

Friday, 7th April, 1933

THE
COUNCIL OF STATE DEBATES

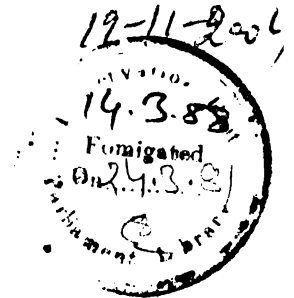
VOLUME I, 1933

(16th February to 15th April, 1933)

FIFTH SESSION

OF THE

THIRD COUNCIL OF STATE, 1933



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COUNCIL OF STATE.

Friday, 7th April, 1933.

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

INDIAN TARIFF (OTTAWA TRADE AGREEMENT) SUPPLEMENTARY AMENDMENT BILL.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, I move :

“That the Bill to supplement the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932, as passed by the Legislative Assembly, be taken into consideration.”

The object of this Bill is to correct a few inaccuracies and discrepancies that have been discovered in the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932. I do not propose to take up the time of the Honourable Members of this House by repeating the explanations that have been given in the very full Statement of Objects and Reasons. I shall only refer to an addition that has been made by an official amendment in the other House the effect of which has been to include with other chemicals in a non-preferential item, the chemical alum. Alum was specifically excluded from preference by entry No. 30 of Schedule F to the Ottawa Trade Agreement. It was also excluded from preference by the fact that it was subject to a protective duty under the Heavy Chemical Industry Protection Act of 1931. That Act ceased to be operative except in respect of magnesium chloride on the 31st March last, and it has therefore become necessary to specify that alum is excluded from preferential treatment. Without such specification, alum would be included with other unspecified chemicals in item 181 of the Second Schedule to the Tariff Act and would be eligible for preference. For this reason there has been special inclusion of alum in item No. 88, as stated in clause 2 of the Schedule to the Bill.

Sir, I move.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, at the outset let me thank you on behalf of the Hindu members of the House for your so kindly, at the representation of some of us the other day, cancelling the meeting of the Council that was originally fixed for the Ram Navami day.

Coming to the Bill, I am glad to find that the Government have realised that there are some inaccuracies and discrepancies in the Ottawa Trade Agreement Act which was rushed through in a hurry, and that by the measure now before the House those inaccuracies and discrepancies are proposed to be removed. One of such items is that relating to newsprint which, as the Statement of Objects and Reasons appended to the Bill says, is expressly excluded from preference by No. 120 of Schedule F to the Ottawa Trade Agreement, but which owing to a discrepancy is unintentionally subject to a

[Rai Bahadur Lala Jagdish Prasad.]

preferential tariff. I am glad to find that it is now proposed to clear the ambiguity by restoring newsprint to the non-preferential part of the Schedule. In the same way there are inaccuracies in respect of some other items which are now being rectified by the provisions of this measure. I therefore welcome the Bill. But before I resume my seat, Sir, I will ask the Government to throw some light on one point. I wish the Government to tell the House when they propose to appoint a Committee of this Council to enquire into and report on the actual working of and results achieved from the Ottawa Agreement, which the Government agreed to appoint as the result of a Resolution moved by my Honourable friend Rai Bahadur Lala Ram Saran Das on the 20th March last. I hope Government will carry out early the undertaking given by them on that occasion as the appointment of such a Committee is very necessary.

Lastly, Sir, I wish that the Government may bring forward before the Legislature at a very early date an anti-dumping legislation which is so badly wanted and is becoming so increasingly essential day by day for the safety and protection of the trade and industry of this country.

THE HONOURABLE MAJOR NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, from the Statement of Objects and Reasons appended to the Bill it appears that it is intended to correct a few inaccuracies and discrepancies in the Schedule of the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932. I am not at all inclined to oppose the Bill under discussion, nor do I wish to be so understood on account of the remarks which I wish to make in this connection. What I want to say is this. So far as I understand it, the Ottawa Trade Agreement was entered into between the Government of India and His Majesty's Government in the United Kingdom through their representatives at Ottawa on the 20th August last. They mutually consented to Imperial preference. As Honourable Members will know, this question of Imperial preference is a very old one. It commenced somewhere in 1903, but at that time the Government of India did not think it proper to enter into any agreement; but now the Government of India have changed their views and they have already agreed to India's preferential treatment of Empire products. It is equally obvious that the delegation used their very best endeavour and solicitude in bringing about the agreement. We are grateful to them for their exertions and I think it is advantageous to both the Government of India and the United Kingdom. But, Sir, what I say is that we in India are quite willing to give effect to it and if articles manufactured in the United Kingdom are as cheap as those of continental manufacture we are quite willing to buy them. We should prefer our money to go to the people in the United Kingdom because we are all the subjects of His Majesty, and I would that they benefited rather than that our money should go into the pockets of strangers. But I say that the arrangement should be reciprocal and Indians also should derive some advantage. In my speech dealing with the import duty on wheat I pointed out that the agriculturists in India had fallen on bad days in the last three or four years owing to the fall in prices of primary products. Some market should be found for their products and something should be done to improve their condition. And I am not here referring only to the agriculturists of the North-West Frontier and the Punjab. I have noticed that when Bills which happen to benefit that side of the country are brought here, Members from Bengal raise objections. I am referring here to all-India products and the country as a whole. I think it is time that something was done to obtain a market for India's products.

