

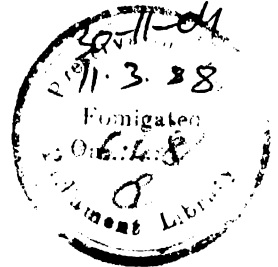
Monday, 3rd September, 1934

THE
COUNCIL OF STATE DEBATES

VOLUME II, 1934

(8th August to 6th September, 1934)

EIGHTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1934



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CONTENTS.

Wednesday, 8th August, 1934—	PAGES.
Members Sworn	1
Questions and Answers	1—21
Message from His Excellency the Governor General	21
Committee on Petitions	21
Congratulations to His Excellency the Commander-in-Chief, the Honourable Mr. M. G. Hallett and the Honourable Sir John Woodhead, recipients of Honours	22—23
Statements laid on the table	23—28
Governor General's Assent to Bills	28—29
Message from the Legislative Assembly	29
Bills passed by the Legislative Assembly laid on the table	29
Motion <i>re</i> nominations for the Committee to inquire into the working of the Ottawa Agreement—Adopted	30
Death of Khan Bahadur Sir Muhammad Israr Hasan Khan	30
Statement of Business	30
 Thursday, 9th August, 1934—	
Members Sworn	31
Questions and Answers	31—37
Motion for Adjournment <i>re</i> proposed removal of the Imperial Institute of Agricultural Research from Pusa to Delhi—Leave to move, granted	37
Resolution <i>re</i> colony for the emigration of Indians—Negatived	38—54
Resolution <i>re</i> Report of the Colonisation Enquiry Committee—Withdrawn	55—70
Resolution <i>re</i> Indians in Burma— <i>not concluded</i>	70—78
Motion for Adjournment <i>re</i> proposed removal of the Imperial Council of Agricultural Research from Pusa to Delhi—Negatived	78—99
 Monday, 13th August, 1934—	
Member Sworn	101
Questions and Answers	101—19
Ballot for the election of nine Members to serve on the Committee to examine the working of the Ottawa Trade Agreement	119—20
Indian Dock Labourers Bill—Considered and passed	120—29
Indian Carriage by Air Bill—Considered and passed	130—32
Sea Customs (Amendment) Bill—Considered and passed	132—34
Indian Aircraft Bill—Considered and passed	134—39
Mechanical Lighters (Excise Duty) Bill—Motion to consider, adopted	139—47
 Tuesday, 14th August, 1934—	
Questions and Answers	149—52
Short Notice Question	152—53
Congratulations to the Honourable Sir Frank Noyce on the Honour conferred on him	153—54
Mechanical Lighters (Export Duty) Bill—Considered and passed	154—59
Repealing and Amending Bill—Considered and passed	159
Factories Bill—Considered and passed	159—207

Wednesday, 15th August, 1934—

	PAGES.
Question and Answer	209
Death of Sir Manmohandas Ramji	209—40
Congratulations to the Honourable Sir Alan Parsons on his appointment to the India Council	210
Bill passed by the Legislative Assembly laid on the table	210—11
Result of the election of nine Members to serve on the Committee to examine the working of the Ottawa Trade Agreement	211
Resolution <i>re</i> Indians in Burma—Adopted	211—13
Resolution <i>re</i> levy of income-tax on house property—Withdrawn	213—25
Resolution <i>re</i> construction of a new Council of State Chamber at Simla—Withdrawn	225—29
Parsi Marriage and Divorce Bill—Introduced	229—30
Statement of Business	230

Thursday, 16th August, 1934—

Bengal Criminal Law Amendment Supplementary (Extending) Bill— Motion to consider— <i>not concluded</i>	231—60
---	--------

Saturday, 18th August, 1934—

Questions and Answers	261—67
Bengal Criminal Law Amendment Supplementary (Extending) Bill— Considered and passed	267—301
Statement of Business	301

Monday, 20th August, 1934—

Questions and Answers	303—08
Personal statement by His Excellency the Commander-in-Chief thanking the Members of the Council of State for their congratulations on his G. C. S. I.	308—07
Assam Criminal Law Amendment (Supplementary) Bill—Considered and passed	307—28

Wednesday, 22nd August, 1934—

Bills passed by the Legislative Assembly laid on the table	329
Message from His Excellency the Governor General	329
Resolution <i>re</i> enforcement of the provisions of the Child Marriage Restraint Act—Withdrawn	330—44
Resolution <i>re</i> representation of Assamese in the Posts and Telegraphs Department—Adopted	344—49
Resolution <i>re</i> investigation into conditions of health by a Committee of medical experts—Withdrawn	350—58
Resolution <i>re</i> Burmanisation of the Accountant General's Office and the Posts and Telegraphs Department in Burma—Adopted	354—57
Resolution <i>re</i> horse-breeding—Withdrawn	357—75
Resolution <i>re</i> enlargement of the scope of agricultural research—Withdrawn	375—81
Resolution <i>re</i> National Debt of India—Moved	381
Parsi Marriage and Divorce Bill—Motion for circulation, adopted	381
Statement of Business	382

Monday, 27th August, 1934—

PAGES.

Questions and Answers	383—99
Statement laid on the table	399
Indian Rubber Control Bill—Considered and passed	399—405
Indian Income-tax (Amendment) Bill—Considered and passed	406—09

Tuesday, 28th August, 1934—

Short Notice Questions	411—14
Bill passed by the Legislative Assembly laid on the table	414
Resolution <i>re</i> National Debt of India—Negatived	414—33
Resolution <i>re</i> levy of customs duties on all foreign goods entering India from land frontiers—Withdrawn	433—36
Resolution <i>re</i> re-enactment of repressive legislation after the expiry of its time-limit—Negatived	437—50
Hindu Woman's Inheritance Bill—Introduced	450—61
Resolution <i>re</i> abolition of Viceroy's commissions— <i>not concluded</i>	461—66
Statement of Business	466

Wednesday, 29th August, 1934—

Address by His Excellency the Viceroy to the Members of the Council of State and the Legislative Assembly	467—78
---	--------

Thursday, 1st September, 1934—

Questions and Answers	479—96
Bills passed by the Legislative Assembly laid on the table	496
Petroleum Bill—Considered and passed	496—502
Iron and Steel Duties Bill—Motion to consider— <i>not concluded</i>	502—22
Statement of Business	522—23

Monday, 3rd September, 1934—

Questions and Answers	525—60
Statement laid on the table	560
Motion for Adjournment—Disallowed	560—61
Iron and Steel Duties Bill—Considered and passed	561—601
Indian Tariff Bill—Considered and passed	601—02
Appendices	603—04

Tuesday, 4th September, 1934—

Member Sworn	605
Question and Answer	605—06
Statement by the Honourable the President expressing regret for the ruling given by him in regard to clause 2 of the Iron and Steel Duties Bill	606—07
Indian Army (Amendment) Bill—Motion to consider— <i>not concluded</i>	607—36
Statement of Business	63

Wednesday, 5th September, 1934—

	PAGES.
Questions and Answers	637—47
Short Notice Questions	647—49
Hindu Woman's Inheritance Bill—Motion to circulate, adopted	649
Resolution <i>re</i> abolition of Viceroy's commissions—Negatived	650—70
Resolution <i>re</i> ineligibility for service under the Crown, after retirement, of Presidents of Legislatures, etc.—Negatived	671—78
Resolution <i>re</i> pensions of inferior servants serving under the Government of India—Withdrawn	678—83
Resolution <i>re</i> five-year plan of economic development for India—Withdrawn	683—95
Resolution <i>re</i> ineligibility for service under the Government of India of subjects of those Indian States who do not employ British Indian subjects—Withdrawn	695—700

Thursday, 6th September, 1934—

Questions and Answers	701—02
Indian Army (Amendment) Bill—Considered and passed	702—34
Indian Navy (Discipline) Bill—Considered and passed	734—43
Amending Bill—Considered and passed	743—44

COUNCIL OF STATE.

Monday, 3rd September, 1934.

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

QUESTIONS AND ANSWERS.

INDIAN TEA CESS COMMITTEE.

179. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state the functions and the personnel of the Indian Tea Cess Committee ? What is the method adopted for the selection of the personnel of the Committee ?

(b) What is the amount of money given per annum to the Indian Tea Cess Committee by Government for propaganda work in India and abroad ?

(c) Do Government grant such financial help to any other institution of this nature such as the Soft Coke Cess Committee ? If so, what is the amount of annual grant for it ?

(d) Will Government be pleased to state the manner in which the money is spent abroad by the Indian Tea Cess Committee and for what purposes ?

(e) Are there any provincial branches of the sub-committees of the Indian Tea Cess Committee ? If so, how many and in which of the provinces ?

THE HONOURABLE MR. T. A. STEWART : (a) The Honourable Member is referred to section 4 of the Indian Tea Cess Act, 1903 (IX of 1903). I lay on the table a statement giving the names of the present chairman, vice-chairman and members of the Committee.

(b) and (c). Government do not give any grant directly to the Committee but the proceeds of the cess imposed by section 3 of the Tea Cess Act, 1903, the present rate of which is the maximum, are paid to the Committee after deducting the expenses of collection. The amount of such proceeds paid to the Committee in the year ended 31st March, 1934, was Rs. 14,24,419.

(d) and (e). Information has been called for and will be placed on the table of the House when received.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will the Honourable Member kindly inform this House how many Indians are there on the Indian Tea Cess Committee and whom do such Indians represent, i.e., who nominated or elected them ?

THE HONOURABLE MR. T. A. STEWART : I have already informed the Honourable Member, Sir, that I am laying a statement on the table containing the names of the members of the Indian Tea Cess Committee.

THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA : I understand that a Publicity Officer has been appointed by the Tea Cess Committee. Will the Government be pleased to give the name, functions and salary of that officer ?

THE HONOURABLE MR. T. A. STEWART : I must ask for notice of that question, Sir.

Statement showing the personnel of the Indian Tea Cess Committee.

Names.	Nominated by—
1. Mr. J. Jones, <i>Chairman</i> ..	} Indian Tea Association.
2. Mr. J. S. Graham, <i>Vice-Chairman</i> ..	
3. Mr. Balfour Smith ..	
4. Maulvi Abdul Matin Choudhury ..	
5. Mr. T. Lamb ..	
6. Rai Bahadur Siba Prosad Barooah ..	
7. Mr. E. J. Nicholls ..	
8. Mr. D. D. Storrar ..	} Bengal Chamber of Commerce.
9. Mr. C. K. Nicholl ..	
10. Mr. A. R. Mellis ..	} Madras Chamber of Commerce.
11. Mr. H. L. Puttock ..	
12. Mr. J. M. Kilburn ..	} Assam Branch, Indian Tea Association.
13. Mr. R. G. Boyle ..	
14. Mr. F. J. Heathcote ..	} Burma Valley Branch, Indian Tea Association.
15. Mr. J. Scott Rae ..	
16. Mr. F. J. Durnford ..	The Darjeeling Planters' Association and the Terai Planters' Association jointly.
17. Mr. F. M. Graham ..	} The Dooars Planters' Association.
18. Mr. G. Hepburn ..	
19. Mr. Biraj Kumar Banerjee ..	Indian Tea Planters' Association, Jalpaiguri.
20. Mr. A W F. Mills ..	The United Planters' Association of Southern India.

INDIAN TEA CESS COMMITTEE.

180. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : How many Indians are employed as subordinates in the staff of the Indian Tea Cess Committee? If none, will Government be pleased to state why the posts of superintendent have not been Indianized? When do they propose to Indianize such posts?

THE HONOURABLE MR. T. A. STEWART: Appointments on the staff of the Committee are made by the Committee itself and Government have no hand in the matter. I will, however, forward a copy of the Honourable Member's question to the Committee.

INDIANS SHOT IN SOUTH AFRICA.

181. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Has the attention of Government been drawn to the news item published

in *Forward* of Calcutta of the 25th July, 1934 (town edition) under the caption "Indians Shot in South Africa"? If so, will Government be pleased to make a statement on this tragedy giving the names of the Indians shot and the reasons for such happenings?

(b) What steps did the Union Government of South Africa take to find out the clues of the murderers?

(c) Is it a fact that including the above mentioned murders, this is the sixth tragedy in which Indians have been the victims? If so, will Government be pleased to state what measures have the Government of South Africa taken to protect the lives and properties of the Indians there?

(d) Is there any Indian Agent in South Africa appointed by the Government of India? If so, what steps did he take for the prevention of such crimes? What steps did the Government of India and their Agent take for compensating the families of the dead? If none, why?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:

(a) Government have seen the article referred to. They have no information beyond what has appeared in the press.

(b) The Union police authorities have the case in hand.

(c) and (d). According to one of the newspaper reports, this is the sixth incident of its kind that has happened in Natal since 1915. Indians in South Africa are as much under the protection of the ordinary law of the land as South Africans. The Honourable Member will agree that in spite of such protection, murders unfortunately take place in the most efficiently administered countries. It is understood that, as a result of incidents like the one referred to by the Honourable Member, Indians trading in out of the way places have asked for more liberal issue of licenses to possess arms and this request has been acceded to by the authorities concerned.

MEASURES ADOPTED FOR THE DEVELOPMENT OF SALT MANUFACTURE IN BENGAL.

182. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE:

(a) Will Government be pleased to state what measures they have adopted to develop the salt manufacture in Bengal?

(b) Have they given any money to the Government of Bengal for the purpose out of the amounts obtained from the additional duty imposed for the purpose? If so, what is the amount?

(c) How many Indian concerns are there in Bengal which propose to manufacture salt?

(d) Has any one of them received any State-aid in the shape of a grant or bounty by way of encouragement or impetus to the indigenous salt industry for which the Government of Bengal received its quota from the revenues obtained from the additional salt duty? Will Government be pleased to state the total amount received by the Bengal Government as its quota from the additional salt duty since its imposition?

THE HONOURABLE SIR ALAN PARSONS: (a) The Government of India had an exhaustive enquiry made into the question of developing the salt

industry in Bengal by an expert officer deputed for the purpose in 1931-32. The report was sent to the Government of Bengal for consideration.

(b) and the last part of (d). Yes. The amounts paid were :

					Rs.
1931-32	..	..	..	..	5,36,600
1932-33	..	..	..	..	6,04,300
1933-34	..	..	..	..	2,11,800
A total of Rs. 13,52,700.					

(c) I have no information.

The first part of (d). No.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will the Honourable Member kindly state for what purpose was this sum utilised by the Government of Bengal? Under whose authority did the Government of Bengal utilise this fund for General Administration?

THE HONOURABLE SIR ALAN PARSONS : Briefly, Sir, the Government of Bengal were under no obligation to apply this sum to any other purpose than General Administration. There was no condition attached to it, and it was not necessary to apply it to investigation on manufacture of salt only.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Why did not the Government of India object to such funds being utilised for purposes other than those for which it was originally granted?

THE HONOURABLE SIR ALAN PARSONS : Sir, I think the Honourable Member would not have read out his second supplementary question if he had listened to the answer which I gave him to the first.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Is there any Salt Committee of the Government of India? Was this anomaly caused by the Government of Bengal brought before the Salt Committee? If not, why not?

THE HONOURABLE SIR ALAN PARSONS : Will the Honourable Member explain what he means by "anomaly"?

THE HONOURABLE THE PRESIDENT : What is your definition of "anomaly"?

THE HONOURABLE SIR ALAN PARSONS : What is the anomaly to which the Honourable Member refers?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Discrepancy, Sir.

THE HONOURABLE THE PRESIDENT : "Anomaly" does not mean discrepancy!

THE HONOURABLE SIR ALAN PARSONS : What discrepancy does the Honourable Member refer to?

(The Honourable Mr. Banerjee did not make any reply.)

THE HONOURABLE THE PRESIDENT : Will you proceed with your next question, please?

REASONS FOR BILLETING THE NORFOLK REGIMENT IN THE GOVERNMENT INTERMEDIATE COLLEGE HOSTEL, DACCA.

183. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state the reasons for billeting the troops of the Norfolk Regiment in the Government Intermediate College Hostel at Dacca ?

(b) How long will the British troops remain in the said hostel buildings ?

(c) Will Government be pleased to state why the barracks erected nearly a couple of years ago near the Dhakeswari temple for the British soldiers have been considered to be unsuitable for their habitation ?

(d) What was the total cost of erecting the said barracks near the Dhakeswari temple ? Who was responsible for the construction ? Were any steps taken against the officials responsible for such wastage ? If not, why not ?

(e) Will Government be pleased to state whether they are giving any rent to the authorities of the Dacca Intermediate College for quartering the British troops in the Dacca Intermediate College Hostel ? If not, why not ?

(f) Will Government be pleased to state where the students of the hostel have been accommodated ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Enquiries have been made and a statement will be laid on the table of the House in due course. But I understand that some of the troops had to demand shelter from the civil authorities, as certain of their temporary huts had been demolished by a gale.

The troops were not accommodated in barracks, they were temporarily hutted in wood and matting hutments in circumstances of considerable discomfort.

GRIEVANCES OF INDIANS IN ZANZIBAR.

184. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state what steps they have taken to inquire into the grievances of the Indian residents in Zanzibar ?

(b) Have they deputed any officer to inquire into the causes of the grievances of the Zanzibar Indians ? If so, who is that officer ? If not, why not ?

(c) Do Government propose to send any non-official Indian to inquire into the grievances of the Zanzibar Indians ? If not, why not ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN :
(a) and (b). The attention of the Honourable Member is invited to the reply given by me on the 8th August, 1934, to parts (b) and (c) of the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra's question No. 17.

(c) No ; because this is unnecessary.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : With regard to (a), Sir, may we know what are the experiences of the officer recruited in connection with Indian emigrants for which he has been selected ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Considerable previous experience of Indians overseas.

POST OF ASSAY MASTER, BOMBAY MINT.

185. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**
(a) Will Government be pleased to state why the post of the Assay Master in His Majesty's Mint in Bombay was retrenched or abolished ?

(b) Was the incumbent of the post given any pension ? If not, why not ?

(c) How long was the incumbent of the retrenched post in service and why was not he given any other employment ?

(d) How many Assay Masters are there in the different mints of India, how many of them are Indians and how many of the Assay Masters were superannuated at the time when the incumbent of the post retrenched in Bombay was discharged ?

(e) Will Government be pleased to state the number of Deputy or Assistant Assay Masters in India and how many of them are Indians ?

(f) Did Government make any provision for the retrenched officer in any chemical or industries department of the Government of India ? If not, why not ?

(g) Is it a fact that at the time of the last retrenchment the Honourable the Finance Member gave an assurance that retrenched officers would be given the first chance of reappointment when vacancies occur ? If so, will Government be pleased to state how many vacancies in the grade of Assay Masters occurred since the post of the Assay Master in the Bombay Mint was retrenched and the services of the incumbent of the post were dispensed with ?

THE HONOURABLE SIR ALAN PARSONS : (a) The post of Assay Master, Bombay Mint, was abolished as a measure of retrenchment.

