT OF INDIA AND THE GREEK GOVERNMENT RESPECTING CONSULAR FEES ON CERTIFICATES OF ORIGIN.

London, June 21, 1929.

(1)

*Mr. A. Henderson to M. Caclamano.**Foreign Office, June 21, 1929.*

Sir,

I have the honour to inform you on behalf of His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and the Government of India that they learn with satisfaction from your notes of the 23rd February, 1928, and the 11th April, 1929, that the Government of the Hellenic Republic are prepared to conclude with them an arrangement respecting consular fees on certificates of origin, consonant with the provisions of paragraph 8 of article II of the Convention for the Simplification of Customs Formalities signed at Geneva on the 3rd November, 1923. His Majesty's Government in the United Kingdom and the Government of India accordingly agree, on condition of reciprocity, as embodied in your corresponding note of to-day's date, that certificates of origin relating to goods the manufacture or produce of Greece exported to Great Britain and Northern Ireland or India shall not, save in exceptional circumstances, require consular endorsement. His Majesty's Government in the United Kingdom also agree that the same shall apply to the export of such goods to any British Colony or Protectorate or any mandated area administered by them to which the stipulations of the Commercial Treaty between Great Britain and Northern Ireland and Greece, dated the 16th July, 1926, have been applied in accordance with article 30 or article 31 thereof.

2. Where, however, in exceptional circumstances, such endorsement is required as, for example, where the certificate of origin is issued not by a Chamber of Commerce but by the manufacturer or exporter of the goods, the fee charged for such endorsement shall not exceed 4 gold drachmas.

3. It is further understood that, in the case of goods which are transhipped to Great Britain and Northern Ireland, *via* a port in Greece, the certificates of origin relating to such goods shall, where necessary, be issued by all recognised Chambers of Commerce in Greece, namely the Chambers of Commerce at Athens, Piraeus, Patras, Salonica, Volo, Calamata, Corfu (Kerkvra), Cephalonia, Cavalla, Rhodope, Alexandroupolis (formerly Dedeagatch), Chios, Mytilene, Candia (Herakleion), Syra (or Ermoupolis),

Jannina, Edessa, Drama, Cozani, St. Maura (Leucas), Pyrgos, Xanthi, or in the case of tobacco, also by the Greek Tobacco Protection Offices at Volo, Salonica, Cavalla. Such certificates may require consular endorsement, the fee charged for which shall not exceed 4 gold drachmas.

4. It is understood that the arrangements constituted by this note and your note of to-day's date on the same subject shall come into force in both countries on the 5th July, and be terminable at any time by either party at three months' notice.

I have, &c.,

ARTHUR HENDERSON.

(2)

M. Caclamanos to Mr. A. Henderson.

Greek Legation,

51, Upper Brook Street,

London, W.-1, June 21, 1929.

Sir,

In reply to your note to-day's date with reference to the conclusion of an arrangement between the Government of the Hellenic Republic on the one hand and His Britannic Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and the Government of India on the other hand respecting consular fees and certificates of origin, consonant with the provisions of paragraph 8 of article 11 of the Convention for the Simplification of Customs Formalities signed at Geneva on the 3rd November, 1923, the Government of the Hellenic Republic authorise me to undertake hereby on their behalf, and on condition of reciprocity, as embodied in your note referred to above, that certificates of origin relating to goods the manufacture or produce of Great Britain and Northern Ireland or India exported to Greece shall not, save in exceptional circumstances, require consular endorsement. The same will apply to goods the manufacture or produce of any British Colony or Protectorate or of any mandated area administered by His Majesty's Government in the United Kingdom to which the stipulations of the Commercial Treaty between Great Britain and Northern Ireland and Greece, dated the 16th July, 1926, have been applied in accordance with article 30 or article 31 thereof. Where, however, in exceptional circumstances, consular endorsement is required, as, for example, where the certificate is issued not by a Chamber of Commerce but by the manufacturer or exporter of the goods, the fee charged for such endorsement shall not exceed 3s.