With these remarks, Sir, I support the Bill.

*THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Sir, I do not want to take up the time of the House with regard to this Bill which I think will have the unanimous support of this House. There is one item on which I would like to have a little information—item No. 7, tea chests and parts and fittings thereof. What I feel is this, that we here in India import tea chests and fittings from England and we pack our tea in those chests and send them back to England where they are sold. Now if we had a preferential duty on tea chests, say, 10 per cent., we would be able to send tea to England at a cost 10 per cent. less and we should be in a much more favourable position to compete, say, with Java tea in England than we would be if this clause is accepted and non-preferential treatment is given to these tea chests. In the latter case also the public in England would have to pay a little more for Indian tea than they would otherwise do. I would like the Honourable Commerce Secretary to enlighten us on this point.

THE HONOURABLE MR. T. A. STEWART : Sir, in answer to the Honourable Mr. Basu I would explain that tea chests were not included as articles in respect of which preference should be given under the Ottawa Trade Agreement. I cannot therefore discuss his suggestion that at this stage they should be given such preference. The reason why tea chests are the subject of an amendment of the Schedule is as follows. Tea chests are usually composed of ply wood with metal fittings for the corners and hinges. The wooden part arriving in India would not be entitled to preference, but the metal parts arriving by themselves would be classified as hardware, which, under item 185 of the tariff, is entitled to preference. In order that there may be consistency in the assessment of tea chests and their parts it was decided that there should be a special non-preferential entry covering tea chests and their parts and fittings.

The Honourable Lala Jagdish Prasad has asked for an assurance that Government intends to keep its undertaking in respect of the examination of the result of the Ottawa Trade Agreement. I cannot see that at this stage there is any reason to believe that Government wishes to resile from the position it has already taken, and I would suggest that after three months' duration of the Trade Agreement it is somewhat premature to consider the appointment of a Committee in the near future.

THE HONOURABLE THE PRESIDENT : The question is :

"That the Bill to supplement the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

*THE HONOURABLE MR. BIJAY KUMAR BASU : With reference to the answer given by the Honourable Mr. Stewart to the query that I made when the Bill was taken into consideration, I have to point out that by this

* Speech not corrected by the Honourable Member.

[Mr. Bijay Kumar Basu.]

amendment the parts and fittings of tea chests which would have come into the preferential duty tariff will now be transferred to the non-preferential duty tariff. As a matter of fact the wood for the tea chests would not have come under the Ottawa Agreement under the preferential tariff. That is a complete answer ; we could not have gone beyond that ; but, Sir, the parts and fittings which would come under the heading "Hardware" would have got preferential tariff. By this amendment we shall not get that preferential tariff duty on those fittings and parts of tea chests. I only want to point that out to the House before they pass this Bill.

THE HONOURABLE THE PRESIDENT : The question is :

"That the Bill to supplement the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932, as passed by the Legislative Assembly be passed."

The motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, in the unavoidable absence of the Honourable Leader of the House, I ask your permission to make a statement of business.

In anticipation of the passing of certain Bills by the Legislative Assembly in the course of the meetings today and tomorrow, I would suggest that, with your approval, the Council might meet tomorrow afternoon at 5 P.M. to enable Bills passed by the Assembly to be laid on the table.

I would then propose that these Bills be proceeded with on Monday if you, Sir, will direct in pursuance of rule 27, that the usual three days period of notice may be so curtailed.

THE HONOURABLE THE PRESIDENT : I think under the circumstances narrated by Mr. Hallett on behalf of the Honourable the Leader of the House, the only course possible is that I should adjourn this House till 5 P.M. tomorrow and if any Bills are placed on the table by that time the House should proceed to deal with those Bills on Monday morning. However, I should like to take the sense of the House.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Where is the time to give notice of amendments ?

THE HONOURABLE THE PRESIDENT : Under the circumstances I am prepared to suspend the operation of Standing Order 45. We will deal with amendments also. You can give notice of amendments till 10 A.M. on Monday morning.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : We agree.

THE HONOURABLE MR. E. MILLER (Bombay Chamber of Commerce) : I have no objection.

The Council then adjourned till Five of the Clock on Saturday, the 8th April, 1933.

ERRATUM.

In Nos. 7, 10 and 14, pages 219 and 230, 289 and 298, and 460, respectively, of the Council of State Debates, Volume I, 1933, insert an asterisk against the name of the Honourable Mr. Hossain Imam and add as footnote “ *Speech not corrected by the Honourable Member.”