(b) The incumbent was retired on compensation pension under the retrenchment terms.

(c) and (f). The retrenched officer was appointed to the Assay Office in January, 1920. He could not be given other employment because no suitable appointment was available.

(d) and (e). The post in question was the only post of Assay Master. There is now only one superior post in the Department. The designation of this post is Chief Assayer, Bombay Mint, and the present incumbent is an Indian.

(g) As the only post of Assay Master has been abolished there have been no vacancies in that grade. Consequently any assurance which may have been given regarding the reappointment of retrenched officers does not apply to this case.

RESERVE BANK OF INDIA.

186. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**
(a) Will Government be pleased to state when the Reserve Bank will be established in India.

(b) When will the shares of the Reserve Bank be placed in the market ?

(c) Will Government be pleased to make a statement as regards the arrangements that are being made by them for setting up the Bank ?

THE HONOURABLE SIR ALAN PARSONS : (a) and (b). I am not yet in a position to make an announcement.

(c) The detailed arrangements for setting up the Bank are under active investigation and are now in a fairly advanced stage of preparation. A senior officer has already been placed on special duty to see to their completion, so far as that is possible before the Central Board is actually constituted.

RESPONSE TO THE SALE OF TREASURY BILLS, ETC.

187. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Will Government be pleased to state the condition of the response to the Treasury Bills sales, particularly to the intermediates of three months' bills, the tenders for which were opened on the 24th July last ?

(b) What was the average rate of accepted tenders and what was the amount fetched by the sale of three months' intermediates from the 18th to the 23rd July last ?

(c) Will Government be pleased to state why the sale of intermediate bills from the 25th to 30th July last was announced at Rs. 99-12-6 ?

THE HONOURABLE SIR ALAN PARSONS : (a) and (b). Rs. 2,14,75,000 were offered. Tenders at Rs. 99-12-3 and above were accepted in full, and then at Rs. 99-12-0 were allotted approximately 75 per cent. The average rate of accepted tenders was 15 annas 7 pies per annum.

In the week from July 18th to 23rd, 23 lakhs of intermediates were sold.

The Honourable Member may like to know that this information always appears in the leading newspapers the day after tenders are opened.

(c) The rate for intermediate bills is fixed slightly higher than the tender rate of the previous week.

REPORT ON THE ECONOMIC SURVEY OF INDIA BY PROFESSOR BOWLEY AND MR. ROBERTSON.

188. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Will Government be pleased to state what effect they have given, or propose to give, to the Report of the Economists, Professor Bowley and Mr. Robertson, who came out to India at the invitation of Government ?

(b) What was the total cost of the economic survey made by these two economic experts including their honorarium ?

(c) Will Government be pleased to lay on the table copies of the Report of Professor Bowley and Mr. Robertson and fix a date for the discussion of the report in this House ? If not, why not ?

THE HONOURABLE SIR ALAN PARSONS : (a) The report is still under departmental consideration.

(b) About Rs. 33,000.

(c) Copies of the report were supplied to Members of both Houses last April. I do not think that any useful purpose would be served by discussing the report at the present stage, but it is of course open to the Honourable Member to table a resolution on the subject if he wishes to do so.

FIXATION OF PROPER STANDARDS OF JUTE.

189. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government be pleased to state what steps they have taken for the fixation of proper standards of jute on which there is an excise duty ?

(b) Has the attention of Government been drawn to the following observation of the Central Banking Enquiry Committee : " In view, however, of the great importance to the produce, the standards should be fixed as early as possible and we further recommend that the Local Governments concerned should take prompt steps for the fixation of proper standards of jute " ? If so, how have they given effect to this part of the Report of the Central Banking Enquiry Committee ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN :

(a) and (b). Government are aware of the Central Banking Enquiry Committee's remarks regarding the fixation of standards of jute. This question, among others, was examined by the Bengal Jute Enquiry Committee, and I would invite the Honourable Member's attention to the resolution of the Local Government, dated the 12th February, 1934, in which they say that the various recommendations of the Committee are being considered.

INDIAN TRADE COMMISSIONER IN ITALY.

190. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government be pleased to state the necessity for the appointment of an Indian Trade Commissioner for Italy ?

(b) What are the qualifications and what will be the remuneration of the officer appointed ?

(c) Will Government be pleased to state the nature and the volume of trade Italy has with India and *vice versa* ?

(d) What are the Italian articles or goods that India consumes ?

(e) Will Government be pleased to state the names of the Indian articles or raw materials that are consumed by Italy and the amount of annual exports of such articles to Italy for the last five years ?

THE HONOURABLE MR. T. A. STEWART : (a) The proposed appointment of an Indian Trade Commissioner in Italy forms part of the scheme for the appointment of Indian Trade Commissioners abroad, the necessity for which is set forth in the Proceedings of the Meeting of the Standing Finance Committee held on the 16th January, 1930 (Volume IX, No. 13).

(b) The officer selected for the post was recruited through the Public Service Commission in 1931 in view of his business experience. He has since then been under training in the Commercial Intelligence and Statistics Department, Calcutta, and in July last proceeded to London to receive further training in the Trade Department of the High Commissioner's Office for four months.

On appointment as Indian Trade Commissioner he will receive the following remuneration :

Pay—£1,000—50—1,500 a year.

Representation allowance—£250 a year.

House rent allowance—£150 a year.

The question of granting him compensation on account of the depreciation of sterling in relation to the lira is under consideration.

(c), (d) and (e). The information desired by the Honourable Member will be found in the Annual Statement of the Sea-borne Trade of British India, copies of which are in the Library of the House.

THE HONOURABLE SAIYID RAZA ALI : What had this officer been doing since 1931 when he was appointed ?

THE HONOURABLE MR. T. A. STEWART : He has been, as I said, in the Office of the Director General of Commercial Intelligence and Statistics in Calcutta.

TRANSFER OF THE IMPERIAL INSTITUTE OF AGRICULTURAL RESEARCH FROM PUSA TO DELHI.

191. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Will Government be pleased to state whether Government have definitely decided to remove the Pusa Agriculture Institute to New Delhi ? If so, when will the removal begin and what will be the cost of such removal ?

(b) Where will the Institute be located in New Delhi ? Will new buildings be erected for the purpose ? If so, at what cost ? Will there be sanitary arrangements such as pipe water, electric lighting and underground drains in the locality where the Institute will be located in the suburbs of Delhi ?

(c) Are the expenses of the said Institute at Pusa entirely borne by the Government of India ? If so, what is the amount spent annually for the upkeep of the Institute ? Do the Government of Bihar and Orissa contribute any money towards the annual expenditure of the Pusa Agricultural Institute ? If so, what is the amount ?

(d) Will Government be pleased to state why do they contemplate removing the said Institute to New Delhi ?

(e) Have Government consulted the non-official bodies in Bihar and Orissa as well as the Government of Bihar and Orissa ? If so, will Government be pleased to lay on the table the views of the different non-official bodies and of the Local Government of Bihar and Orissa on the proposed removal of the Pusa Institute to New Delhi ?

(f) Have Government considered the inconvenience to the research work of the students of other provinces owing to the climatic conditions in the capital of India ? If so, what are the Government's reasons in favour of the removal ?

THE HONOURABLE KHAN BAHADIR MIAN SIR FAZL-I-HUSAIN : (a) Yes, the work of removal will start very shortly. The cost of transferring

staff and equipment from Pusa to the site near Delhi is estimated at about Rs. 2½ lakhs.

(b) The Institute will be located within 12 miles of New Delhi. The cost of the new buildings, which will be fitted with all necessary conveniences, such as electric lighting, pipe water, etc., is estimated at about Rs. 29 lakhs.

(e) Yes. The annual expenditure of the Institute varied from year to year, but in 1930-31, when the Institute had its full complement of officers, its recurring expenditure was about Rs. 9 lakhs. No contribution is made by the Government of Bihar and Orissa towards the expenditure.

(d) and (f). I would refer the Honourable Member to my speech on Mr. Hossain Imam's adjournment motion on the subject of the removal of the Pusa Institute on the 9th August, 1934.

(e) No. The Institute is a Central Institution and the question of its removal is primarily one for the Government of India to decide. The Local Government will be consulted as regards the disposal of the buildings and the estate at Pusa.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member enlighten the House as to what is the expenditure now after retrenchment ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : If you will kindly put in a question I will get out the figure.

THE HONOURABLE MR. HOSSAIN IMAM : I do not find that the question asked for the expenditure before the retrenchment.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Then you have got some additional information !

PROBATIONERS IN THE TRAFFIC DEPARTMENT OF THE CALCUTTA PORT COMMISSIONERS.

192. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Is it a fact that the Commissioners for the Port of Calcutta recruited in the year 1929 a few probationers in their Traffic Department in order to train them for officers' posts ? If so, how many were altogether recruited and to what different nationalities, castes and creeds they belong ? What are the qualifications of each of them ?

(b) Is it a fact that the selected candidates from all over India who applied for appointment as traffic probationers were asked to appear before a board for the final selection and that they were paid second class railway fares from their respective stations to Calcutta and back ?

(c) If so, how many of the candidates from the mofussil were granted interviews and what was the amount spent on their travelling expenses ?

(d) Is it a fact that these probationers since the completion of their period of training in 1932 have up to now been neither provided with suitable posts nor have they been confirmed in the services for which they were recruited ?

(e) Is it a fact that after these probationers had completed their period of training there were vacancies in the senior rank of the Port Trust Services by the creation of new posts or otherwise, both in the traffic and other

departments and that such posts were filled either by persons holding subordinate and clerical posts or by outsiders? If so, why so?

THE HONOURABLE MR. T. A. STEWART : The information asked for is being obtained and will be supplied to the Honourable Member in due course.

POST OF SUPERINTENDENT, LANDS AND ESTATES DEPARTMENT, UNDER THE CALCUTTA PORT COMMISSIONERS.

193. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Is it a fact that towards the end of 1933 the Commissioners for the Port of Calcutta filled an appointment in the senior scale in their Lands and Estates Department?

(b) If so, what scale of salary has been fixed for that appointment and what was the scale of salary fixed for the former incumbent of the post, i.e., the Superintendent, Lands and Estates, who was in charge of the section?

(c) What qualifications and special training does the newly appointed candidate possess? What were the qualifications of the former Superintendent, Lands and Estates?

(d) Was the vacancy at all advertised? If so, where and how? If not, why not?

(e) Is it a fact that during 1932 the Port Commissioners appointed two audit inspectors on a much lower scale of salary than what used to be previously attached to the post?

THE HONOURABLE MR. T. A. STEWART : The information asked for is being obtained and will be supplied to the Honourable Member in due course.

RESEARCH SCHEMES SANCTIONED BY THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

194. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government be pleased to state the names of the different schemes of research which have been sanctioned by the Imperial Council of Agricultural Research during the last two years? Will they be pleased to state the names of the provinces or Indian States where such researches are being carried out? Will they be pleased to state the amounts sanctioned for each of such researches?

(b) Will Government be pleased to state the schemes of researches which have been sanctioned during the last two years with the names of the provinces or states where researches have been proposed to be undertaken but for which funds have not yet been made available?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN :
(a) and (b). Statements are laid on the table.

Statement showing research schemes sanctioned and financed by the

Scheme.	Madras.	Bengal.	Bombay.	United Provinces.	Punjab.	Bihar and Orissa.
<i>Schemes sanctioned and</i>						
1. Scheme submitted by the Imperial Mycologist, Pusa, for research on "mosaic" and other cane diseases at Pusa.						..
2. Grant for the Government of His Highness the Maharaja of Mysore of Rs. 21,000 spread over a period of five years for the breeding of thick canes.						..
3. Chief Economist. (Enquiry into the cost of production of crops in the principal sugar-cane and cotton tracts in India and cost of meetings.)						..
4. Scheme for the establishment of a new branch of Agricultural Meteorology (under the Indian Meteorological Department at Poona).						..
5. Experimental consignment of mangoes to the Empire Marketing Board.			9,520			..
6. Scheme for the constitution of a Statistical Section under the Imperial Council of Agricultural Research as the nucleus of the proposed Bureau of Agricultural Intelligence.					..	..
7. Appointment of Veterinary Investigation Officers in provinces (Rs. 4,50,000) spread over five years in each province.	50,000	50,000	50,000	50,000	50,000	50,000
8. Appointment of Statistician for the compilation of certain statistics relating to feeding scales, etc., in military dairies.						..
Total ..	50,000	50,000	59,520	50,000	50,000	50,000
<i>Schemes sanctioned and</i>						
9. Scheme for a research and testing station for the indigenous system of gur and sugar manufacture, drawn up by the Sugar Technologist, Imperial Council of Agricultural Research.		..				..
10. Indian Sugar Trade Information Service.					..	..
11. Enquiry into the production of sugar-cane and cotton crops and cost of meetings (Rs. 4,42,700) spread over 3½ years in each province.	52,300	25,700	57,600	52,300	67,400	37,100

Imperial Council of Agricultural Research in 1932-33 and 1933-34.

Central Provinces.	Assam.	Burma.	North-West Frontier Province.	Hyderabad.	Mysore.	Baroda.	Central Government.	Imperial Council of Agricultural Research.
<i>financed in 1932-33.</i>								
..	..	..			21,000 (5 years)		65,000 (3 years)	
..	..	..				..		68,800 (3½ years)
..	..	..					56,000 (3 years)	
..	..	..				..		35,000 (3 years)
50,000	50,000	..		50,000				
..	..	..						7,600 (2 years)
50,000	50,000	..	..	50,000	21,000	..	1,21,000	1,11,600
<i>financed in 1933-34.</i>								
..								1,87,380 (5 years)
..		..						34,100 (5 years)
62,300	..	..		16,000	16,000	16,000		20,000

Statement showing research schemes sanctioned and financed by the

Scheme.	Madras.	Bengal.	Bombay.	United Provinces.	Punjab.	Bihar and Orissa.
<i>Schemes sanctioned and</i>						
12. Application from the Director, Imperial Institute of Agricultural Research, Pusa, for a grant of Rs. 37,000 spread over five years for research work on the genetics of sugar-cane at the Imperial Cane-breeding Station, Coimbatore.						..
13. Research on sugar and Sugar-cane Research Station (Rs. 4,32,400).	1,50,100 (5 years)			1,01,800 (5 years)	1,33,000 (5 years)	
14. Grant to Principal, Agra College, Agra, for investigation into the rusts of wheat and barley.	..			54,800 (2 years)		..
15. Award of a prize for a bone crusher.	..				..
16. Grant to Punjab Government for Locust research.					11,800 (2 years)	..
17. Grant to the Government of Madras for research work on potatoes.	20,000 (5 years)	..				..
18. Fruit research schemes (Rs. 4,75,200).	66,100 (5 years)	57,000 (5 years)	90,200 (3 years)	1,60,800 (5 years)	11,100 (5 years)	80,000 (5 years)
19. Grant to His Exalted Highness the Nizam's Government for improvement of the castor crop in India.	..	..	..		..	..
20. Scheme from the Government of the Punjab for investigation into the most suitable and economic methods of combating different types of parasitic infection ruminants in the field concurrently with experiments to determine whether certain mineral deficiencies tend to lower animal resistance to parasitic infection.					20,100 (2 years)	..
21. Grant to the Government of Bombay of £500 (Rs. 5,637) on account of deputation of Dr. B. N. Uppal, Plant Pathologist to Government to foreign countries to study various diseases of plants.	..	..	6,700 (1 year)	..	..	..
Total	2,88,500	82,700	1,84,500	3,69,000	2,43,400	1,27,100

List of schemes sanctioned by the Imperial Council of Agricultural Research, but awaiting provision of funds.

Serial No.	Schemes	Cost.	Province.
		Rs.	
1	Tobacco Expert for Bengal (5 years) .. Tobacco Expert for Madras (5 years) .. Tobacco Expert for Punjab (2 years) ..	} 1,33,150	{ Bengal. Madras. Punjab.
2	Application from the Government of Bombay for a grant for research in sheep-breeding (for 10 years)	85,122	Bombay.
3	Application from the Government of Assam for a grant for investigation in fruit cultivation in Assam	37,424	Assam.
4	Application from the Government of Bengal for a grant of Rs. 65,579 for research into diseases of poultry in Bengal	65,579	Bengal.
5	Research in the cytological study of Indian crop plants (5 years)	25,830	Madras.
6	Scheme for the investigation of tuberculosis and Johne's disease among animals ..	2,00,000	Imperial Institute of Veterinary Research, Muktesar.
7	Application from the Government of Madras for a grant for research in oil seeds in Madras	57,100	Madras.
8	Scheme for conducting research in warble flies at the Muktesar Institute at a cost of ..	32,400	Imperial Institute of Veterinary Research, Muktesar.
9	Application from the Government of the United Provinces for a grant of Rs. 38,566 for research on sunn hemp	34,266	United Provinces.
10	Animal nutrition research scheme, Bangalore		Imperial Institute of Agricultural Research, Pusa.
11	(iii) Value of oil cakes and oil seeds for working bullocks	45,490	Do.
12	(iv) Extension of laboratory facilities	23,100	Do.
12	Extension of sewage farm investigations with special reference to papaya and plantain in cultivation (3 years)	18,340	Mysore.
13	Scheme by Dr. P. E. Lander for determining the feeding values of certain food grains, oil seeds and oil cakes for working bullocks and dairy cattle	38,570	Punjab.
14	Statistical basis of the estimates of production of crops in India	5,000	Imperial Council of Agricultural Research.
15	Feeding values of oil-seeds, cakes and other concentrates to milch animals	46,530	Pusa.

List of schemes sanctioned by the Imperial Council of Agricultural Research, but awaiting provision of funds—contd.

Serial No.	Schemes.	Cost.	Province.
		Ra.	
16	Dr. Puri's scheme for work on the standardisation of physico-chemical single value measurements most suitable for Indian soils (5 years)	13,500	Punjab.
17	Application from Dr. Thapar for investigation into helminthiasis of cattle, sheep, etc.	19,790	United Provinces.
18	Application from the Government of Madras for a grant for research on rural pisciculture	47,660	Madras.
19	Application from the Bihar and Orissa Government for a grant for research on the economic of irrigation from tube-wells	73,680	Bihar and Orissa.
20	Application from the Government of Assam for a grant for a scheme of cattle nutrition	69,788	Assam.
21	Punjab Government scheme for the installation of wheat milling and baking laboratory at Lyallpur.	22,300	Punjab.
22	Study of the composition and nutritive value of milk of the cow, buffalo and goat	50,588	Pusa.
23	Research into the indigenous drugs of India with special reference to the toxicology	73,080	Madras.
24	Scheme for the development of methodology in rural research by the Viswa Bharati Institute of Rural Reconstruction Sriniketan (3 years)	18,750	Bengal.
25	Application from the Government of Bombay for a scheme of poultry breeding research in Western India	13,045	Bombay.
26	Application from the Government of the North-West Frontier Province for a grant for a sugar-cane research scheme	64,250	North-West Frontier Province.
27	Application from the Government of Burma for a scheme of research into parasites to control the beetle pest of sugar-cane in Burma	11,200	Burma.