2. It is further understood that, in the case of goods which are transhipped to Greece from a third country *via* a port in the United Kingdom, the certificates of origin relating to such goods shall be issued by either the London or the Manchester Chamber of Commerce. Where the goods so transhipped are the manufacture or produce of any British Colony or Protectorate or any mandated area administered by His Majesty's Government in the United Kingdom to which the stipulations of the Commercial Treaty between Great Britain and Northern Ireland and Greece, referred to above, have been applied, no consular endorsement of such certificates of origin shall be required. Where, however, the goods so transhipped are not the manufacture or produce of Great Britain and Northern Ireland or India or of any such Colony Protectorate or mandated area, consular endorsement of the certificates relating to them may be required. The fee charged for such endorsement shall not exceed 3s.

3. It is understood that the arrangements constituted by this note and your note of to-day's date on the same subject shall come into force in both countries on the 5th July, 1929, and be terminable at any time by either party at three months' notice.

I have, &c.

D. CACLAMANOS.

TURKEY.

EXCHANGE OF NOTES BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE TURKISH GOVERNMENT FOR THE ESTABLISHMENT OF A COMMERCIAL "MODUS VIVENDI."

Ankara, July 2, 1929.

(1)

Sir George Clerk to Dr. Tevfik Rushdi Bey.

British Embassy in Turkey,

Ankara, July 2, 1929.

Your Excellency,

It being the desire of His Britannic Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and of the Turkish Government to avoid any impediment to the trade and commerce of their respective countries on the lapse of the Commercial Convention signed at Lausanne on the 24th July, 1923, and pending the entry into force of the treaty of commerce and navigation now being negotiated, I have the honour to inform your Excellency that His Majesty's Government in the United Kingdom undertake, on condition of reciprocity, to accord, as from the 6th August, 1929, to Turkish citizens and goods the produce or manufacture of Turkey a treatment in Great Britain and Northern Ireland which shall be as favourable in all respects as that accorded to the nationals of, and goods the produce or manufacture of, the most favoured foreign country. This treatment shall be accorded in all matters of commerce and navigation, and as regards importation, exportation and transit, and in general all that concerns customs duties and formalities and commercial operations, the establishment of Turkish citizens in Great Britain and Northern Ireland, the exercise of commerce, industries and professions and the payment of taxes.

2. Turkish vessels, their cargoes and passengers shall enjoy in the ports, rivers and territorial waters of Great Britain and Northern Ireland treatment not less favourable than that accorded to the vessels of the most favoured foreign country and their cargoes and passengers.

3. The foregoing stipulations shall be extended, on condition of reciprocity, to any of His Britannic Majesty's Colonies, Possessions or Protectorates, or to any Mandated Territory administered by His Majesty's Government in the United Kingdom, if a notification to that effect is given by His Britannic Majesty's representative in Turkey to the Government of the Turkish Republic.

4. The Government of any of His Majesty's self-governing Dominions, or the Government of India, may, on condition of reciprocity, accede to the present *modus vivendi* by giving notice through His Britannic Majesty's representative in Turkey of their desire that its stipulations shall apply to their respective territories, including any Mandated Territories administered by such Governments.

5. The undertakings contained in this note will take effect as from the 6th August, 1929, and will remain in force for a period of six months at least, it being understood that they may be terminated by either party by giving three months' notice at the end of the third month or at any time subsequently. Failing such notice it will remain in force until the entry into force of the treaty of commerce and navigation now being negotiated, as from which date it will in any event *ipso facto* cease to be effective.

6. As regards any of His Majesty's self-governing Dominions, India, or any Colony, Possession, Protectorate or Mandated Territory in respect of which notification of accession to this *modus vivendi* has been made in virtue of paragraph 4 above, or notice of the application of this *modus vivendi* has been given in virtue of paragraph 3 above, it may be terminated separately by either party, at the end of the third month or at

any time subsequently, on three months' notice to that effect being given either by or to His Britannic Majesty's representative in Turkey.

I have, &c.,

GEORGE R. CLERK.

(Translation.)

Ministry for Foreign Affairs,
Directorate of Commercial Affairs,
Angora, July 2, 1929.

Your Excellency,

It being the desire of the Government of the Republic of Turkey and of His Britannic Majesty's Government in the United Kingdom of Great Britain and Northern Ireland to avoid any impediment to the trade and commerce of their respective countries on the lapse of the Commercial Convention signed at Lausanne on the 24th July, 1923, and pending the entry into force of the treaty of commerce and navigation now being negotiated, I have the honour to inform your Excellency that the Government of the Republic of Turkey undertake, on condition of reciprocity, to accord, as from the 6th August, 1929, to British subjects and goods the produce or manufacture of Great Britain and Northern Ireland treatment in Turkey which shall be as favourable in all respects as that accorded to the nationals of, and goods the produce or manufacture of, the most favoured foreign country. This treatment shall be accorded in all matters of commerce and navigation, and as regards importation, exportation and transit, and in general all that concerns customs duties and formalities and commercial operations, the establishment of British subjects in Turkey, the exercise of commerce, industries and professions and the payment of taxes.