RESEARCH SCHEMES SANCTIONED BY THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

195. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government be pleased to state the names of the different schemes of researches which were not approved with the names of the provinces and the names of the research laboratories which submitted such schemes to the Governing Body of the Imperial Council of Agricultural Research ?

(b) Will Government be pleased to state the percentage of schemes submitted by the Madras Government and approved and the percentages of schemes submitted by each of the other provinces and approved ?

(c) Is it a fact that schemes of research submitted by other provincial Governments are not considered till a similar research scheme with minor additions and alterations are received from the Madras Government? If so, why?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN:
(a) and (b). Statements are laid on the table.

(c) No. It is not clear what the Honourable Member has in mind and what it exactly is with which he is not satisfied. If he were to apprise me of it, I will be glad to look into it. I am sure he does not wish me to start a fishing enquiry.

List of schemes not approved by the Imperial Council of Agricultural Research.

Serial No.	Schemes.	Province.	Research laboratory.
	(I)—During 1929.		
1	Financial assistance to the National Horse Breeding and Show Society of India.	Delhi.	....
	(II)—During 1930.		
2	Appointment of Research Officer at the Imperial Institute of Veterinary Research, Muktesar, to investigate into contagious abortion among domestic animals.	Central Government.	Imperial Institute of Veterinary Research, Muktesar.
3	Appointment of a Research Officer for equine diseases at the Imperial Institute of Veterinary Research.	Do.	Do.
4	Establishment of a Veterinary Institute in the Central Provinces.	Central Provinces Government.	....
5	Application for a grant-in-aid towards experiments in the utilisation of sewage for manurial purposes by different methods conducted by the Nagpur municipality at the sewage farm.	Do.	....
6	Financial assistance to the National Horse Breeding and Show Society of India.	Delhi.	....
7	Application from the United Planters' Association of Southern India, Madras, for a grant in connection with the campaign against the coffee berry borer, <i>Stephanoderes Hemptei</i> .	Madras Government.	....
8	Award of a prize of Rs. 1 lakh for sugar-cane crusher.	Imperial Council of Agricultural Research.	....

List of schemes not approved by the Imperial Council of Agricultural Research—contd.

Serial No.	Schemes.	Province.	Research laboratory.
(III)— <i>During 1931.</i>			
9	Experiments on manuring and marketing new types of barley.	United Provinces.	
10	Bee-keeping	Central Government.	
11	Production of agricultural cinema films	Imperial Council of Agricultural Research.	....
(IV)— <i>During 1932.</i>			
12	Research work on plant physiology ..	United Provinces ..	Benares University.
13	Studies on electroculture	Mysore ..	Indian Institute of Science.
14	Marketing of the ground nut crop of the South Arcot District.	Madras ..	Annamalai University.
15	Work on the photo-chemical aspect of the nitrification in soils.	United Provinces ..	Allahabad University.
16	Research on the destruction of insect pests and harmful bacteria with the aid of ultra-sonic waves.	Do. ..	Do.
17	Investigation of the traffic of live-stock through Bihar and Orissa.	Bihar and Orissa.	....
18	Research on diseases of poultry ..	Imperial Council of Agricultural Research.	....
19	Development of R. E. I. Dairy of Radhaswami Sat Sangh Sabha, Agra.	United Provinces.	....
20	Equipping the Allahabad Agricultural Institute.	Do.	....
21	Application from Mr. A. R. Srinivasa Rao for conducting certain experiments in sugar-cane.	Madras.	....
22	Sugar-cane insect pests scheme ..	Government of India.	....
23	Sericulture scheme	Madras.	....
24	Water requirements of crops scheme ..	Punjab.	....
25	Improvement of the tea industry ..	Do.	....
26	Experiments on tractors at the Pusa farm	Government of India.	....
(V)— <i>During 1933.</i>			
27	Application for enquiry into minerals in pastures and fodders and study of mineral requirements of cattle (Rs. 26,520 for three years).	Government of India.	....

List of schemes not approved by the Imperial Council of Agricultural Research—contd.

Serial No.	Schemes.	Province.	Research laboratory.
	(V)—During 1933—contd.		
28	Introducing blood analysis in animal nutrition work (Rs. 32,766 for three years).	Government of India.	.....
29	Application for a grant of Rs. 82,821 spread over a period of 10 years for research in goat-breeding.	Bombay.	....
30	Application from the Director of Agriculture, Bombay, for a grant of Rs. 2,000 for a scheme for holding an all-India mango show in Bombay.	Do.	....
31	Application from the Director, Zoological Survey of India, for a grant of Rs. 1,500 for one year for carrying out investigations on the plant galls of India by Mr. M. S. Mani.	Government of India.	....
32	Scheme for the investigation and cultivation of medicinal plants in the Punjab at a cost not exceeding Rs. 70,470 spread over a period of five years.	Punjab.	....
33	Application for a grant of Rs. 1,01,970 spread over a period of five years for investigation into indigenous drug plants of the United Provinces and their effective expansion as agricultural crops.	United Provinces.	....
34	Application from the Coorg Administration for research work into the selection of the most suitable breed or breeds of Indian cattle, Coorg.	Coorg.	....

Statement showing the percentage of research schemes approved by the Imperial Council of Agricultural Research for each province to the total number of schemes submitted by it.

	Per cent.
Madras	75 (15 out of 20).
Bombay	88·2 (15 out of 17).
Bengal	100 (20 out of 20).
United Provinces	70·8 (17 out of 24).
Punjab	84·2 (16 out of 19).
Burma	100 (5 out of 5).
Bihar and Orissa	92·3 (12 out of 13).
Central Provinces	71·4 (5 out of 7).
Aseam	100 (6 out of 6).
North-West Frontier Province	100 (2 out of 2).
Hyderabad	100 (3 out of 3).
Mysore	87·5 (7 out of 8).
Baroda	100 (1 out of 1).

PERCENTAGE OF EMPLOYEES IN THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH FROM THE MADRAS PRESIDENCY.

196. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Will Government be pleased to state the percentage of employees in the Imperial Council of Agricultural Research Department from the presidency of Madras and the percentage of men from each of the other provinces drawing Rs. 100 per mensem and above?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: 25 per cent. A statement is laid on the table.

Statement showing the percentage of employees under the Imperial Council of Agricultural Research from Madras and other provinces drawing Rs. 100 per mensem and above.

Province.	Total No. 56.	Per cent.
Madras	25
Bombay	1.8
Bengal	7.1
United Provinces	14.2
Punjab	42.6
Burma
Bihar and Orissa
Central Provinces
Assam
North-West Frontier Province
Others (three Europeans and two Baluchis)	9

NAMES OF EMPLOYEES UNDER THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH ENGAGED IN RESEARCH WORK.

197. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Will Government be pleased to state the names of the employees under the Imperial Council of Agricultural Research engaged in the research work sanctioned by the Imperial Council of Agricultural Research with the names of the provinces to which they belong? If not, why not?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: A statement is laid on the table.

Statement showing the names of the employees under the Imperial Council of Agricultural Research engaged in the research work sanctioned by the Council with the names of the provinces to which they belong.

Serial No.	Names.	Province to which they belong.
1	Mr. R. C. Srivastava, Sugar Technologist, Imperial Council of Agricultural Research.	United Provinces.
2	Mr. M. Vaidyanathan, Statistician, Imperial Council of Agricultural Research.	Madras.
3	Mr. R. D. Kapur, Chief Economist, Imperial Council of Agricultural Research.	Punjab.

Statement showing the names of the employees under the Imperial Council of Agricultural Research engaged in the research work sanctioned by the Council with the names of the provinces to which they belong—contd.

Serial No.	Names.	Province to which they belong.
4	Rao Sahib Y. Ramohandra Rao, Locust Research Entomologist, Imperial Council of Agricultural Research.	Madras.
5	Dr. K. R. Karandhikar, Assistant Locust Research Entomologist.	Bombay.
6	Mr. K. D. Baweja, Locust Research Assistant	Punjab.
7	Mirza Ahmad Ali Khan, Locust Research Assistant	Baluchistan.
8	Mr. D. R. Bhatia, Locust Research Assistant	Punjab.
9	Mr. A. C. Sen, Locust Research Assistant	Bengal.
10	Mr. M. Taqi, Locust Research Assistant	Punjab.
11	Mr. K. P. R. Kartha, Statistical Assistant, Imperial Council of Agricultural Research.	Madras.
12	Mr. A. M. Livingstone, Marketing Expert, Imperial Council of Agricultural Research.	European.

NAMING OF ROADS IN NEW DELHI.

198. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is it a fact that all the main roads in New Delhi have been named in commemoration of the names of higher European officials of the Government of India from the Governors General to Chief Engineers and even State officers? If so, will Government be pleased to state how many main and important roads in New Delhi have been named in commemoration of the names of Indian officials who held posts of Executive Councillors, High Court Judges, Secretaries to the Government of India and other similar posts under the Government of India?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: Most of the main roads in New Delhi have been named after persons who have left their mark upon the history of India, Indian and European. A list of the main roads in New Delhi has been placed in the Library of the House.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is it a fact that a small bye-lane has been named Atul Grové in memory of the services of Sir Atul Chatterjee, Member in charge of the Department of Industries and Labour and Public Works?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN: That particular case will need inquiry.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will Government be pleased to state the reasons why a big and important thoroughfare has been named as Keeling Road in memory of the Chief Engineer of New Delhi, as against Atul Grove in memory of a Member of His Excellency the Viceroy's Council ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : It is impossible for me to answer such questions without going into each individual case and finding out reasons for the names that were given at the time. If the Honourable Member is really interested in this fascinating subject the best thing for him would be to prepare a carefully considered scheme for re-naming these roads and approach the right authority, which I understand is the municipality of New Delhi, to see what can be done.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Is it a fact that a big important thoroughfare has been named as Hailey Road in memory of Sir Malcolm Hailey, an ex-Member of the Executive Council of His Excellency the Viceroy ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : I can tell you about one thing, Sir,—that I have not seen any road associated with my name. (Laughter.)

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will the Government be pleased to state why important thoroughfares—

THE HONOURABLE THE PRESIDENT : You have put a sufficient number of supplementary questions. Will you please proceed with the next question ?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : It is an important question. May I give notice of it, Sir ?

THE HONOURABLE THE PRESIDENT : Yes.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Will Government be pleased to state if the Indian Members of the Executive Council have left no mark on the history of India ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : That again is a subject which one would feel very anxious to study carefully before giving an answer.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Will Government be pleased to state why important thoroughfares have not been named after Lord Sinha, Sir Bhupendra Mitra, Sir Brojendra Mitter, Sir Ali Imam, Sir Muhammad Shafi and other distinguished Executive Council Members of His Excellency the Viceroy ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Why should the Honourable Member consider that the future extension of New Delhi will not admit of these names being immortalised ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Will Government be pleased to consider over the matter and name some of the roads after official and non-official Indians as well ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Does it mean Members of this Council as well ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : It is too much to expect this from the Government! When I put the question I was talking about official and non-official Indians who have made their mark on the history of India.

NAMING OF ROADS IN NEW DELHI.

199. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**
(a) Will Government be pleased to state how many roads in New Delhi have been named in commemoration of the names of public and philanthropic men of India and specially of Delhi, both Hindus and Muslims?

(b) Is it a fact that no roads in New Delhi have been named in commemoration of the names of public men of Delhi like Hakim Ajmal Khan and others? Will they be pleased to state the reasons for avoiding such names when roads are named by the New Delhi Municipal Committee?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN :
(a) Prominent roads have been named in New Delhi after famous Indian sovereigns, Hindu and Muslim, such as Asoka, Prithviraj, Humayun, Akbar, Aurangzeb and Kings of the Lodi dynasty.

(b) No road bears the name of Hakim Ajmal Khan. The Honourable Member should send his proposals to the New Delhi Municipal Committee, which will give to them the consideration they deserve.

THE HONOURABLE MR. HOSSAIN IMAM : Is that Committee a nominated or an elected one?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Surely the Honourable Member knows the constitution of the Committee under which he passes several months of his life every year?

THE HONOURABLE MR. HOSSAIN IMAM : Suppose I do not know, Sir.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : He has only to go to the reference library to enlighten himself.

POSTS IN THE MINISTERIAL ESTABLISHMENT OF THE GOVERNMENT OF INDIA CARRYING SPECIAL PAY.

200. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :**
(a) Will Government be pleased to state the posts in the ministerial establishments of the Government of India Secretariat that carry special allowances and will Government be pleased to state the reasons for which such allowances are granted?

(b) Is it a fact that an allowance is paid to the cashiers for their responsibility in handling money?

(c) Will Government be pleased to state the names of the departments where cashiers do not go to the bank for bringing the monthly salaries of the establishment and the reasons for the grant of special allowances to such cashiers?

THE HONOURABLE MR. M. G. HALLETT : (a) I lay on the table a statement which gives the necessary information.

(b) Yes, but that is only one of the several reasons for which special pay is granted to cashiers.

(c) In view of the reply given to parts (a) and (b), I do not think it will serve any useful purpose to collect the information.

Statement showing ministerial posts in the Government of India Secretariat carrying special pay and the reasons for which it is granted.

Name of Department.	Name of post.	Amount of special pay per mensem.	Reasons for which the special pay is granted.
	<i>Superintendents.</i>		
Finance	Chief Superintendent	100	For holding charge of the Issue, Cash and General Sections in addition to a regular branch, and for discharging certain duties which formerly used to be performed by an Assistant Secretary.
Army	Personal Assistant to Army Secretary.	100	For discharging duties which formerly used to be performed by a Registrar.
	<i>Assistants.</i>		
Home	Assistant-in-charge, Jails Section.	75	} For holding charge of a section.
Finance (Military)	Assistant-in-charge— (i) Finance Section Royal Air Force. (ii) Rates and Provision Section. (iii) Budget Section. (iv) Finance Section, Quartermaster General's Branch, (B) Group.	100 each.	
Railway	Three Assistants-in-charge.	100 each.	
Army	(i) Assistant-in-charge, Medal Section. (ii) Assistant-in-charge, Section, A. D. S.	100 50	
Industries and Labour.	Assistant-in-charge, General Branch.	50	

Statement showing ministerial posts in the Government of India Secretariat carrying special pay and the reasons for which it is granted—contd.

Name of Department.	Name of post.	Amount of special pay per mensem.	Reasons for which the special pay is granted.
Legislative ..	<i>Assistants—contd.</i> Personal Assistant to the President, Council of State.	100	} For special responsibilities attaching to the post.
Legislative Assembly	Private Secretary to the President, Legislative Assembly.	100	
Home, Finance, Legislative, Commerce, Education, Health and Lands and Industries and Labour Departments.	<i>Stenographers.</i> Personal Assistant to the Honourable Member in charge of the Department.	150 each.	} For working odd hours, and because of the arduous, responsible and multifarious nature of their duties.
Legislative Assembly	Stenographer attached to the Honourable the President of the Legislative Assembly.	50	
All Departments ..	Stenographers attached to Secretaries or Joint Secretaries.	50 each.	} For working odd hours and attending office frequently on holidays,
Military Finance ..	Stenographers attached to Financial Adviser, Military Finance.	50	
Imperial Council of Agricultural Research.	Stenographer attached to Vice-Chairman.	50	
Railway	Stenographers attached to Chief Commissioner, Railways, Financial Commissioner, Railways, Member, Railway Board, Director of Finance and Secretary, Railway Board. <i>Clerks, 2nd division.</i>	50 each.	} For holding charge of the Cash Branch and for the reason that the appointment carries heavy responsibility and involves the undertaking of work of a more independent type than falls to the lot of most 2nd division clerks.
Commerce ..	Cashier ..	75	
Industries and Labour.	Cashier ..	75	
All other Departments.	Cashiers ..	50 each.	

Statement showing ministerial posts in the Government of India Secretariat carrying special pay and the reasons for which it is granted—conold.

Name of Department.	Name of post.	Amount of special pay per mensem.	Reasons for which the special pay is granted.
Home, Finance, Foreign and Political, Legislative, Education, Health and Lands, Railway and Legislative Assembly.	Supervisor, Issue Branch.	50 each.	For holding charge of the Issue Branch.
Commerce ..	Supervisor, General Branch. Librarian	50 25	For holding charge of the General Branch. For arduous and technical nature of the duties of the post. The special pay is subject to reduction or withdrawal when the incumbent's pay <i>plus</i> special pay exceeds Rs. 300 per month.
Foreign and Political	Clerk-in-charge, Government Toshakhana. Salvage clerk .. Fire clerk	50 25 25	For holding charge of Government Toshakhana. The special pay is given during the Simla season only. The special pay is given because the work which the recipients of special pay are required to perform is outside their normal duties.
Military Finance ..	Clerk Clerk	50 25	For performing the duties of stenographers.
Army Department	Clerk	20	For performing the duties of stenographer to the Director, Military Lands and Cantonnments, in addition to his own.
Industries and Labour.	Clerk-in-charge, R. and I. Branch.	50	For holding charge of the R. and I. Branch.

**INTRODUCTION OF NEW RATES OF PAY FOR TECHNICAL PERSONNEL EMPLOYED
IN THE MILITARY FARMS DEPARTMENT, MILITARY ENGINEER SERVICES AND
INDIAN ORDNANCE DEPARTMENT.**

201. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government be pleased to state whether any new rates of pay have been introduced or are proposed to be introduced for the technical personnel employed in the Military Farms Department, Military Engineer Services and the Indian Ordnance Department? If so, whether the new rates will apply to persons of Asiatic domicile only or to those of non-Asiatic domicile as well? If only to the former, what are the reasons for this distinction between the two?

(b) Is it a fact that overseas allowance and passage concession are applicable to those of non-Asiatic domicile? If so, will Government be pleased to state the reasons for not reducing their scales of pay?

NEW RATES OF PAY AND APPLICATION OF SAME TO NEW ENTRANTS.

202. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government be pleased to state whether the new rates apply or will be made to apply to persons employed after a certain date?

(b) If the reply be in the affirmative were the men appointed after that date given any notice in writing at the time of employment that the new rates when introduced will or may apply to them?

(c) If not, how do Government propose to safeguard the interests of such employees?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : With your permission, Sir, I propose to answer questions Nos. 201 and 202 together.

The matter is to a certain extent still under consideration, and a final decision has not yet been arrived at.

NUMBER OF ORDNANCE FACTORIES WITH THEIR DESIGNATION AND LOCATION.

203. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Will Government please state the number of Ordnance Factories with their designation and location in India.

(b) Will Government be pleased to state the number of Indians, Anglo-Indians and Europeans employed in the following appointments in each factory:

- (i) Works manager,
- (ii) Assistant works manager,
- (iii) Principal foreman,
- (iv) Foreman,
- (v) Assistant foreman,
- (vi) Chargeman?

(c) Is it a fact that whenever a vacancy occurred in a grade above that of a chargeman a European or an Anglo-Indian was entertained either from England or through the Public Service Commission and that very seldom Indians are promoted or recruited direct to such a vacancy?

(d) Will Government be pleased to state whether any posts in any of the grades mentioned in part (b) above have fallen vacant within the last one year? If so, (i) in what grades and whether these were filled by promotion within the Department or by recruitment from outside? (ii) If the latter, will Government be pleased to state whether these posts were advertised in India? If so, please state the number of applications received from Indians holding Engineering degrees of the Indian Universities or with English qualifications?

(e) Will Government be pleased to state whether the vacant posts were filled by Europeans or were any Indians entertained?

(f) Is it a fact that the Ordnance Department is a closed preserve for Europeans? If not, what steps have Government ever taken to Indianize the Department in the matter of higher appointments?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b). A statement giving the required information is laid on the table.

(c) Direct recruitment is carried out by the Public Service Commission, or where special qualifications are required, by the High Commissioner for India. The applications of all candidates whether Indians, Anglo-Indians or Europeans are considered. Indians possessing the necessary qualifications have received promotion to grades above that of chageman, but up to the present the Public Service Commission has been able to obtain only one Indian of suitable qualifications and he is now under training as an Assistant Works Manager.

(d) Vacancies have occurred in all the grades mentioned, and have in some cases been filled by promotion and in others, from outside. In the case of the latter, three were advertised in India by the Public Service Commission and 170 applications were received, of which the number of applicants with Indian qualifications was 40 and of those with British qualifications 35.

(e) Indians were also appointed.

(f) The answer to the first part of the question is in the negative, and consequently the second part does not arise.

Statement giving the number of Indians, Anglo-Indians and Europeans employed in certain appointments in the seven Ordnance Factories in India.

	Works ma-nagers.	Assistant works ma-nagers.	Principal fore-men.	Fore-men.	Assistant fore-men.	Charge-men.	Remarks.
1. Metal and Steel Factory, Ishapore—							
Indians ..	..	..	..	1	3	7	
Anglo-Indians ..	..	..	..	..	1	6	
Europeans ..	2	3	1	14	9	3	

Statement giving the number of Indians, Anglo-Indians and Europeans employed in certain appointments in the seven Ordnance Factories in India—contd.

	Works managers.	Assistant works managers.	Principal foremen.	Foremen.	Assistant foremen.	Chargemen.	Remarks.
2. Gun Carriage Factory, Jubbulpore—							
Indians ..	..	..	..	..	3	20	
Anglo-Indians ..	..	..	..	..	3	1	
Europeans ..	2	3	1	9	10	5	
3. Ammunition Factory, Kirkee—							
Indians ..	..	..	..	..	2	10	
Anglo-Indians ..	..	..	..	..	..	5	
Europeans ..	2	3	1	7	12	12	
4. Cordite Factory, Aravankadu—							
Indians ..	..	..	..	..	..	8	
Anglo-Indians ..	..	..	..	..	1	1	
Europeans ..	1	4	1	5	12	4	
5. Rifle Factory, Iahapore—							
Indians ..	..	1*	..	..	2	17	*Under training.
Anglo-Indians ..	..	..	..	..	..	..
Europeans ..	1	3	1	11	14	1	
6. Gun and Shell Factory, Cossaiore—							
Indians ..	..	..	..	..	..	6	
Anglo-Indians ..	..	..	..	..	..	4	
Europeans ..	1	2	2	7	11	..	
7. Harness and Saddle-ry Factory, Cawnpore—							
Indians ..	..	..	..	..	4	10	
Anglo-Indians ..	..	..	..	..	..	2	
Europeans ..	1	3	1	5	4	3	

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, I beg to withdraw the next three questions standing against my name.

THE HONOURABLE THE PRESIDENT : Very well.

ANGLO SOVIET COMMERCIAL AGREEMENT OF 1934.

204. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly lay the Anglo-Soviet Trade Agreement on the table of this House ?

THE HONOURABLE MR. T. A. STEWART : I would refer the Honourable Member to the reply given to his question No. 118 on the 12th April last. A copy of the Anglo-Soviet Commercial Agreement of 1934 has since been placed in the Library of the Legislature.

REMOVAL OF INCOME TAX OFFICES IN LAHORE.

205. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Are Government aware that the Income tax Offices at Lahore have recently been removed from spacious buildings to a flat of the Allahabad Bank building ?

(b) Is it a fact that the space in the new premises is smaller and that the public concerned is put to hardship and inconvenience ?

(c) Is it a fact that there is no waiting accommodation on the flat for the assessee who attend the offices on business and that they have to wait on the roadside ?

(d) Is it a fact that the tables of inspectors connect with each other in such a manner that the various assessee overhear each other when their account books or income statements are examined or discussed ?

(e) Is it also a fact that in these circumstances it is not possible to maintain secrecy of accounts and that Government are violating their pledge in this connection ?

(f) What steps do Government propose to take to remove the grievances of the public concerned and to ensure the secrecy pledged by Government in this connection ? If none, why ?

THE HONOURABLE SIR ALAN PARSONS : (a) The offices have recently been removed from congested quarters in four residential buildings and a godown to a modern office flat and a larger residential building with 12 per cent. more office space and additional waiting accommodation. The new offices are a mile nearer the business quarter of the city than the old ones.

(b) No. The new offices contain 11,500 square feet actual office space in addition to ample entrance lobbies ; the old offices had only 10,300 square feet.

(c) No. There is ample waiting accommodation in the entrance lobby on the ground floor of the Allahabad Bank building.

(d) No. There are partitioned cubicles not within sight or ordinary hearing of others.

(e) and (f). Do not arise.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Are not the inspectors' tables so placed that the income-tax assesseees concerned overhear each other?

THE HONOURABLE SIR ALAN PARSONS: The information which I have received and which I have given to the Honourable Member is that the tables are not so placed that ordinarily assesseees could overhear each other.

PRESENT CONSTITUTION OF THE BAR COUNCILS.

206. **THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU:** Are Government aware that there is much dissatisfaction in legal circles with the present constitution of the Bar Councils?

THE HONOURABLE MR. M. G. HALLETT: No, Sir. The opinions received on a Bill to amend the Indian Bar Councils Act which was introduced in the other House in March, 1933, and which sought *inter alia* to effect a change in the constitution of Bar Councils do not give any indication of any general dissatisfaction with the constitution of the Bar Councils.

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU: Is Government aware that two prominent members of the Bar at Allahabad have resigned from the Bar Council?

THE HONOURABLE MR. M. G. HALLETT: No, Sir, we have no information on the subject.

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU: Will Government be pleased to call for a report from the High Court as to the working of the Bar Council?

THE HONOURABLE MR. M. G. HALLETT: I do not think there is any necessity for that, Sir. The High Court can itself represent to the Government.

APPOINTMENT OF MR. C. D. JORDON AS SALES MANAGER, NORTH WESTERN RAILWAY.

207. **THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA:** (a) Will Government be pleased to state whether it is a fact that on the North Western Railway a senior scale cadre post which was held in abeyance has been revived a few months ago for the appointment of a Sales Manager?

(b) Will Government be pleased to state whether it is a fact that:

- (i) One Mr. C. D. Jordon, an officer of the lower gazetted service, has been appointed to officiate in the senior scale on this railway;
- (ii) Mr. C. D. Jordon is junior to about fifteen officers in the junior scale, some of whom have also passed the efficiency bar, and is junior to a few officers in the lower gazetted service itself;
- (iii) Chapter 12 on page 6 of the North Western Railway Organization Manual authorises the Agent to make such an appointment only if there are no junior scale officers available?

(e) If the answers to the above question (b) are in the affirmative will Government be pleased to state the circumstances in which the claims of the officers, particularly those in the junior scale, have been passed over for this officiating appointment in the senior scale ?

(d) Will Government be pleased to state whether the Railway Board's sanction was obtained for this appointment ? If not, why not ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Yes.

(b) (i) and (ii). Yes.

(iii) and (d). The orders referred to by the Honourable Member have since been superseded and the existing orders are that ordinarily officiating posts in the senior scale should be filled by junior scale officers, but if a suitable junior scale officer is not available or cannot be made available without conflicting with the interests of the administration, a lower gazetted service officer may be appointed by the Agent without reference to the Railway Board to officiate in the senior scale.

(c) Government regret that they are unable to discuss the qualifications of individual officers on the floor of this House.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Is it a fact that this gentleman is about 30 places lower than the others who could have been selected and taken for this post ?

THE HONOURABLE SIR GUTHRIE RUSSELL : This officer was considered the most suitable officer by the administration of the North Western Railway and his place in the cadre does not affect the question.

EDUCATIONAL QUALIFICATIONS OF MR. C. D. JORDON, SALES MANAGER, NORTH WESTERN RAILWAY.

208. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Will Government be pleased to state whether it is a fact that :

(i) Mr. C. D. Jordon has no University educational qualifications while the officers senior to him but in the junior scale have such qualifications ?

(ii) Some of the junior scale officers senior to Mr. C. D. Jordon have also a record of consistent good work in the capacity of railway officers ?

(b) Will Government be pleased to state whether it is a fact that some of the junior scale officers have appealed against this appointment ? If so, what reply has been given to them and how long after their appeals ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) (i) Government have no information regarding the educational qualifications of Mr. Jordon.

(ii) Possibly.

(b) The Railway Board have received no appeals in this connection.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that there are very highly placed officers even in the Railway Board with no educational qualifications ?

THE HONOURABLE SIR GUTHRIE RUSSELL : That does not arise, as far as I can see, from this question.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Do we understand that in making selections, the Government does not like to go into the qualifications of the gentlemen selected ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Government obviously must go into the qualifications of the gentlemen selected.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : If that is so, Sir, why has Government not taken into consideration the qualifications of this gentleman ?

THE HONOURABLE SIR GUTHRIE RUSSELL : There are other qualifications besides educational qualifications.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : May we know what these qualifications are ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Practical experience.

THE HONOURABLE MR. HOSSAIN IMAM : Did not the other officers have practical experience ? Is it reserved for any particular class of officers ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I am afraid I do not know the qualifications of every individual officer.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Was he the senior-most in experience ?

THE HONOURABLE SIR GUTHRIE RUSSELL : He was the officer considered the most suitable.

APPEALS FROM THE RAILWAY DEPARTMENT.

209. **THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA :** Will Government be pleased to state whether it is a fact that some time back the Secretary of State addressed the Railway Board that the number of appeals from the Railway Department far exceeds that of the other departments and is abnormally high ?

THE HONOURABLE SIR GUTHRIE RUSSELL : Not so far as I am aware.

APPOINTMENT OF MR. C. D. JORDON AS SALES MANAGER, NORTH WESTERN RAILWAY.

210. **THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA :** (a) Will Government be pleased to state whether it is a fact that the appointment of a Sales Manager on the North Western Railway has been made on the recommendations of the Pope Committee ?

(b) Will Government be pleased to state whether it is a fact that the opinion of the Pope Committee was that for jobs such as the Sales Managership for the Indian Railways Indians are best suited as they know the public and its requirements ? If so, why was this opinion ignored when the appointment was made on the North Western Railway ?

(c) Will Government be pleased to state what special qualifications Mr. C. D. Jordon has which are not possessed by his seniors who have been superseded ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) A temporary post for a Sales Manager has been sanctioned on the North Western Railway for experimental purposes.

(b) The reply to the first part of the question is in the negative. The latter part does not arise.

(c) I would refer my Honourable friend to my reply to part (c) of his question No. 207 of date.

NUMBER OF EMPLOYEES IN THE COMPTROLLER'S OFFICE, SHILLONG.

211. THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA : (a) Will Government be pleased to state the total number of employees in the Comptroller's Office in Shillong ?

(b) Will Government be pleased to state how many of these employees are natives of Assam ?

(c) Will Government be pleased to state if there are clerks from the Assam Valley districts in this office ?

(d) Will Government please state if the natives of Assam or that of the Assam Valley districts are adequately represented in this office ?

(e) Are Government aware that there is a large number of unemployed educated young men in Assam ?

(f) Do Government propose to issue instructions to the officers concerned that in filling future vacancies in this office none but Assamese are appointed ?

THE HONOURABLE SIR ALAN PARSONS : I am obtaining the information for the Honourable Member and will send it to him as soon as it is received.

ABANDONMENT BY THE GOVERNMENT OF ASSAM OF THE ROAD BOARD SCHEME FOR WANT OF FUNDS.

212. THE HONOURABLE SRIJUT HERAMBA PROSAD BARUA : (a) Are Government aware that the Road Board scheme taken up by the Government of Assam was abandoned for want of funds ?

(b) Are Government aware that communications in Assam are bad ?

(c) Are Government aware that there are vast areas of land in Assam lying waste for want of means of communication ?

(d) Is it a fact that the Government of Assam have not sufficient funds to open roads and other communications in these areas for their development ?

(e) Do Government propose to help Assam with sufficient funds for the improvement of communications in this province ?

THE HONOURABLE MR. D. G. MITCHELL : (a) to (e). Presumably the Honourable Member refers to the road programme amounting to about a crore of rupees which the Government of Assam undertook a few years back and which had to be suspended owing to the prevailing financial stringency after there had been an expenditure of about Rs. 30 lakhs. The Government of

India are aware that the road system in Assam is not well developed, but compared with their financial resources the Local Government have in recent years made considerable progress in road development. The Government of India are anxious to help Assam in this matter. They have in recent years made grants to that province from the Reserve in the Road Account amounting to Rs. 3·85 lakhs, and will in future make as liberal allotments from the Reserve as may be possible. I am unable to say at present whether further assistance can be rendered, and if so to what extent, or what form the assistance might take.

STATEMENT LAID ON THE TABLE.

OTTAWA TRADE AGREEMENT RULES, 1932.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table a copy of the further amendment made in the Ottawa Trade Agreement Rules, 1932, which were laid on the table on the 28th February, 1933.

DEPARTMENT OF COMMERCE.

NOTIFICATION.

TARIFFS.

Simla, the 18th August, 1934.

No. 730-T. (11)/32.—In exercise of the powers conferred by sub-section (3-B) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), the Governor General in Council is pleased to direct that the following further amendment shall be made in the Ottawa Trade Agreement Rules, 1932, namely:—

In the third Schedule to the said Rules, to the list of countries specified in the second column against the entry "Rum" in the first column thereof, the following shall be added, namely:—

"Leeward Islands, i.e., Antigua, Dominica, Montserrat, St. Christopher-Nevis and the Virgin Islands.

Mauritius.

Trinidad.

Windward Islands, i.e., Grenada, St. Lucia and St. Vincent."

T. A. STEWART,

Secretary to the Government of India.

MOTION FOR ADJOURNMENT.

RULING BY THE HONOURABLE THE PRESIDENT ON THE ——— *re* FAILURE OF GOVERNMENT TO TAKE MEASURES TO CHECK THE IMPORT OF RICE FROM SIAM.

THE HONOURABLE THE PRESIDENT: Honourable Members, the Honourable Mr. Chari has given me notice of a Motion for Adjournment of the Council which reads as follows:

"I hereby give you notice of Motion for Adjournment of the Council for the purpose of debate on Monday, the 3rd September, 1934, or (if there is no meeting on Monday) on

the next meeting day, to discuss a matter of urgent public importance, to wit, the failure of the Government to take emergent measures to check the unrestricted dumping of Siamese rice into Indian ports to the great detriment of the Indian rice industry ”.

A Motion for Adjournment can only be made with the consent of the President and the President has to see whether that Motion is in order or is opposed to any provisions of the Standing Orders and Rules. I may say at once that I do not propose to ask the Council to give their leave to this Motion as I myself consider the Motion to be entirely out of order. I will give my reasons for holding this view. In the first place, under rule 12(5) it is laid down that a Motion for Adjournment must not deal with a matter on which a Resolution could have been moved. I may point out that a Motion did appear on the list of business of this Council on the 29th of August, 1934. The Motion was put in by the Honourable Mr. Hossain Imam as an alternative motion to his first Resolution, that is, if his first motion was barred, he would move his second Resolution which ran as follows :

“ This Council recommends to the Governor General in Council (a) to abolish the export duty on rice exported from India, and (b) to impose an import duty of Rs. 1-8-0 per maund on all rice imported into India ”.

However this motion was not taken up because under the rules an Honourable Member cannot move two Resolutions on one and the same day. Notice of a similar motion was given by the Honourable Mr. Chari himself in the following words :

“ This Council recommends to the Governor General in Council to prohibit the import of foreign rice into British India or in the alternative to levy a prohibitive import duty on foreign rice imported into India ”.

The Honourable Mr. Chari could have asked the office to put down his Resolution for discussion on the 29th August but he preferred to have his Bill relating to Hindu Woman's Inheritance taken up in preference to his Resolution and he waived his right to make this motion. Again, it could have been balloted for the 5th September, that is, for Wednesday next, but he did not make any application to obtain ballot for this motion for the 5th September. Honourable Members will see that notice of Resolutions on this subject were duly published. It was in the hands of the Honourable Mr. Chari, if he had been more diligent, to have had this motion discussed in Council. Also, on the merits, I cannot permit this motion for the simple reason that this controversy regarding the import of Siamese rice has been going on in the country since February last. It has been widely discussed in the country and my Honourable friend Mr. Chari had ample time and opportunity during the whole of this session to have placed this motion before the House. A Motion for Adjournment can only be brought in under rule 11 for discussing a definite matter of urgent public importance. I see no urgency about this motion at all. The Honourable Member himself had that opportunity some days ago and he did not take advantage of that opportunity. I therefore hold that I cannot under Standing Order 22 allow the Honourable Member to move his Motion for Adjournment.

IRON AND STEEL DUTIES BILL—*contd.*

THE HONOURABLE THE PRESIDENT: The debate will now proceed further on the Iron and Steel Duties Bill.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, the iron and steel industry of this country was the first industry to benefit by the policy of protection, and after the lapse of about a decade, during which it has made steady progress, we are glad to find that the industry has fully justified the support given to it. As the main basic industry of any country, the steel industry has to be fostered with particular care. The first period of protection was only an experimental measure, while the second one was fairly substantial. This time, however, when the Tariff Board Report was published, considerable anxiety was caused by the proposal to abolish even revenue duties on certain kinds of steel. This anxiety was aggravated when to this the Government added the imposition of an excise duty, the first instance perhaps when an excise has been levied on a basic industry, certainly the first time that a steel industry in any part of the world has been subjected to this impost. It is gratifying, however, to find that Government have modified their proposals at least with regard to the revenue duties, and what little advantage the industry can obtain from these will not be removed.