2. British vessels, their cargoes and passengers shall enjoy in the ports, rivers and territorial waters of Turkey treatment not less favourable than that accorded to the vessels of the most favoured foreign country and their cargoes and passengers.

3. The foregoing stipulations shall be extended, on condition of reciprocity, to any of His Britannic Majesty's Colonies, Possessions or Protectorates, or to any Mandated Territory administered by His Majesty's Government in the United Kingdom, if a notification to that effect is given by His Britannic Majesty's representative in Turkey to the Government of the Republic of Turkey.

4. The Government of any of His Britannic Majesty's self-governing Dominions, or the Government of India, may, on condition of reciprocity, accede to the present *modus vivendi* by giving notice through His Britannic Majesty's representative in Turkey of their desire that its stipulations shall apply to their respective territories, including any Mandated Territories administered by such Governments.

5. The undertakings contained in this note will take effect as from the 6th August, 1929, and will remain in force for a period of six months at least, it being understood that they may be terminated by either party by giving three months' notice at the end of the third month or at any time subsequently. Failing such notice they will remain in force until the entry into force of the treaty of commerce and navigation now being negotiated as from which date they will in any event *ipso facto* cease to be effective.

6. As regards any of His Britannic Majesty's self-governing Dominions, India, or any Colony, Possession, Protectorate or Mandated Territory in respect of which notification of accession to this *modus vivendi* has been made in virtue of paragraph 4 above, or notice of the application of this *modus vivendi* has been given in virtue of paragraph 3 above, it may be terminated separately by either party, at the end of the third month or at any time subsequently, on three months' notice to that effect being given either by or to His Britannic Majesty's representative in Turkey.

I avail myself, &c.,

DR. RUSHDI

INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE MR. J. A. WOODHEAD (Commerce Secretary): Sir, I beg to move that the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as passed by the Legislative Assembly, be taken into consideration.

Sir, the Bill, which is a General Tariff Amendment Bill, covers a number of minor changes in the tariff schedule and I think I need only draw attention to one or two of these changes.

In the first place it is proposed to remove the duty on barks for tanning. That is chiefly on wattle bark. This is a proposal—the removal of the duty on barks for tanning—which has been pressed upon Government from time to time by the tanning industry particularly in Madras. Another change relates to saccharine. Saccharine is liable to a high duty of Rs. 5 a lb. Attention has been drawn to the fact that it might be possible to evade the duty on saccharine by importing substances from which saccharine can readily be made and which are at present admitted at lower duties. The opportunity has therefore been taken, following the practice already introduced in the United Kingdom, to make these substances, that is, substances from which saccharine can be prepared, subject to the higher rate of duty.

There is also an item as regards domestic refrigerators. It is proposed to make these refrigerators subject to the general rate of 15 per cent. At present, while some pay duty at 15 per cent. others are exempt from duty because they happen to come under the definition of “machinery”. The object of admitting machinery free was to encourage the importation of machinery representing fixed capital employed in productive industries. Domestic refrigerators do not fulfil this condition and since some pay duty at the general rate, it was thought proper that all should be subject to this rate of duty.

I do not think, Sir, that there is any other point to which I need draw particular attention in regard to the provisions of this Bill.

Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. J. A. WOODHEAD: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

INDIAN INCOME-TAX (THIRD AMENDMENT) BILL.

THE HONOURABLE SIR ARTHUR McWATTERS (Finance Secretary): Sir, I beg to move that the Bill further to amend the Indian Income-tax Act, 1922, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration.