Coming to the Tata Iron and Steel Company, there is no need to emphasize the importance of their works to the country and the contribution they have made to our industrial development. Since protection was given about 10 years ago, and particularly since 1927, the Company has shown steady progress in their technical efficiency. Costs have gone down; Indianization is going on at a rapid pace, and it is only the difficulty of training men quick enough that prevents the works from being completely staffed by the sons of the soil. In 1927, the Tariff Board had estimated that the costs of making steel should be lowered to a certain level; the recent inquiry has proved that the estimates then formed have been fully maintained, and in some cases even better results have been shown than were anticipated as possible. It is only because of the trade depression, the intensity of foreign competition, and a wanton strike that the Company has been compelled to show a big loss as compared to the anticipated profits.

Particular attention should be drawn to the welfare activities of the Tata Company. When industrial development is taking place all over the country it is of special importance that the workers who come mostly from the fields should be treated in a humane manner, and in this the Company has fully succeeded by spending large sums on the provision of housing and other amenities to the labouring population. The Tata Company Works are a city in themselves, and the civic life of Jamshedpur is a creation of the Tata Company. In fact, the Company has been so generous in its provision for labour welfare that some critics have suggested that this expense is not legitimate. I would, however, be more emphatic than the Tariff Board in supporting this part of the policy of the Tatas.

The imposition of the excise duty is a most unhappy event. First of all, why should an excise be levied at all on this industry? We all know the profound ill-feeling caused all over the country by the cotton excise, though this matter is all forgotten. When last year an excise was imposed on sugar, protests were made from all over the country. But Government sought to justify their policy by pointing out that the industry had gained too much

protection, that it was developing far more rapidly than was good for the country, and that revenues had fallen on account of these two factors. In the case of steel, it cannot be said that the industry is growing too fast; on the contrary we need more steel works in India. Nor can we say that too much protection has been given, because this Bill proposes considerably reduced duties recommended by the Tariff Board after a very thorough inquiry. The only reason given is that there is need for revenue. But why should this need arise at all? Why should not the duties be kept high enough to yield more revenue? Government first reduce duties and then complain they have lost revenue, and want to make up the loss by putting on a new tax! Moreover, why should the consumer of steel again pay after having paid so many years to make up the revenues of the country? When protection was given to the industry, the revenues went up and the general taxpayer got the benefit. Now that the revenues are falling, why should not the taxpayer bear the loss? Why pass it on again to the consumer? A serious warning has to be given to all industries in India. We have all along fought for the development of industries in this country so as to establish our position in the world markets. But Government seem to have some other use for them besides this. They will seek to make up their deficits by taxing every industry which prospers. We have already a large number of excises, and the industrialists of this country will always have to be ready to pay an excise the moment they are able to stand on their own legs, and then the Government will seek to take away with one hand what the country gives them with the other.

We must also not place too much hope on the sufficiency of the protection that is now offered to the Steel Company by these duties. The last scheme of protection fell short actually by several crores, because the prices which were estimated by the Tariff Board were not realised. There was always a difference between what the Company should have got and what they actually did get. The same thing may happen again and the steel industry may probably never get what we are now told they should get. Prices may fall. The continental steel industry may reduce prices. The British steel industry has been reorganizing itself under the shelter of a $33\frac{1}{2}$ per cent. protection, whereas what is now proposed to protect the Indian steel industry is just about 19 per cent. at the outside, and under certain conditions, may be even $12\frac{1}{2}$ per cent. only. When the British and continental industries compete more severely and lower prices in India, the Indian steel industry will find that the protection given to it is not enough. Government have given an assurance that they will increase duties if they find the Company loses on account of falling prices, specially of tested material. But we must demand that Government act quickly, and not take such a long time to consider, that the markets may have become disorganized and the industry be placed in serious danger. If the British steel industry, the world pioneer in the trade, requires protection on so high a scale as $33\frac{1}{2}$ per cent. then surely the Indian steel industry, still not strong enough to stand on its own legs, should need more protection? Instead of that, we have an excise imposed on it and the reduced duties now levied are calculated so finely that the least change for the worse in world conditions will upset the scheme. Government must realise that the protection given is so small that they must lose no time if they find that prices are falling. But while the advantage of the import duties may disappear, the burden of the excise will remain, and in the end the new scheme of protection may mean no protection at all.

[Rai Bahadur Lala Ram Saran Das.]

Now, I must say a word about the consumers. Many complaints have been made that the Tata Company have not done this and that. Some say that they do not permit competition by cutting prices. But we have the assurance of the representatives of the industry that they will never come in the way of the progress of other industries; on the contrary, it is in their interests that the other industries, depending on steel, should thrive. Of course, we must realise that while yet the Company is fighting foreign competition, and has little of resources to afford to be generous they will take some time to adjust themselves to the needs of the smaller companies. But so long as the progress of the industry benefits the country, and this benefit is quite certain, the consumer must not refuse the little burden which he is called upon to bear, not so much for the sake of the industry, as of national interests.

THE HONOURABLE MAJOR NAWAB SIR MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, there is a long history behind the steel industry beginning from 1924. Protection to this industry was started in the year 1924, in the hope that it will enable it to compete with any other country of the world without any special protection from the Government. Sir Charles Innes the Commerce Member to the Government of India in the year 1927 while introducing the Steel Industry Bill of that year in the Legislative Assembly is said to have cherished the hope that in the passing of that Bill the Legislature will have nothing to do with measures of that sort in the future as the Steel Protection Bill of 1927, after its second passing will enable the steel industry of India to go ahead to a position in which it can meet competition in any quarter of the world on its own legs. In other words, the Steel Protection Bill of the year 1927 was the last measure of its kind, the passing of which was anticipated to put a stop to the protection period of the steel industry once for all. It was even surmised so by the Tariff Board according to their report of the year 1924. Sir Charles Innes repeated the same hope while he introduced the Steel Protection Bill in the Legislative Assembly in the year 1927.

As regards the Tariff Board Reports there have been two reports in the year 1924. The third report was published in the year 1925, in which a bounty of Rs. 18 per ton was recommended by the Board. This report was declared to be the final one but unfortunately there are six more reports after that. The first report related to pig-iron and after considering all the arguments for and against the duty on it, the Tariff Board were of opinion that the duty on pig-iron should be removed, but as there had been some strikes in the Tata Iron and Steel Works it recommended that the duty should continue for a little time longer. Thus the consumers were made to pay for the mis-management of the Tata Works in not handling the strikes properly.

Another report on galvanized sheets followed in the same year. In it was again recommended that owing to strikes in the Tata Iron Works there could be no reduction in duty, particularly on smaller orders. The next report proposed fresh duties on railway materials and so on and so forth. To say the least, in spite of definite assurances of the Tariff Board as well as the Honourable the Commerce Member, that the Steel Protection Bill of the year 1927 was the last measure of its kind, there have been constant increases and fresh duties

on every kind of steel material. Although it was anticipated that the protection period was over, it is a matter of great regret to find that it is not so, and that we have been belied in our expectations.

(At this stage the Honourable the President vacated the Chair, which was taken by the Honourable Rai Bahadur Lala Ram Saran Das.)

There are several objections to the specific points in the Bill under discussion. The first is that we do not know the exact amount of burden it proposes to put on the consumers. In the year 1927 the Government gave an accurate estimate of the burden that had to fall on different classes of consumers, but at present there is no clue to that effect. The Tariff Board have suggested the method by which this can be calculated, but they have given no specific estimate of the shares to be contributed by the general taxpayer.

The second objection is that the Bill as well as the Tariff Board Report is confused as to the revenue duty and the protective duty. As Honourable Members know, these duties are quite distinct and separate from each other and as such there ought to be definite differentiation in its proceeds, as every revenue duty serves the purpose of protection.

Another objection is that there is no clue as to the balance sheet of Tatas, because it has not been submitted either to the Tariff Board, the Government or the Legislature. The evidence before the Tariff Board and the representations to the Government are also not forthcoming anywhere. No effort has even been made to find out the cost of production in foreign countries such as England, America and Germany. Although the Fiscal Commission laid great stress on the enquiry in this respect, it is regretted that the Tariff Board have not considered it worth while to ascertain anything of the sort in this matter.

With regard to pig-iron there are two rates for its sale. The one relates to its sales in India and the other to those outside India. There is a difference of Rs. 11 per ton in these rates. I fail to understand what justification there can be for this difference in the sale rates of this special class of iron. On the other hand, it is feared that it will help foreigners dealing in this trade. Not only this but there are different rates for bigger firms and smaller firms. This fact is bound to injure the cause of smaller firms. I think the Honourable Members will agree with me in holding that the policy of the Tata Company in fixing different rates of sale for pig-iron is absolutely wrong and that it should be discarded as soon as possible.

As regards galvanized sheets there was a duty of Rs. 45 per ton in 1924. It was reduced to Rs. 30 per ton a little later. Owing to the Ottawa Agreement the duty on non-British makes has been raised to Rs. 83 per ton. The duty on British goods is Rs. 53 and for British goods made out of Indian bar it is Rs. 30 per ton. The goods made of Indian bars were the monopoly of Tata. These could not be sold by any other person till Tatas had sold out their entire stock nor could these be imported from outside. This means that Tatas had sold their goods not with regard to the duty of 30 per cent. but with regard to the higher rate of duty of 53 per cent. which was absolutely unjustifiable.

[Major Nawab Sir Mahomed Akbar Khan.]

Now, Sir, as regards the profits granted to the Tata Iron and Steel Company there are three kinds of profits. These are (1) the visible profits, (2) the invisible profits and (3) the latent profits. Visible profits stand at Rs. 1 crore 5½ lakhs, *vide* page 43 of the Indian Tariff Board's Report, 1934. Invisible profits are calculated at Rs. 93½ lakhs, *vide* page 54 of the same report. Latent profits accrued owing to the fluctuation of prices are estimated at Rs. 12 lakhs. Besides these profits there is an extra profit which is called in my language Pashto as *chunga** and which can better be described as an extra profit. When a customer goes to a shop to purchase a thing he pays the price of the thing acquired and after that he asks for something more over and above the quantity of the thing for which he has made payment and the shopkeeper in order to satisfy the demand of the customer gives him something more than his rightful demand simply out of courtesy and this portion of the bargain is called *chunga* or the extra part of the bargain. The profit under this heading, *i.e.*, the extra profit is estimated at Rs. 18 lakhs. The Tariff Board have calculated the rate of interest at 6 per cent. but I differ because a concern like Tatas, a well established concern, can get money at 4 per cent. from anybody, because Government loans are floated now at 3 per cent. and a concern like the Tatas can easily get money at 3½ per cent., at the most at 4 per cent., and I have made all my calculations at 4 per cent. Well, Sir, all these four profits aggregate to Rs. 2 crores and 25 lakhs which the Tata Company is making good in their trade every year. According to this estimate the consumers and taxpayers have given the Tata Company nearly Rs. 16 crores during the last seven years. The present Bill provides them with another income of a little over Rs. 16 crores during the next seven years at the rate of Rs. 2 crores and 29 lakhs of profit per annum. If you multiply that by seven you will get the figure. The consumers will thus pay the Company a little over Rs. 32 crores against the contribution of about Rs. 10.45 crores by the shareholders. Now I ask whether the Tata Company belongs to the shareholders or the consumers who have given them Rs. 22 crores over and above their capital of Rs. 10.45 crores. If it belongs to the consumers, the income must come to the exchequer of the Government and not to the shareholders. To my mind the consumers have more right to claim possession of the Company than its shareholders and as such the consumers' share of profit should be deposited with the Honourable the Finance Member for the revenue of India, or for distribution among Members of the Legislature who are responsible for this legislation.

It will not be amiss to say this also that India is an agricultural country and that the agriculturists form about 80 per cent. of its population. As Honourable Members know, owing to economic depression in the world markets the prices of agricultural products have gone down excessively, with the result that the purchasing power of the people has been greatly diminished. Against this state of affairs the prices of manufactured articles are being increased every hour by the imposition of fresh protective duties. In these

*Makeweight, honorarium or commission to various salesmen.

circumstances I fail to understand how the two ends are going to meet. On the one hand, the purchasing power of the country has gone down to the lowest pitch. On the other, the prices of the manufactured articles are being enhanced day after day. I cannot see how the poor agriculturists are going to maintain themselves under these conditions? In my opinion the protective policy of the Commerce Department is directed towards a wrong end. Instead of the imposition of protective duties which are sure to increase the prices of the manufactured articles, they ought to have tried to enhance the purchasing power of the people by devising some adequate means to raise the prices of agricultural produce. This is the proper course which would certainly result in bringing some advantage and relief to the country at large. To remedy the most distressing condition of the agriculturists is the utmost need of the hour and it would have, therefore, been more appropriate that instead of pressing upon such like measures aiming to yield excessive incomes to a few shareholders of certain companies, the Honourable the Commerce Member or his Secretary the Honourable Mr. Stewart would have shown some sympathy with the highly trodden-down agriculturists by devising some means to effect increase in the prices of their products. This would surely enable them to improve their present day condition of distress and penury which has been their lot nowadays on account of the abnormal fall in the prices of their products.

With these remarks, Sir, I am afraid the policy of protection as pursued by the Government at present is not intended to bring any relief to the consumers and that the sooner it is done away with the better it will be for them. As I said the other day on the Resolution of the Honourable Sir Phiroze Sethna in regard to import duty on foreign horses, I repeat the same argument again that if a company is not in a position to compete with the world market on its own account, it is no duty of the consumer to support it by extra duties and taxations. The industrial companies must stand on their own legs to cope with the production of the world markets and should not be thrown as an extra burden and taxation on the heads of consumers in India.

For seven years the steel industry showed no dividend simply to get more and more of the tariff protection in their favour and now when they have everything in their favour the profit to preferential shareholders would be something like 18 per cent. per annum and in seven years it will be more than three times the capital. Sir, is it not our duty to ask the Government why the Indian consumer is penalised for the sake of a few shareholders in this industry and why is this exploitation being systematically carried on His Majesty's Indian subjects for the last seven years without bringing the shareholders to book? I wish that the Honourable the Commerce Member would throw some light on this mystery, because his speech the other day without any data left me unconvinced. I have got all the notes worked out here and if anybody has any doubt I can give him these tables* that have been very carefully prepared.

With these remarks, I oppose the Motion.

THE HONOURABLE SIR GHULAM HUSAIN HIDAYATALLAH (Bombay : Nominated Non-Official) : Sir, I had no mind to speak but after hearing the

*See Appendices "A" and "B" at end of these debates.

[Sir Ghulam Husain Hidayatallah.]

last speaker I am tempted to say a few words. Two points of view have been presented before this House. One point of view was that the steel industry of India has not been given adequate protection. The other point of view was of my Honourable colleague, the Nawab Sahib, who is a free trader and who does not believe in protection. He said there should be no protection for anything. But I am sorry that I do not agree with either point of view. I support the Motion as it stands. My Honourable friend the last speaker quoted a mass of figures. Being a free trader he always thinks in terms of free trade. Therefore, whatever industry may stand in need of any protection, he will be the last person to grant protection to it. Therefore, Sir, I am sure that the Honourable Members of this House will not be carried away by what he said, because he is obviously prejudiced against protection and it will be impossible for anyone to convince him in favour of protection. Now, Sir, I need not go on to discuss the mass of figures that the Honourable Member quoted. They were fully discussed before the Tariff Board. The Tariff Board investigated this question very carefully and in the present form Government have accepted those recommendations which they have found suitable. So we have, Sir, the recommendations of the Tariff Board and those recommendations that have been accepted by the Government are in this Bill. Therefore, I support this Bill, Sir, for when the Tariff Board and the Government of India say that this industry cannot stand foreign competition, I think there can be no doubt that if protection is not afforded to it this steel industry as an industry will be destroyed, and all the crores of rupees that have been invested will be lost to the country. I sympathise with his point of view, Sir, that the consumer to a certain extent will suffer. But we must realise, Sir, what will be the consequences if no protection is given to this industry, crores of rupees that have been invested will go and the country will be the poorer by that amount. But if sufficient protection is given to the steel industry of India, that means more prosperity for India. This industry will add to the wealth of the country and give employment to a very large section of the people. Now, Sir, what has been the crying need of India? We want more industries. Ours is not a highly industrialized country that can compete with foreign countries and therefore our industries ought to be protected if we want to compete with foreign industry. We are not going to live only on agriculture in India. We ought to have both industry and agriculture here and India's prosperity lies in promoting industries which will give more employment and more wealth to India.

With these words, Sir, I support the Motion.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa : Non-Muhammadan) : Sir, I whole-heartedly support the Bill, as I find that the Bill is based on the recommendations of the Tariff Board. It is no use criticising Government in season and out of season even when they really and sincerely do things for the real development of the Indian industries. I cannot help putting in an emphatic protest against those critics, inside the Legislature and outside, who poured forth vituperations on the Tariff Board and its members. Some of them even went so far as to impute motives to the members and the chairman of the Board. I am really surprised to find that

those critics forget that the imputing of such motives to the members and the chairman of the Tariff Board, who were all Indians holding high social, intellectual and official positions, only weaken the cause of the national movement and the cause of Indianization. People outside will think that Indians, whatever their position may be, are not fit to hold responsible posts with credit. I, on the other hand, believe that in this particular measure the members of the Tariff Board have shown the most unbiased judgment and recommended exactly the amount of protection to the Tatas which was necessary under the existing circumstances. This fact is all the more borne out by the mild criticism of the Tatas against the Board's Report and their silence after the original Bill underwent some change in Select Committee in the other House. I certainly take this opportunity of congratulating the Government for the bold step they took in meeting the popular demand for the levy of a revenue duty on certain imported steel materials from outside India. I make bold to say that steps like these go to catch the imagination of the popular mind and that the Government of India is more amenable to Indian public opinion than the opinion of Whitehall. Bold steps like these falsify those critics who proclaim from the house tops that the Indian fiscal policy is dictated by London commercial guilds. I am glad of the imposition for a revenue duty, not that such revenue duty will put more obstacles to the import of British goods into India, or that it would give more indirect protection to the Tatas, than what was recommended by the Tariff Board, but because in the present state of India's finances, it was not fair to give up so much of our revenue when the whole country is still groaning under the burden of taxation and especially those who are paying heavy taxes on income. So long as the Finance Supplementary Act of 1931 is in force, I do not think Government would have been justified in removing the revenue duty from some of the imported steel materials as was recommended by the Tariff Board.

With these few words, Sir, I support the Motion.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR (Central Provinces : General) : Sir, I have read this Bill that is before us very carefully, and I fail to see how it can be called a protective measure. If I have to call it a protective measure, I would say indeed that protection is being afforded by this Bill to the iron and steel industry of the United Kingdom. Then there are two other things that I find in the Bill and therefore I say I cannot bring myself to the conviction that really it is a protective measure designed to protect the iron and steel industry of India. I find in the Bill, Sir, a clause which discusses or which lays down the principle of taxation. I am not an economist and, therefore, Sir, I leave this subject to the expert to decide whether Government is right or whether Government is wrong in introducing clause 4 in this Bill. But I have not been able to find in any of the Bills where an excise duty is being introduced, a scheme of protection to a particular industry is introduced. I can understand this sort of measure of excise duty when the Government introduces their budget. But at such an awkward time, when we do not know what the taxation policy of the Government in the next budget will be, I cannot understand this thing being brought in this Bill.

Another thing that has been brought in this Bill is the differential treatment. I shall come to this point later on. This also does not appeal to me. I am not a free trader. I believe to a very great extent in protection for the

[Mr. Vinayak Vithal Kalikar.]

nascent industries of India. Protection should be given to an industry, so far as I understand, for a particular period with a view to the industry developing itself to such a stage that it should not increase the burden on the taxpayer. Applying that principle to the present Bill, I have no quarrel with Government so far as protection is given to the Tatas. The iron and steel industry, and especially the Tatas, have made out a very good case for protection, though they have been given protection for the last 10 years. After listening to the debate we had last Saturday and this morning, I am fully satisfied that the Tatas have tried their utmost to lessen the burden on the consumer as well as to make out a good case for getting protection from the Government. The Tata industry is really a national industry—a key industry. I remember to have read that during the war, Lord Chelmsford said that had it not been for the Tatas, who supplied the war materials, it would have been very difficult for the Government of India to carry out their campaigns in Mesopotamia and other places. The Tatas pay the highest wages to their labourers; they have made very good arrangements for sanitation; they supply good water; they cater to the needs of the labourers to a very great extent. The Tatas also, I am told, have fought against odds and they have tried to maintain the price level. My Honourable friend Mr. Stewart said the other day a very kind word about the Tatas' management. I fully endorse what he said. But I should like to make one observation. As was said the other day by the Honourable Sir Ramunni Menon, they have not installed modern furnaces. I believe they will take this hint and instal modern furnaces so that they may further be able to reduce the cost of production. So far as protection to the Tatas is concerned, I am one with Government. I endorse what the Honourable Mr. Stewart and the Honourable the Commerce Member said the other day.

I now come to the second point, and that is the excise duty proposed in clause 4 of the Bill. I cannot understand the propriety of this clause. I am speaking as a layman and not as an expert—I am open to correction—one can understand the imposition of an excise duty when there is over-production or over-profiteering. On the last occasion, when an excise duty on sugar was imposed, we were told that there was over-production and that there would be cut-throat competition amongst the producers of sugar, and also Government wanted money, and in order to replenish the Indian Exchequer to a certain extent, they imposed an excise duty on sugar. In this case, if my information is correct, the Tatas can supply only 72 per cent. of the demand of India. So, the question of over production does not arise. As regards over-profiteering, if my information is correct, the Tatas have not been able to give dividends to their ordinary shareholders. From this I can rightly conclude that there is no over-production and over-profiteering. I cannot then understand the propriety of imposing an excise duty. Then, Sir, by imposing an excise duty, the Government expect to get about Rs. 30 lakhs.

THE HONOURABLE MR. HOSSAIN IMAM: "Question?"

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR: My Honourable friend Mr. Hossain Imam says, "Question". He may be perfectly right. They may be in need. In that case, they should not have brought forward

proposals for lowering the revenue duty and imposing this excise duty. They are losing, if I may say so, this Rs. 30 lakhs by lowering the revenue duty on other products and therefore, if I understand their position correctly, they are imposing this excise duty to get that Rs. 30 lakhs.

THE HONOURABLE MR. T. A. STEWART: May I ask the Honourable Member what is the revenue duty to which he refers?

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR: Ordinary revenue duty which you have lowered in this Bill.

Then, Sir, from the consumer's point of view, one has to consider the effect of this excise duty on the consumer as well as on the industry. As I have already said, I am not an expert. I am a layman and I look at this question from a practical layman's point of view. Will the imposition of an excise duty in any way help the development of the industry, as well as decrease the burden on the consumer? I have not been able to find in the memorandum that was circulated to us all by Tatas that the imposition of an excise duty will help their trade or production. But if this excise duty is imposed and the commodities are sold at a higher price, the consumer, is bound to suffer and not the industry. Therefore I say, considering this proposal from all points of view, of the consumer, of the industrialist and of the expert economist, I submit it is wrong in principle to impose an excise duty on an industry which begs for protection.

(At this stage the Honourable the President resumed the Chair.)

Then, Sir, I do not want to enter into the controversy of the Tariff Board Report, though I personally see from the reference that was made to them that they were not asked by the Government of India to make any proposals whatsoever to remove or to decrease revenue duties. I therefore think that they went beyond their jurisdiction in recommending the decrease or removal of the revenue duty. Apart from that, it seems that the Tariff Board was full of the Ottawa spirit and therefore they made certain suggestions about the removal or decrease of the duty in favour of one country or another. So far as this particular industry is concerned, I find from the Ottawa Report that they were against the principle of removing or decreasing revenue duties. I will read a sentence from the Ottawa Report, page 33.

"To concede a preference by reducing these rates to a lower figure in favour of British steel would impair the protection intended by the Legislature to be accorded to the Indian industry, and to raise the duties on foreign steel to a higher point than was required in India's own interest would have been a grave departure from the fundamental principle of the policy of discriminating protection".

However, I have a very great respect for some of the members who sat on the present Tariff Board and therefore I say that it was beyond their jurisdiction to make such a recommendation. I do not want to enter into that controversy further.

Now, Sir, the other day the Honourable Commerce Member gave us an example,—if I have taken his notes correctly,—about the differential duties. He said that if a continental article is available without duty in India for Rs. 60 and a British steel article is available in India for Rs. 90, if we impose a duty of 40 per cent. on the continental article and 10 per cent. on the British article,

[Mr. Vinayak Vithal Kalikar.]

the consumer loses nothing. That was, I think, the instance he cited. Now I examined that question very thoroughly. Supposing the continental article on which we impose a duty of 40 per cent. is available at Rs. 100, and suppose the same 40 per cent. were imposed on the British article that article would then be available in India for Rs. 130. Now, from the consumer's point of view the consumer will run to purchase the article which is available for Rs. 100, and the duty which we get at the rate of Rs. 40 per article will go I believe to the Indian exchequer. So if we purchase more articles of continental manufacture we will get more money by that method by way of the import duty and the Indian exchequer will benefit accordingly and to that extent the general taxpayer will be relieved. I therefore say look at this point from the consumer's point of view as well as the general taxpayer's point of view. If the consumer in India purchases the United Kingdom article, the Indian treasury will get from that article only Rs. 10, while if he purchases the continental article the treasury will get Rs. 40. There is a lot of difference between 40 and 10. Looked at from that point of view, I submit that all those who are grumbling under the present taxation system will be relieved of much of the taxation. So I do not find it possible to appreciate this distinction from the point of view of the Indian exchequer. If the Indian exchequer would not suffer in the least, I would give first preference to the United Kingdom. But if the Indian exchequer is going to suffer by this measure, I do not mind if the United Kingdom producer suffers and is not able to dump his goods on this market. They will learn to produce their articles at a cheaper cost and they will learn to sell at a price which can fairly compete with articles produced by other continental countries. I have no quarrel with the United Kingdom, but certainly in the interests of the Indian exchequer and in the interests of the Indian taxpayer I submit it is a wrong policy, a policy which is not in any way going to benefit the general taxpayer as such.

Sir, I know that the Bill is going to be passed into law. I know, Sir, that our protest is in vain. I know further, Sir, that we have to give our support to this Bill, because we have to give protection to Ta'as, but, unfortunately, we on this side, cannot appreciate these two things, the excise duty and differential treatment; these should not have been introduced into this Bill. The Government of India, I submit, should have first taken care to see to their financial condition. The Government of India, if I remember aright, through Sir George Schuster made certain promises in October, 1931, that they would not decrease or remove the revenue duties unless they removed the lower level of income-tax, unless they restored salary cuts and surcharges too. But here what do we find? The lower level of income-tax is there, the surcharges are there, the salary cut has only been reduced by 5 per cent., if I am correct, and they come out with proposals for decrease of revenue duties.

THE HONOURABLE MR. T. A. STEWART: May I again ask the Honourable Member to which revenue duty he refers?

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR: Duty on galvanized sheets, Sir.

THE HONOURABLE MR. T. A. STEWART: The duty on galvanized sheets is protective duty.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR : Therefore I submit that it is a wrong principle to insist on a protective measure like this to disclose the taxation principle of Government, and therefore I object to that part of this Bill.

Much has been said, Sir, in this House and I do not want to take up the further time of the House, but I appeal to my friends on this side that whatever they may have to say against the excise duty and the differential treatment, we will have to make up our mind and unfortunately we will have to swallow this bitter pill.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, even after hearing the Honourable the Commerce Member the other day, I am still doubtful whether the Bill before us deserves our full support. The only fact that the Bill seeks to continue protection to the steel industry in India, which is a key industry, entitles it to our support. It is proposed to continue protection to the steel industry for another period of 6½ years and by the end of this period the Government hope that the Tatas would be able to establish the steel industry on a foundation of efficiency and perhaps dispense with protection. This is good, Sir, so far as it goes and nobody need have a quarrel over this proposition. I am in favour of giving protection to our key industries for a certain fixed period to enable them to stand on their own legs and to face foreign competition. But at the same time it is the duty of the Government to see that by enjoying continued protection an industry does not get accustomed to artificial feeding for all time to come, but that the industry should see to it that during the period of protection it sets its house in order by increasing its efficiency so as to be able to dispense with protection after some time, because, Sir, as is well known, it is the taxpayers' as well as the consumers' interests that suffer by giving protection to an industry. But, Sir, the Bill does not stop at merely giving protection to the steel industry in India or, in other words, it is not a purely protective measure as one should like it to have been.

There are the two objectionable features of the Bill, to which references have already been made by some of the speakers, which make it less acceptable to public opinion : I mean the proposed imposition of excise duty on steel ingots and the provision of imperial preference. Now, as regards the advisability of imposing excise duty the Honourable the Commerce Member was silent in his speech. The Honourable Mr. Stewart no doubt remarked in his speech that the excise duty was being imposed to recover the Rs. 30 lakhs that the Government were losing by the present Bill. But I submit that there should be no excise duty on a protected industry. By imposing this excise duty the Government are laying themselves open to the charge that they are deliberately placing a handicap on Indian steel to give an advantage to British steel. Besides this the excise duty would mean an additional burden on the consumer. I am therefore opposed to the proposed excise duty on steel ingots. But the Government have had it passed by the Legislative Assembly by threatening to withdraw the protection scheme itself if the imposition of excise duty was not accepted.

As regards imperial preference, the Honourable Sir Joseph Bhole tried to justify by quoting figures that differential treatment as embodied in the Bill

[Rai Bahadur Lala Jagdish Prasad.]

was justified. But, Sir, he did not refute the argument of my Honourable friend Mr. Sapru that there was a danger of India losing her trade with Belgium as a result of the proposed policy. I hope at least the Honourable the Commerce Secretary will tell the House in his reply if it is a fact or not that, according to the calculations of those who are in the know, India would be losing 44 million rupees worth of trade with Belgium by this policy of preference for British goods. I am not opposed to imperial preference in all cases as I did not object to imperial preference in the case of the Textile Protection Bill in April last. But I feel that the imperial preference provided in the case of steel in this Bill will adversely affect our trade with other continental countries. So much so that the popular belief is that what this Bill seeks is not the protection of the Indian industry but the advancement of British steel in the Indian market. It cannot be said that the Government have been guided in this case by the principle of discriminating protection to Indian industries with a view to foster and develop such industries, but really speaking the Bill under the guise of protection to the steel industry imposes humiliating and differential conditions on Indian steel. The fear is generally entertained, which I share, that the Bill will provoke international ill-will and endanger tariff war or commercial hostilities by practically excluding imports of steel from other countries. Some of the steel-producing countries in Europe are our best customers and it is rightly feared that India will lose her advantageous position in exports to many of those countries. So Indian iron and steel producers must face the heavy losses that India will incur in losing her customers in the continental market. And the question arises if the loss on export of other Indian products to the continent will not be of such magnitude that it might bring disaster to most of our agricultural products. In spite of the assertions, therefore, of the Honourable the Commerce Member, India is yet to know what trade bargains she will secure by giving this preference to British steel. So, Sir, it is clear that there are certain provisions of the Bill which deserve our support while there are others which are obviously open to objection. And although the Bill will doubtlessly be passed by this House also in its present form, and I am not going to oppose its passage, yet I hope that the Government will do well to profit by independent non-official criticism that has been offered both inside and outside the Legislature in respect of this measure, and consider how far the imposition of excise duty is going to affect the steel industry in India as well as the consumer, and how far the provisions of imperial preference will adversely affect India's trade with other continental countries, and if they find that these provisions have proved harmful I hope they will make amends to them, for it is never too late to rectify a mistake.

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT (Bombay : Non-Muhammadan) : Sir, the Bill, as passed by the other House, has left very little for us to say. I support the Bill and I must congratulate the Honourable the Commerce Member for the courage he has shown in meeting the wishes of the representatives of the people of this country by accepting the popular demand for the re-imposition of the 20 per cent. normal revenue duty on certain classes of imported steel products. But in this case I think the Honourable the Finance Member is none the less responsible in coming to the rescue of the Honourable the Commerce Member in yielding to this

particular popular demand. Sir, I am confident that if Government shows their liberality and keenness to meet the wishes and sentiments of the people of this country in future in all other fiscal policy as they have done in connection with this Bill, the present administration can certainly claim to declare that India is getting ever independent in fiscal matters and she is at present enjoying fiscal autonomy. Though the Government have gone far to meet the wishes of the people in this matter yet I cannot but bring to the notice of the Government that there is still further scope in improving the measure. Sir, the small industries using pig iron find it difficult sometimes to get the raw material for the manufacture of their products and at times they have to pay a very much higher price for such pig iron than the price at which it is exported by **Tatas**. The original protection was given to **Tatas** for establishing itself on a sound footing so that it may help smaller industries in the country to grow. I hope and believe that Government would take steps to ensure that the smaller industries are not charged higher prices by the **Tatas** for the supply of raw material required for such industries.

Before I conclude I would like to draw the attention of the Government to clause 3 (2) of the Bill which exempts the duties mentioned in this Bill from the surcharge of 25 per cent. levied by the Supplementary Finance Act of 1931. At this juncture when both the industrialists and the consumers and all other taxpayers are paying taxes to their utmost to keep up the financial credit of the country I do not think Government would be justified in exempting the duties imposed by this Bill from such surcharges. To my mind it would have been most fair if Government would have continued the surcharge on the duties imposed by this Bill till at least the next budget when according to the light of financial conditions they could have come forward with their suggestion for the removal of the surcharge, not only on these duties, but also on income-tax as the taxpayers paying this tax are the most hard hit by the surcharge, than any other class of taxpayers.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) : Sir, the Bill before the House is neither a purely protective nor a wholly revenue measure. It is a compound of both, because an excise provision cannot even by any stretch of the imagination be brought under the head of protection. Last session, an Excise Bill was brought forward, not by the Commerce Department, but by the Finance Department. I think therefore that I am correct in assuming that the idea behind this Bill is to protect as well as to give revenue to Government. The Bill thus consists of one good thing and another which is distinctly bad. The good thing is that it reduces to a certain extent the protective duty, and thereby reduces, so far as rupees, annas and pies are concerned, the incidence of the protective duties, and so it is welcome from the consumer's point of view. But this good point has been vitiated by the imposition of an excise, which has reduced the margin of difference of the protective duties to a very small limit. For instance, take structurals, we were, according to the Tariff Board's Report of 1926, in Table XXV charged Rs. 116, and the present selling price will come to about Rs. 113. This is one of the items

[Mr. Hossain Imam.]

with which we, as consumers, are mostly concerned. Such a small reduction as of Rs. 3 per ton, considering that a ton consists of 27 maunds, about which the Honourable the Commerce Member made so much, is really negligible.

Then, Sir, imperial preference is being introduced in the garb of differential duties. This innovation of differential duties was brought in by the 1927 Board. Before that, probably it had not come into operation.

I think that even the conscience of the Government was pricked and they did not have the heart to call this a Steel Protection Bill. The title of the 1927 Bill was the Indian Steel Industry (Protection) Act, whereas the name of the present Bill has been changed to "The Iron and Steel Duties Bill". That shows that we were wrong in thinking that the Government had no conscience. They have a little of it. They realise that this Bill has not been brought forward to protect the Indian steel industry.

THE HONOURABLE THE PRESIDENT : What does the preamble say ?

THE HONOURABLE MR. HOSSAIN IMAM : The preamble does not form part of any statute.

THE HONOURABLE THE PRESIDENT : It does refer to protection ?

THE HONOURABLE MR. HOSSAIN IMAM : The name is what forms clause 1 of the Bill. The Bill could have been properly called a Bill to impose an additional burden of taxation on India, or a Bill to protect the iron and steel industry of England, and so on.

There is another test by which we can judge whether we are going to get things at a higher or cheaper price. It is the real purchasing power. Dr. Meek says in his monthly report that the index number of wholesale prices has fallen from 204 to 119 between 1927 and December, 1933. Judged from that aspect, we find that structurals which were worth Rs. 116 in 1926 are now worth Rs. 198 ; fish-plates which were worth Rs. 148 are now in real money worth Rs. 224, and black sheets which were worth Rs. 181 are now worth Rs. 220. The Honourable Mr. Stewart in his introductory speech referred to the reduction in the cost of the manufactured articles. I would invite his attention to paragraph 47 of the present Board's Report, page 29, Table VIII, in which he will find that under fish-plates there is a distinct advance of Rs. 5·3 per ton on the Board's estimate with coal and spelter at Rs. 5·21 and 235. The 1926 estimate was Rs. 81·20 per ton and the adjusted cost of 1933 comes to Rs. 86·52. Again, Sir, in structurals, there is practically no diminution. ·30 per ton is all that the Tata Company have given us in this year of grace, 1934.

THE HONOURABLE MR. T. A. STEWART : Sir, may I point out that those are differences from the Board's estimates, not from the actuals of 1926 ?

THE HONOURABLE MR. HOSSAIN IMAM : I quite agree. The heading is like that. If the Board's estimates are wrong, then the whole basis of the scheme of protection goes by the board.

I emphatically protest against the principle which has been enunciated in this Bill. The principle is that the burden on the consumer should remain the same as it was, irrespective of the requirements of the protected industry.

Sir, the one incentive for bringing forward protective measures was, that in the end the consumer will gain the advantage of reduced cost, though at the moment he may have to pay more. What has the Government done? The Government found that on account of reduced duties which the Tariff Board has recommended, they would be out of pocket to the extent of Rs. 30 lakhs. Instead of shifting that burden on to the general taxpayer or elsewhere, it has been thrown entirely on to the users of steel. That is a very obnoxious principle, that, irrespective of the cost of production the amount of taxation on the user of the protected goods should remain the same. I would point out that the burden of protection could be reduced, and it was up to the Government to explore other avenues and not to place a further burden on this beast, the consumer, who is already bearing more than his fair share.