Sir, in asking the indulgence of the House to my presenting yet another Bill to amend the Indian Income-tax Act, I should like to explain that this Bill consists of a single amendment which is in the interests of assesses. The

[Sir Arthur McWatters.]

necessity for the amendment arises from a ruling of the Madras High Court which was to the effect that remuneration by way of bonus or commission paid by the employer to an employee should not be allowed as a business expense in calculating income-tax if the amount of the bonus or commission depended upon the amount of the profits. It was at once apparent to Government that this would mean double taxation, first in the hands of the employer who would not be allowed to make the deduction from his profits as a business expense and secondly in the hands of the employee for whom the payments would obviously be income. The Government of India were able to meet this difficulty by a notification under section 60 of the Act by which they exempted from subsequent taxation the income of the employee. This, however, did not meet the demand of the commercial community that these bonuses or commissions should be legitimately treated as business expenses and their claim that these expenses were in fact expenses incurred in earning the profits. The point was raised in the other House by Sir Hugh Cocke and in reply the Honourable the Finance Member agreed that so far as contractual payments were concerned, Government would undertake to treat them as business expenses. It was, however, pointed out to Government by various Chambers of Commerce—and it was discussed in December last at the meeting of the Associated Chambers—that one cannot distinguish legitimately between contractual and non-contractual payments. The Government of India recognised the justice of this point of view and promised that if they were able to devise adequate safeguards to prevent abuse of this concession, they would bring in a Bill before the Legislature. The Bill which is now before the House is an attempt to give effect to that promise.

Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

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

The motion was adopted.

INDIAN RAILWAYS (AMENDMENT) BILL.

THE HONOURABLE MR. A. M. HAYMAN (Member, Railway Board) : Sir, I move that the Bill further to amend the Indian Railways Act, 1890, for certain purposes, as passed by the Legislative Assembly, be taken into consideration.

Sir, the Bill before the Council contains the measures for giving effect to the Washington and Geneva Conventions in India in respect of certain classes of railway establishments.

In regard to hours of work, Article 10 of the Washington Convention is the substantive Article which applies. This Article provides that :

“ In British India the principle of a 60-hour week shall be adopted for all workers in the industries at present covered by the Factory Act administered by the Government of India, in mines, and in such branches of railway work as shall be specified for this purpose by the competent authority ”.

The Convention, Sir, was ratified by the Government of India in 1921 and since then the Railway Administrations in India have been doing their best by executive orders to give effect to the principle embodied in this Article of the Convention. I should like to explain at the outset, Sir, that from the proceedings which took place at Washington at the time when the Convention was drawn up, it is clear that the Convention was intended to be applied only to such branches of railway organisation where the work approximated in character to the work done in large industrial undertakings. The Government of India, Sir, and the Railway Administrations in India have taken a wider view of their obligations and have in the past nine years done a great deal to extend the principles embodied in Article 10 of the Convention to other classes of railway servants also,—the Transportation staff, the Traffic staff, Engineering, Stores, Accounts and indeed almost the whole of the establishments. The effect is that at this moment we have done a great deal to bring the Convention into play, and we have done this because we have felt that apart from the provisions in the Convention humanitarian considerations demanded that we should require that our workmen should be on work only for hours which are reasonable and proper.

I now pass on to the Geneva Convention which prescribes a weekly period of rest. Article 2 of the Convention is the one upon which we are required to work. It provides that :

“ The whole of the staff employed in any industrial undertaking, public or private, or in any branch thereof shall, except as otherwise provided for by the following Articles, enjoy in every period of seven days a period of rest comprising at least 24 consecutive hours ”.

Article 4 of the Convention gives power to the competent authority to provide exemptions from the provisions of Article 2.

The present position, Sir, in respect of our railway servants under both these Conventions is that under the provisions of the Factories Act and the Mines Act all our employees in our workshops—and here we have a very large number of employees—and in our mines have their hours of work and their periods of rest regulated by those Acts, and in the Bill before the House at the moment we are dealing only with all other classes of servants.

The provisions of the Bill provide for exemptions to certain classes of servants from the two main conditions, that is, the 60-hour week of work and the 24-hour period of rest in every week. The classes of staff we excluded from these benefits, that is, excluded from both the 60-hour week and the weekly rest provisions, are the supervising and confidential staff, staff whose work is essentially intermittent, and certain chowkidars, watermen, sweepers and gate-keepers whose work is of an exceptionally light character. Those excluded only from the weekly rest Convention are temporary labour and permanent way staff. I feel, Sir, that I owe it to the House to make a brief explanation as to why the importance of these classes of staff have not been given the full benefits of the Conventions. The supervising and confidential staff are excluded because they are also excluded under the provisions of the Washington-Geneva Conventions in their application to other countries. As regards staff whose work is essentially intermittent, I would like to point out that the Washington Convention itself does not provide for any maximum hours of work for such classes of staff. It provides that they may be exempted from the Convention. We, Sir, in

[Mr. A. M. Hayman.]

this Bill before the House have provided a maximum period of 84 hours work a week for those classes of staff. In doing this we have been guided by humanitarian considerations. We felt we ought to prescribe some maximum limit. There may be some who think that this limit of 84 hours is too high a one. I would like the House to know that we will take every precaution to see that no employee is required to work more than is reasonable, and we will provide in the rules to be made under the Act that the work of every employee is examined in order to find out whether the character of his work is really essentially intermittent or not. The other staff that we exclude, namely, the chowkidars, water-men, sweepers and gate-keepers are excluded because their work is so light that we do not feel that we need prescribe any limit of hours of work for them. But we have arranged that they as well as other classes of staff who are classed as essentially intermittent workers enjoy regular holidays. In arranging our leave programmes we will always take into consideration the claims of this class of staff, i.e., the intermittent workers and see that they get the first claim for consideration when we are dealing with applications for leave, and we will deal with the application of the continuous working staff after dealing with the leave applications of the essentially intermittent staff. There is one other important class of staff to which I ought to refer. We are at present going to exclude from both Conventions our running staff, the staff comprised of drivers, firemen and guards on our railways. We have done this, Sir, because this class is paid partly by way of pay and partly by mileage or overtime, and it requires very careful investigation before new arrangements can be introduced revising their hours of work with a view to adopting them to the Conventions. The reason why we hold back for the moment is entirely in the interests of the men themselves. Any hasty action on our part will result in these men drawing lesser emoluments than they do at present. I therefore wish to say that we are not excluding them from the benefits of these Conventions permanently. They are only being temporarily excluded and their case will come up again for final consideration as soon as we have found means of bringing them under the Conventions without affecting their emoluments seriously.

There is one important point which I wish to bring before the House, and that is that the Bill provides for the appointment of Supervisors of Labour. These officers will work not under the Railway Administrations to which they are attached but under the Railway Board. Primarily their duties will be to see that the law is not violated, to investigate all that has been done on railways in the matter of rostering men for duty and in other ways to give effect to the principle of the provisions of the Bill, and we look forward to our Supervisors of Labour doing everything possible to assist the Railway Board in carrying out the policy they have in view, which, as I have said once or twice before, is that none of our employees shall be required to work more than a reasonable number of hours a week and also that they shall get reasonable periods of rest.

Just one more remark before I close. One often feels that benefits which are conferred can be closely related to the cost. Government do not wish on this occasion to claim that the cost of the measure before this Council is a true and full index of the benefits that are going to be conferred on the staff. We are going to spend about 75 lakhs of rupees in providing additional quarters for the additional staff we entertain and the cost of the additional staff will be anything between 50 and 60 lakhs of rupees per annum. Now, Sir, I give these figures because Government do wish to claim that in

dealing with this matter the first consideration has been the interests of the staff, and that we have drawn up a Bill which is both liberal and comprehensive :

Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. A. M. HAYMAN : Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

STEEL INDUSTRY (PROTECTION) BILL.

THE HONOURABLE MR. J. A. WOODHEAD (Commerce Secretary) : Sir, I beg to move that the Bill to amend the law relating to the fostering and development of the steel industry in British India for certain purposes, as passed by the Legislative Assembly, be taken into consideration.

The Bill, Sir, makes two changes, first, as regards steel bars and rods, and secondly, as regards tie-bars. At present round and square bars and rods of sizes of half an inch and upwards are liable to the protective duty, whereas bars and rods of sizes of less than half an inch are exempt from this protective duty and are liable to the ordinary revenue duty of 10 per cent. *ad valorem*. The reason for this distinction was that the half inch bar and rod was the smallest size made in British India and it would serve no useful purpose to protect articles which were not manufactured in India. In October last, however, the Tata Iron and Steel Company wrote to Government and informed them that, whereas the next standard size below half an inch was $\frac{7}{16}$ ths of an inch, bars described as $\frac{15}{32}$ nds of an inch or $\frac{31}{64}$ ths of an inch were being imported in considerable and increasing quantities. They stated that these bars could be used for the same purposes as the half inch bar and explained that as these bars (of smaller dimensions) were not subject to the protective duty, the Tata Iron and Steel Company were finding it very difficult to sell their half inch bars. Prior to this, the Collector of Customs at Karachi had drawn the attention of the Government to the importation of the bars of these intermediate sizes and for sometime past records have been kept as regards the imports of bars of these sizes. In July and August, 1928, the imports were 400 tons a month, but in August and September last year (1929), the imports had risen to a figure of over 2,000 tons a month. It seemed clear, Sir, that owing to a loophole in the law, steel bars which definitely compete with the Indian article were entering India at the revenue duty of 10 per cent. and that the protection which the Legislature intended to give to the manufacture of half inch bars was being defeated. In order to make this protection fully effective, the Bill proposes to make the bars of $\frac{15}{32}$ nds of an inch and $\frac{31}{64}$ ths of an inch in size subject to protective duty.