Sir, I have had great difficulty because the speech of the Honourable Commerce Member has not been reported in any of the daily papers. I wanted to have a look at the official report but under the present rules probably I am not permitted to do so, and therefore in referring to the speech I would request the Honourable Mr. Stewart to correct me if my impressions are wrong.

THE HONOURABLE MR. T. A. STEWART: Sir, I have had no further advantages than the Honourable Member. I also have not seen the notes of the Honourable Commerce Member's speech.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, to us it is a matter of great regret that this Bill should have been piloted by an Indian Member in charge of the Department of Commerce. He says that the prospects of industries dispensing with protection are bright, but as I said before, if this principle holds good, that even where no protection is required the users must be condemned to pay more to the Government, then this prospect which he held out to us vanishes into thin air. I hope when his successor comes forward with another Bill in seven years' time, he will not burden the consumer. He also stated that preference, or call it a differential duty as you like, lifts the burden from the consumer. That proposition like many other generalizations is subject to many qualifications. In generalization one can go to any limit, but when one comes to analyse them one finds that in the end, nothing comes out of nothing. Because of the fact that we are giving a preferential or differential duty to England, we are throwing a burden on the consumers in the shape of excise duty. If there were no preferential duties we would not have been asked to pay an excise duty. I am quite ready for my Honourable friend the Finance Secretary to examine this and give us facts and figures to show what would have been the effect if there had been no preference and we consumed only continental steel. We have no figures at the present moment, but during the next few months we would be able to have a body of facts and figures to substantiate our claim that this excise duty has been brought in simply in order to give this differential duty. Then, the Honourable Member was very solicitous about the consumers. He stated that if we had no differential duty we would have been placing a burden on the consumer and therefore his sympathies went out to consumers. Sir, within a short period of two and a half years the Honourable Member has heaped more burdens on the consumers than any two of his predecessors have done in their full terms of office. This is all I have to say about the consumer's point of view.

[Mr. Hossain Imam.]

I am almost tempted to say that the Commerce Department has been behaving in the matter of duties most unreasonably. Even when there is no necessity for safeguarding them, duties are being imposed on things coming from outside, a hundred thousand things and lakhs of people are being penalised and asked to pay a huge burden of protective duty to safeguard a hundred thousand things. The Honourable Member suggested that up till now we had not heard any argument which would substantiate by sheer fact that differential duties on British steel were inadequate. That was a very grave charge which the Honourable Member laid on us. In reference to that I would invite the attention of the Honourable Secretary to page 53, paragraph 97 of the 1927 Report, in which the Tariff Board specifically mentioned :

“ We have received evidence that the steel made to the British standard specification on the continent can be purchased at 10s. or Rs. 7 more than the price of non-standard continental materials. We consider that if this common price is to be maintained some addition must be made to the duty on British steel and some decrease in the duty on continental steel ”.

That was the proposition initiated not by non-officials but by an expert body, that British steels ought to be taxed about Rs. 7 higher than continental goods, because they are of superior variety and as such have to compete not with the untested materials supplied by Tatas, but with tested materials, and the cost of testing, as is well known to the Honourable Commerce Secretary, is something more than Rs. 5 even in India. I have also found something to substantiate this from page 205 of the report of the working of the scheme of protection resulting from the Trade Agreement concluded at Ottawa. In the case of certain items of British and non-British steel, there is in one instance a difference of Rs. 3 per cwt. between the British and non-British goods price. I am very sorry that this report does not give us facts and figures about other kinds of steel, but so far as I could find out, the difference varies from the highest Rs. 3 per cwt. to nothing at the lowest. Therefore, Sir, to state that the same amount of protection is required from the British steel as from the continental is wrong. There ought to be greater protection from the British steel, because of its superiority.

Another principle which he enunciated and which struck me was that the industry does not mean the shareholders. I

3-5 P.M.

have personally no experience of industries, but from persons within the House and outside who have spent their lives in industry, I asked this question, “ What is the English practice ? ” They all told me that industry means nothing but the shareholders and the owners of the industry concerned. I would ask the Honourable Commerce Member to inform us if he ever consulted the shareholders of Tatas and whether they approved of this Bill and the measures it embodies ; or was it not a fact that they consulted only the parasite which is eating up the vitals of the industry, the managing agency system,—about which I said many things during the textile discussion and which I am not going to repeat now. It is the concern of that system to get their own share of commission and which the Government is careful to provide in each and every tariff proposal. They are concerned with that and therefore they have nothing to object to in this Bill. If we look at it from

that point of view, what has the industry gained from the protection from 1925 ? For the last seven years the industry has paid no dividends to its ordinary shareholders. The second preference shareholders are in great arrears and the first preference shareholders were given dividend by a raid on the depreciation fund.

THE HONOURABLE THE PRESIDENT : Have they objected to this Bill ?

THE HONOURABLE MR. HOSSAIN IMAM : There have been no meetings, Sir. Either the Government or the Tatas ought to have held an extraordinary general meeting of the shareholders and placed the measures before them and asked for their approval. That would have been——

THE HONOURABLE THE PRESIDENT : Do you say that Government should have placed this Bill before the shareholders and asked for their approval ?

THE HONOURABLE MR. HOSSAIN IMAM : Government should have asked Tatas to do this, the Managing Agents to do this, otherwise——

THE HONOURABLE THE PRESIDENT : Does not the very fact that they have not held a meeting show that they have not disapproved ?

THE HONOURABLE MR. HOSSAIN IMAM : Unless the management calls an extraordinary meeting, a meeting could not be held. The Bombay Shareholders' Association, with which the Honourable the Commerce Secretary is very familiar, have objected to this Bill and have sent telegrams. May I point out to the Government that they have the Companies Act under revision and I hope they will not be content with revising the Act for future companies but they would look into the possibilities of somewhat curbing the rapaciousness of the managing agents of the established companies as well.

I come to another proposition enunciated by the Honourable the Commerce Member. I like the way in which he placed it before us very much. He placed before us an elementary point and tried to convince us that we were in the wrong and he was in the right in regard to differential duty. His point was, suppose the landed cost in India ex-duty is Rs. 100 for British goods and it is Rs. 65 for continental goods, the fair selling price is Rs. 105, therefore in all reasonableness the protective duty ought to be Rs. 5 per ton on British goods and Rs. 40 per ton on continental goods. That is a perfectly correct exposition as far as it goes. But, Sir, the Honourable the Commerce Member should not forget the Finance Member as well, and the Government of India being one and indivisible whole, all the measures that they bring forward must be embarked in consultation with all members. The Honourable the Commerce Member was doing the greatest amount of injustice to his own colleagues, the Finance Member, by bringing forward this differential duty. Consider the matter on his own basis. Suppose we are importing 5 lakhs tons of steel goods from abroad. What happens if Indians are unpatriotic enough to use English goods, the Finance Department gets only Rs. 25 lakhs by the use of English goods ; but if they are patriotic enough to use continental goods alone——

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christian) : Is that patriotism ?

THE HONOURABLE MR. HOSSAIN IMAM : I repeat, Sir, that if they are patriotic enough to use only continental goods, at Rs. 40 per ton on 5 lakhs of tons, the Government will get a revenue of Rs. 2 crores. This differential duty is nothing but a present from the poor and down-trodden Indian consumers to the British industry. In a perfectly straightforward preferential basis, we have this advantage that we get some *quid pro quo* for it. We can say that we are giving preference on goods worth a crore and in return get preference from the other for goods worth one crore of our own. That is some sort of exchange, but in this differential duty, even this element of counterbalancing is wanting and there can be no justification for differential duty, except the sentimental reason of giving it to our own imperial masters. Now, Sir, two questions arise. Either British goods are equal to continental goods or they are superior. They cannot of course be regarded as inferior. If it is better stuff, then we would be justified in putting a higher duty on the consumer. I mean if we had Rs. 100 *plus* Rs. 40 or Rs. 140, because the consumer is buying a better article. A man who wants a Rolls Royce cannot object if the Customs Department charge him more in tax than on a man who uses a Ford car. But if they are equal, it is his duty as a citizen of India to use the thing which, without taking a single shell out of his pocket, puts more money in the till, *i.e.*, the Government exchequer. If we did not have this differential duty, it would not be necessary to impose the excise duty as I said, and I am ready to substantiate the statement next year when figures are available. I would like the Honourable the Commerce Member also to keep this in view and tell us at the time of presenting the budget what would have been the result if this had not been given effect to. Then, Sir, I very much regret that the estimate of consumption of British and non-British steel has not been placed before us. The Tariff Board estimated the loss of customs at double the figure which the Commerce Department has worked out, but neither of them have placed the basis of their guess work. It may be possible that either the experts of the Tariff Board are right or the experts of the Commerce Department are right, but we, Sir, are in the dark. We do not know the basis of those calculations. I feel, Sir, personally that the Tariff Board were fairly correct in estimating the loss in revenue. It is only to disguise the ill-effects of this differential duty that the customs department have given us a smaller estimate—an estimate which assumes that less British steel will be consumed in India than continental steel. For instance, Sir, in the Report of the Tariff Board, they had taken the consumption of tested material of Tatas at about a sixth and probably on that analogy the Government have based their calculation of British steel coming in at about the same figure. Therefore, they submitted the loss would be less. May I have this assurance from the Commerce Department that if they find that the effect of this differential duty is to place a greater burden on us by reducing the customs income they will reconsider their attitude and have a uniform rate of duty for British and continental goods? The fact cannot be overlooked that at the present moment the continental suppliers are already handicapped to the extent of 40 per cent. if we rely, Sir, on today's quotation of 74·53 francs to the pound sterling. The handicap in the gold and sterling block is 40 per cent. If the continental manufacturers are able with an initial handicap of 40 per cent. and with additional burdens vary-

ing from 20 to 30 per cent. to compete and still sell things cheaper in India than goods of Indian or British manufacture, is it not a sad commentary on the efficiency of Tatas as well as British manufacturers ?

Sir, it has been held out to us that a great achievement has been made by the Commerce Department in getting free entry of Indian pig iron into the British market. As if this were a new thing. As if we were gaining anything by it. It is well known, Sir, to the Commerce Department that there is no competitor in the Empire countries to our pig iron. No other empire country can supply England with pig iron.

THE HONOURABLE MR. T. A. STEWART : Might I point out to the Honourable Member that England itself is a very large manufacturer of pig iron ?

THE HONOURABLE MR. HOSSAIN IMAM : Their import of pig iron has been varying from 200,000 tons to 400,000 tons every year because their pig iron is not so rich in iron contents as ours. Sir, the pig iron which we supply to the United Kingdom forms but a paltry one-fourth of our export. If we can find a market for three-fourths of our produce without giving any initial advantage why should we worry about this ? That is my first charge. My second charge is that if England were foolish enough to impose a duty on the raw produce of their goods, they would enhance their own production cost and the result would be that British steel will have to be priced at a higher figure due to the imposition of the duty on pig iron, and that will place fresh impediments in the way of British steel coming and competing in the world. We, Sir, are helping the British industry in two ways. Firstly, there is a direct subsidy from the Government. Secondly, there is the indirect subsidy in the shape of free pig iron. These constitute an advantage which I can visualise more than the entry of pig iron into England.

Now, Sir, there is another point. We would have considered, Sir, that we had got some recompense if we had found that our pig iron on account of this preferential duty was being sold at a slightly higher price than for competing goods. That, Sir, is also one way of looking at it. But what do we see ? England has practically left off buying pig iron from anyone else. Practically all her imports last year were from British India and nothing from anyone else. Eighty per cent. of her imports of pig iron came from India, whereas before this time, Sir, the percentage of Indian imports into the United Kingdom market was between 20 and 30 per cent.

THE HONOURABLE MR. T. A. STEWART : Does the Honourable Member know that during the last two years a duty of 33½ per cent. was imposed on imports of foreign pig iron from India into England and that Indian pig iron had that advantage ?

THE HONOURABLE MR. HOSSAIN IMAM : I will quote, Sir, from page 40 of Dr. Meek's Report. In 1920 the total import into the United Kingdom was 122,000 tons ; in 1925 it was 190,000 tons ; in 1930 it came down to 135,000 tons and in 1933 it had gone down to 93,000 tons, out of which 80,000 tons have been imported from India. The United Kingdom is reducing its imports.

THE HONOURABLE MR. T. A. STEWART: I am obliged to the Honourable Member. I was about to ask him to quote those figures.

THE HONOURABLE MR. HOSSAIN IMAM: This, Sir, serves his purpose in showing that India's share has risen but it also serves my purpose in showing that India's quota as far as its total export is considered has not been substantially increased and in order to confirm that statement, Sir, I will quote from page 109 that our export of pig iron was 568,000 tons and last year it was 377,500 tons only. Our total trade has deteriorated in pig iron. This is my reply to our gain in the United Kingdom market. That is the direct result of the Ottawa Agreement. Our trade is bound to suffer. If we do not purchase goods from them, they will not purchase goods from us.

Now, Sir, I come to the Tariff Board itself. It is well known, Sir, that I am not a very great protectionist, and once or twice that I have supported protection I have done so in spite of myself. In this case, Sir, things are like this. There is no denying the fact that out of the industries that we have safeguarded or protected so far, the steel industry has come out the best, although it is not from my point of view yet self-supporting. Dr. Mathai, who is the President of the Board, has been connected with the steel inquiry, for a very long time, and what he does not know about the steel industry I am prepared to say is not worth knowing. It is regrettable that after the strong stand which the last Tariff Board put up against imperial preference, there should be such a fall as is witnessed in this Tariff Board's Report. But there were, Sir, certain points raised in the former Steel Industry Tariff Board's Report. In that report the principle of differential duties or, as I would like to call it, imperial preference, was admitted in regard to the iron and steel industry, but with this difference that, while in the statutory report of 1926 a feeler was thrown out, one or two items were subjected to differential duties, now we have become whole-hoggers and want to have imperial preference in all categories. I would have liked to go in for a detailed criticism and review of the report, not questioning their findings but comparing them with previous reports; but as it is late, I will not go deeply into those matters. I should like to mention only one or two points. On page 70, in the note that has been given, they say that this increase of railway freights about which the responsibility lies on the Honourable the Chief Commissioner for Railways as it came at an inopportune moment; the industry did not know a word about it. I am told the East Indian Railway informed the Board privately, so that the Tatas were not able to give facts and figures to substantiate their loss on account of this increase in freight on the East Indian Railway. The Tariff Board say that even in spite of this increase there was already sufficient money to compensate the Tatas. It is not a question of a lakh or two. The East Indian Railway have made an additional demand of Rs. 12 lakhs on a production of 600,000 tons. That means that Rs. 2 per ton was hidden away somewhere. They have not mentioned expressly where they have provided for this. That is my complaint. When they said they have provided for this, they ought to have mentioned where they have provided for it. It means that their recommendations were so generous that Rs. 12 lakhs were hidden away somewhere.

I have a great complaint that the Board have not given facts and figures. In paragraph 119 they give their estimates of general loss in revenue. If we in the Legislature are to do any business here we ought to be given facts and figures and details. I should also like to draw the attention of the Commerce Department to their persistent policy of ignoring this House whenever any Bill is referred to a Select Committee in the other place. I, and other Members of this House, without any difference in caste, creed or colour, have been insisting that this House should be associated with Select Committees. This House was deprived of its rights, and the greatest culprit in this respect has been the Commerce Department, which has absolutely refused to have anything to do with us.

Sir, I will not waste much of the time of the House. I should only like to say a few words about the industry itself. There is no doubt that the Tatas are good employers. They have done much for the welfare of their labour; they have spent lakhs of rupees in education, hospitals and other welfare works. But I find that there is a lack of efficiency, although I am willing to admit that the efficiency is greater now than what it was formerly. But even now, the realisation of the waste products offers scope for further enquiry. I had hoped that the Tariff Board was going to enquire into this. Government would have been well advised to have appointed an officer just as the Chief Commissioner had for the Railways in Mr. Pope to examine the working of the steel industry to see what improvements could be made in reducing the wastage and increasing the efficiency. I make this request, Sir, because it is really the Indian taxpayers who have to foot the bill. If the industry is able to manufacture these goods at cheaper rates, we will be the gainer, and therefore, as the reversionary bonus holders, I hope that Government will keep this in view and if they have any opportunity, or if the Tatas come forward and ask for any further protection, they will insist on having an enquiry by an expert made into their works. My Honourable friend Major Nawab Sir Mahomed Akbar Khan was very vehement about that, and I think he has made out a case himself.

The only complaint of labour which I could find out during my visit to Jamshedpur was that they were feeling some trouble about houses. It is a new town; the labouring class is not sufficiently wealthy to build its own houses, and they have to rely to a great extent on the Company's houses. The Company employ about 20,000 people and they have only 5,000 houses. So, it is understandable that all cannot be accommodated.

Another complaint was that at present the gratuities which are given to the old employees are not based on any rules. It rests on the sweet will of the head of the department to give either a month's gratuity or a year's gratuity. I should like that they should adopt the system of my Honourable colleague Sir Guthrie Russell and give a gratuity of 15 days' pay per year, as is done on the Railways.

THE HONOURABLE THE PRESIDENT: May I remind the Honourable Member that there are several speakers to follow him and there is a considerable amount of work before us today? I propose to sit till late in the evening and finish the work.

THE HONOURABLE MR. HOSSAIN IMAM : I was about to close, Sir.

The Honourable the Finance Secretary may consider the possibility of giving some help and taking over the sterling debentures of the Tatas, and thereby reduce the overhead charges in the shape of interest on these sterling debentures, which are at the very high rate of $7\frac{1}{2}$ per cent. and charge them 4 per cent. interest.

THE HONOURABLE SIR ALAN PARSONS : I will certainly do nothing of the sort.

THE HONOURABLE MR. HOSSAIN IMAM : Then there is another point about the employees. My Honourable colleague, Mr. Banerjee, was very, very vehement that a propaganda is being carried on against Bengalis. There was nothing of the sort. The propaganda was that certain departments have become the monopoly of certain classes of people. As is well known, Government are also giving it out as their definite policy to stop the preponderance of any community in the services. Might I ask my Honourable colleague to enlighten us if he will accept that as the Bengalis are excluded at the present moment from the army, they should be excluded from the army for ever ?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : No.

THE HONOURABLE MR. HOSSAIN IMAM : Therefore, what we want is that every community should be represented in the national industry and that no one should be excluded for his caste or creed, and that no one should be given an undue advantage because of his caste or creed. That is all. We do not want any Bengalis to be ousted, but when there are vacancies, others too should have their due share in those posts.

Now I wish to draw the attention of the Honourable Sir Guthrie Russell to one of his steel plants which is lying idle at Jamshedpur. If he were to utilise it, that would materially help Tatas in giving them an outlet for their products.

THE HONOURABLE SIR GUTHRIE RUSSELL : It would not affect Tatas in any way. It would only mean diverting certain work done by private enterprise to State railway workshops. It would have no effect on Tatas whatsoever.

THE HONOURABLE MR. HOSSAIN IMAM : But if he were to make research and find out whether he could substitute the basic steel of Indian manufacture for the foreign acid steel he is using he would give more work to Tatas.