The second change, as I said, is as regards tie-bars, and has reference to another defect in the law which experience has proved to exist. Tie-bars, I may explain, are used to maintain the distance between two rails on a

[Mr. J. A. Woodhead.]

railway line. Their commonest use is in connection with cast-iron sleepers. The two plates of the sleeper on which the rails rest are connected and kept the proper distance apart by a tie-bar. Tie-bars are also used to connect the moveable rails of switches and are sometimes used on curves, stiff curves, to keep the rails at the proper distance. Under the Steel Protection Act of 1924, all tie-bars were liable to the protective duty and it is clear from the Tariff Board's Report, which preceded the Steel Protection Act of 1927, that they did not intend to make any change. Unfortunately the revenue authorities have held that under the Act of 1927 as it is worded, whereas tie-bars for switches and for rails are subject to the protective duty, the tie-bars which are used for cast-iron sleepers are not subject to this duty. There is no doubt that the intention of the Legislature was to protect all tie-bars, whether they are used for cast-iron sleepers or for switches and rails, and the Bill provides for the correction of this mistake.

Sir, I move.

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

THE HONOURABLE MR. J. A. WOODHEAD: Sir, I move that the Bill to amend the law relating to the fostering and development of the steel industry in British India for certain purposes, as passed by the Legislative Assembly, be passed.

The motion was adopted.

ELECTIONS TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member): Sir, I beg to move :]

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, two Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz ”.

Sir, as this is the first motion of the kind that has come up before this House, I think it is only necessary that I should explain briefly the origin of this motion. Honourable Members are perhaps aware that a Resolution was moved in another place for the purpose of recommending to the Government of India the desirability of making an investigation into the conditions of pilgrimage to the Hedjaz. In the course of the debate the Government of India accepted to appoint a committee of enquiry. One such Committee was actually appointed in March, 1929 and that Committee made its report quite recently. Among the many recommendations that

that Committee has made, the recommendation which has reference to the motion that I have now the honour to make reads thus :

“ In addition to the Haj Committees at the ports and the organisation in the provinces, it will, in our opinion, be necessary to provide a centralised agency to keep Government in touch with the problems that arise and to advise on questions affecting the pilgrimage from year to year. With this object we recommend that Government should constitute a Standing Haj Committee of the Central Legislature on the lines of the Standing Finance Committee ”.

The Government of India readily accepted that recommendation and although, Sir, most of the recommendations made by this Committee are still under the consideration of the Government of India, they deemed it expedient to take immediate action on this recommendation, so that the proposed Committee may come into existence before the termination of the Haj season which is now in progress. Further, our experience of the good work done and the great help rendered to the Government of India by the Standing Emigration Committee encourages us to believe that this Committee will be equally useful in tendering advice from time to time on questions which may affect the pilgrimage to the Hedjaz.

Sir, I move.

THE HONOURABLE SIR EBRAHIM HAROON JAFFER (Bombay Presidency : Muhammadan) : As a member of the Haj Inquiry Committee, Sir, I congratulate the Government of India on taking immediate steps to give effect to one of the most important recommendations of the Haj Inquiry Committee. As the pilgrimage season has already commenced, I do hope and trust that the other recommendations of the Committee will be given effect to as soon as possible.

With these words, Sir, I support the motion before the House.

The motion was adopted.

THE HONOURABLE THE PRESIDENT : In exercise of the discretion vested in me by the motion just adopted by the House, I direct that nominations shall be received up to Eleven o'clock to-morrow morning.

The Council then adjourned till Eleven of the Clock on Thursday, the 20th March, 1930.