One word more and I will finish. The Bill proposes to give preferential treatment to England without asking for anything—

THE HONOURABLE THE PRESIDENT : The Honourable Member has spoken at considerable length on that point. I hope he is not going to repeat his arguments ?

THE HONOURABLE MR. HOSSAIN IMAM : I was simply going to say that I wish to exonerate the Commerce Department from the charge which my Honourable friend Sardar Shri Jagannath Maharaj Pandit laid at their door,

that they have listened to the public voice and re-imposed a duty in consideration of public opinion. They have done nothing of the sort. I give them a certificate that they have never heard the voice of the public! Sir, this Bill does not intend to protect the Indian industry or reduce the burden on the consumer. If it does any good it does it for the English steel industry.

Sir, I do not support the Bill.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY (Bombay: Nominated Non-Official): Sir, I rise to support the Bill which has been moved by the Honourable Mr. Stewart. It is not my purpose to enter into the intricacies of the tariffs and duties, nor of the profits, visible or invisible or *ch'inga*, as alleged by the Honourable Nawab Sir Mahomed Akbar Khan. The role of financiers, auditors and experts has been assumed by some Honourable Members; I would leave it to them to find out the discrepancies in the Report of the Tariff Board, which is thorough, searching and impartial.

Sir, when any country promotes an industrial development of a kind that is non-existent, it has to face enormous difficulties and vicissitudes. When the Tatas started their iron and steel works there was no local experience, no local experts, no local skilled labour. Jamshedji Tata, whom I had the privilege to know personally, with his unique genius, with his enterprise and with his breadth of vision entered into the matter with a zeal which was beyond all praise. He spent lakhs in the preliminary inquiry; he invited experts from many countries, from Petersberg, from Germany, and other American sources, from England, in order to put the works on a firm basis. He was undaunted by the magnitude of this new venture. In spite of all, however, there was one great disability he had to face, and that was the competition of foreign importers, who had long and intimate connection with India, who knew Indian requirements and how to meet them. And naturally they undersold Tata's products. Government had then to give protection, which was further extended, and now we are asked to sanction its modification and continuance for a further period of seven years. It is to be hoped that it will be the last period of protection and that after 1941, the Company will be so well established as to cease to require further protection. A country has to make sacrifices in order to be self-sufficient and in the present instance such have been made by the Tatas, capitalists, big and small, shareholders, the public and the consumers, in order to support a national and a key industry. Have the Tatas contrived to so manage their Works as to improve the conditions of the trade in India, is the question? Sir, if those Honourable Members who have been such vehement critics had carefully studied the *last* Report of the Tariff Board, they could not have failed to notice the enormous progress made within the last six years. Their Indian trade of which they had only a 30 per cent. share in 1927-28, has increased to 72 per cent. in 1933-34. That is certainly not a small gain. The works are now estimated at Rs. 12½ crores, if the profits are calculated upon that, they barely come to 2½ per cent. At the same time, however, the profits have been assigned for depreciation to the extent of Rs. 400 lakhs of which Rs. 302 lakhs have been utilised for improvements and replacements. Another important point is the remarkable increase of efficiency. The cost of production has been reduced to a much greater extent than was

[Khan Ba'adur Dr. Sir Nasarvanji Choksy.]

anticipated by the previous Tariff Board. By far the most impressive statement of the Tariff Board is that these Works will stand comparison with those of similar age and capacity elsewhere if the suggestions that they have made are accepted and carried out. It has been asserted that Tatas have not carried out some of their suggestions. We are not in their confidence, nor do we know what conditions and circumstances prevented them from adopting all the requirements of the Tariff Board. Besides that, Sir, they have established a town with a population of 85,000. They have spent an enormous amount of money in welfare work, in estate management, medical relief, housing, technical education, etc. There is no similar undertaking in India to compete with it. If Indians had any enterprise, any genius, when protection was given they should have come forward to establish other works for fair competition. It is no use crying that Tatas have a monopoly. If they have a monopoly, it is because there is no other competitor in the field. I think the charge of monopoly has been greatly exaggerated. As regards their dividends, everybody knows what poor dividends they have been paying and how for years together there have been none to ordinary and deferred shareholders. It has been suggested that the Company should not look to dividends, nor redeem their debentures. The debentures are, however, a burden upon the concern; but notwithstanding that it is recommended that all profits should be devoted to expansion and replacements. That is a question, Sir, for the Board of Directors to decide.

The main question is, whether the protection that is now being given will be sufficient for all time, or whether circumstances will so change that modifications will be necessary? It is impossible to prognosticate at this date, but there is this to be said that the existing protection has not stimulated expansion in any direction. The sugar industry in spite of protection is bewailing its lot. There was a mushroom expansion, leading to cut throat competition. Again, Sir, the apathy and supineness on the part of Indian industrialists is well known. They have rich material before their eyes, but they will not take the trouble to investigate how best it can be utilised for the benefit of the country. They inveighed] the other day about a British industrial concern that was about to take up some chemical works in the Punjab. There has existed material there which could have been utilised years and years ago and have supplied India with numerous chemicals for the use of other industries. It was said the other day that Jamshedji Tata's incentive was due to a geological survey and the finding by an expert of iron ore, etc., in the jungles. It is true the ore was there, limestone was there, coal was there, but was there any enterprise, any genius, any broad vision? But for him, all those materials would have been lying fallow and unutilised up to this day. There exist many instances where discoveries and inventions have been neglected. One of the most striking was that of the discovery of aniline dyes by Mr. Perkins, a British chemist. He placed the discovery before capitalists but they would not look at it. What was the result? The discovery went to Germany which secured a world monopoly, increased the wealth of the country and on the basis made further discoveries. That shows what genius, what enterprise and what breadth of vision can do!

With these few remarks, Sir, I support the Bill.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I have no pretensions to any technical knowledge of the subject. I would approach the subject from the point of the layman and I feel, Sir, that to determine the main question, the question of whether it is necessary to give a further extension of protection to the iron and steel industry in India, to determine this question I feel it is not necessary for one to be possessed of any technical or special knowledge. Sir, the Tata Iron and Steel Company has attained a unique position in the country. The protection given to the iron and steel industry is practically the protection afforded to Tatas. As has been observed by the last Honourable speaker, Tatas have made a great contribution to the industrial development of the country. At a time when this industry was non-existent in India and when there was none available here who had any experience of this industry at a time when the market for steel was fully in the hands of foreign agencies, Tatas started their works and contended against tremendous odds, and in spite of these difficulties they succeeded in carving a market for themselves. It was in view of this and in view of the fact that it was desired that India should become economically independent and should be free from its helpless dependence upon foreign countries that the Central Legislature originally granted this protection. Now, Sir, the question is, whether the result of this action has been such as would justify a similar action to be taken again? Therefore, Sir, we have to see whether under the shelter of this protection the industry has improved in efficiency and has achieved results which will encourage the hope that within a measurable distance of time it will be possible for this industry to get into a position where it might be able without extraneous help to hold its own against foreign competition. Sir, that this industry has achieved these results, that it has considerably improved in efficiency and organization and that in spite of great disability under which it had to labour during recent years owing to trade depression, in spite of this disability it has succeeded in reducing its cost and increasing its output—all this is evident from the Report of the Tariff Board. This report makes it perfectly manifest that Tatas notwithstanding the fact that still there are certain directions in which, with the adoption of better methods, it would make it possible to achieve better results, notwithstanding this, they have not failed to prove themselves perfectly deserving of the encouragement that has been shown to them. The management have shown that they are perfectly alive to the fact that they cannot hope to depend upon this protection for long and that consequently they have to hasten to organize to improve and consolidate the position of the industry. Consequently, Sir, as is obvious from the Tariff Board's Report, they have done a lot by way of improvement in the equipment and by way of reducing the works cost and increasing the volume of products. Besides this, as behoves the industry which claims to be a national industry of first importance they have striven their best to introduce conditions for labour which are much better than can be found in any other industry in India. Sir, not only do they employ a great deal of labour, but they also make much better provision than anybody else for their workmen. The care and attention that they bestow towards the well being, towards the health and welfare, of their labourers, is too well known to need any mention. Deficiencies might still exist, as my Honourable

[Saiyed Mohamed Padshah Sahib Bahadur.]

friend Mr. Hossain Imam has just pointed out; there is still some direction in which Tatas will have to effect improvement as regards the welfare of their workers, viz., in the matter of housing and gratuity. I hope that Tatas who have done their best to try and improve the lot of their workmen would try and introduce these reforms also. Therefore, Sir, we feel that a very strong case has been made out for extending the period of protection to Tatas. The only question would be the measure of protection which has got to be granted and on this aspect of the question I do not propose to dwell long, inasmuch as I feel that for want of technical and special knowledge I do not think I am competent to form an opinion about this. All that I would say is this, that the way in which the Tariff Board has come to determine this quantum of protection appears to me to be the only and proper way in which you could determine the measure of protection. In determining this measure of protection they have tried to find out the difference between the fair selling price of the indigenous articles as against the landed import price and they have given this difference between these two prices as the quantum of protection against every article. I think, Sir, this is the only way in which you could arrive at the proper measure of protection that has got to be given to the indigenous industry. Now, Sir, while I am on this aspect of the question, I should like to say a word about the way in which the differentiation has been made between British imports and foreign imports. It has been observed by some of my Honourable friends who have taken objection to this differentiation that in case the differentiation had not been made and if patriotic Indians had been allowed to use only foreign articles, the result would be an additional income to the Indian exchequer. I feel, Sir, that there is no justification for this hope.

THE HONOURABLE MR. HOSSAIN IMAM : It is pure mathematics.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : I am also taking my stand on the firm ground of mathematics only on the *terra firma* of facts and figures. The differentiation is there not because there is any desire to give preference to one article against the other but because of the fact that there is really a discrepancy between the prices of British goods and the prices of foreign goods.

THE HONOURABLE MR. HOSSAIN IMAM : Is it an order from the Secretary of State, Sir ?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Your own mathematics go to show—the figures given in the Tariff Board—and I do not pretend to have any knowledge outside the information that has been supplied to me in the Report of the Tariff Board—from these figures I feel that there is really an enormous difference between the price of the foreign article and that of the British-made article and it is but natural that, as against an article which is highly priced, there should be a smaller measure of protection in comparison with another article which is priced low so that the effect of these foreign articles might be the same as against the Indian article. As has been stated by the Honourable the Commerce Member the other day, when he made his reply to the debate here, he gave us a concrete instance of

an Indian article being priced at Rs. 100 and showed how the quantum of protection for this article would be assessed as against the English article, which was priced at Rs. 90, and the continental article priced at Rs. 60. So that he made it perfectly clear how the duty against the British-made article should be only Rs. 10 while on an article of a similar kind imported from a foreign country it should be Rs. 40. I do not think, Sir, I need labour this point any more. But, Sir, my own view is that, even if this was not a case of differential duty necessitated by the hard and undeniable facts of the case, but on the other hand it was a clear case even of imperial preference, I should feel that that was a step in the right direction.

THE HONOURABLE MR. HOSSAIN IMAM : At the cost of India ?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : No, Sir, I am going to develop the point. I feel that there cannot be any objection to this kind of procedure so far as it does not injure the interests of India. Here, Sir, in the instance to which I have just alluded, as to why we require different rates of duty on these two different articles, if instead of having this differential duty we had imposed a flat rate on both these articles, what would have been the result ? The result would have been anything but advantageous to the consumer.

THE HONOURABLE MR. HOSSAIN IMAM : Fiscal advantage ?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : That does not so much affect the consumer. I am surprised to find, Sir, that the Honourable Member who has been making pathetic appeals in the name of the consumer is now propounding a theory the result of which would be a direct enhancement of the burden on the shoulders of the masses. (*An Honourable Member* : " Then abolish all duties ! ") On account of the necessities of the situation, we feel that we have got to protect our industry in order that in the long run this industry might be able to stand on its own legs and might develop to an extent that might result in lowering the price of the article.

THE HONOURABLE MR. HOSSAIN IMAM : Has it been lowered now after seven years ?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Well Sir, since my Honourable friends have taken very strong objection to imperial preference, I would like to say something more about this question of imperial preference. I feel, Sir, that this imperial preference is the first and most important stage that this country will have to pass through in its march to economic recovery. I feel, Sir, that appreciation by the various countries of one another's difficulties and mutual co-operation between these countries of the world, is surely the solution for the problem of this world depression. For I feel, Sir, that this is the only way which can bring order into the chaotic state of things in which the trade of the world has been landed on account of the short-sighted policy which has been followed all over the world in regard to their external trade relations. I feel, Sir, that this imperial preference is a welcome departure from this short-sighted policy and opens up a way towards mutual co-operation. And it is but natural that we, constituting, as we do a part of the British Empire, should make a beginning in this direction by trying to enter into inter-imperial arrangements. I feel perfectly convinced, Sir,

[Saiyed Mohamed Padshah Sahib Bahadur.]

that the solution for the present depression does not lie in putting up tariff walls but in pulling them down.

Now, Sir, while I give my full support to this Bill, I should like to draw attention to one or two matters in which I feel that Tatas should take immediate steps to rectify matters. Sir, I will first take up the representation of various classes and communities in the service of Tatas. Sir, a memorandum has been circulated to us which has been signed by one Mr. Habib-ur-Rahman Sadi, who seems to have made detailed inquiries into this matter. Sir, this memorandum depicts the unhappy plight of the Mussalmans in the service of Tatas. It shows how the attitude of Tatas has recently changed from what it was originally. It gives an account of how the pioneers of this industry had shown due appreciation of the claims of various classes and communities and how the Mussalmans played their part in the building up of this industry originally, and how even when they were put on very hard and arduous tasks, performed those tasks quite willingly and efficiently. The memorandum makes it clear, Sir, that in respect of the services there has been in recent years a steady decrease in the number of Mussalmans employed in this great industry. It is surprising that in Jamshedpur, where the Mussalmans form 30 per cent. of the population, in the general offices of the Tatas, where there are 569 hands, there are only five Mussalmans, and in the Town Engineering Department, there are only five Mussalmans out of a total of 70. I will not deal with this aspect at any length. I would request you, Sir, to permit me to hand in this statement,* which is pertaining to this subject. I feel that there is every necessity for drawing the attention of the Tatas to this aspect of the question and ask them to try and improve the position.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR : You want communal representation in the Tatas ?

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : It is not communal representation, Sir. It is a just claim. If Tatas claim to be not only a big industry but also a great national institution,

4-5 P.M.

if they are anxious to give proof of their appreciation of all the sacrifices that this country has made, sacrifices in which not only any particular class or community has taken part but the whole country has been involved, if this industry has an all-India outlook, if this industry is to justify its existence and its claim to protection from the people in the land, I feel that this industry should take care that every class and community gets its due share in the service of this industry.

Another point is that the consumer's interest has not after all been jealously guarded. This is not because of the protection which has been given but because in spite of all their best efforts the Tatas have not been able to discharge their duty in some respects. They have not taken any pains, as they ought to have taken, to encourage subsidiary industries in the country. At the time when protection was given, great expectations were entertained that besides the Tatas, this protection would go to encourage other subsidiary industries, and that even new ventures would come into existence. This

*See Appendix 'C' at end of these debates

hope has not materialized, and we feel that far from encouraging these industries, the Tatas are developing a monopolistic attitude, and as has been observed by the Honourable Sir Ramunni Menon the other day, it is disappointing to find that in spite of all this protection, in spite of the anxiety to increase the volume of steel products in the country, the fact is that at the present day there is only the Tatas which has the monopoly of producing basic steel. This is a state of affairs which requires to be rectified at once. If the Tatas claim to a real and powerful instrument in solving the economic problem of this country, and if they realise their duties and obligations in view of the great sacrifices that the country has made, the Tatas, I hope, will endeavour to find a way to try and do their duty by the subsidiary industries of the country so that the volume of steel products may be increased resulting in the lowering of the price.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, at this late stage, I will not be justified in making a long speech which I would have made if I had caught the eye of the Chair earlier. But I cannot resist the temptation of making a few general observations. Sir, I come from Burma, a constituency of consumers, pure and simple. The main underlying principle of this Bill is the carrying out of the policy of discriminating protection to a national industry, a key and basic industry. As an Indian, I can endorse the view which has been put forward by a number of speakers that this industry is principally a national industry and requires protection. But coming as I do from Burma, I think it is but proper that I should represent the view which is held by the Burmans. The Burmans do not regard the Tata Iron and Steel Company as a national industry, and we can pardon them for holding that view.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Because they want themselves to get separated.

THE HONOURABLE MR. P. C. D. CHARI : Well, the underlying principle of discriminating protection has come into conflict with the true interests of Burma, and we know to our cost that this has been one of the main reasons which has been put forward by the advocates of separation for separating Burma from India. I cannot be wholly enthusiastic about a measure which has been to a large extent responsible for forcing Burma away from India. Be that as it may, there is a view which is now put forward that even after separation, Burma should be a part of the fiscal system of India. I am one of those who believe that it would be to the best interests of Burma to remain within the fiscal system of India even after separation. Holding that view as I do, I think it is my duty to support this Bill which gives the necessary protection to this industry, because if Burma continues even after separation under the fiscal system of India, this industry will be a national industry even from the point of view of Burmans. There is one other reason why I support this Bill. The Central Government should have funds for carrying on the administration and the funds necessary will be contributed, to some extent, by the protective duties proposed in the Bill, though the main purpose of the Bill is to give protection to the industry. There is also the incidental purpose of raising revenue by these protective duties, and these protective duties being indirect forms of taxation, come in handy and if these duties are not levied, probably Government will have to seek other means of taxation, and

[Mr. P. C. D. Chari.]

all the same, Burmans along with the rest of the Indians will have to bear their share of taxation. That is my point of view as a representative of Burma, and I take this opportunity of making myself clear as to why, being a representative of Burma, I support this Bill. But on going through this report, several important things struck me but I will not refer in detail to anything about it. I could not however resist the temptation of saying that the Tatas have reached a stage when they do not require protection for a long period of seven years. Under the Indian Majority Act, one remains an infant—a minor, till the age of 18. Probably the Government of India thought that when protection was given in 1924, they took the age of the Tatas as one year. Now it has enjoyed protection for 10 years. That brings the age to 11 years, and they want to give protection for another seven years, bringing the age of this infant industry to the age of majority.

(At this stage, the Honourable the President vacated the Chair which was taken by the Honourable Mr. E. Miller.)

There is also the fear, as we know, that when a minor comes under the control of the Court of Wards or other Government institution, the age of majority is increased to 21, and it may be argued later that 21 years is the age to which it must attain before protection can be dispensed with. That is my fear. After all it is not a human being; is it only an industry. And during the last seven years this industry has grown very robust, as even the Board has said its efficiency has improved far beyond the anticipations made at the time of the original scheme of protection. The Tatas have carried out most of the improvements suggested, but of course here and there some more improvements are required. But during this period they had to pass through very depressing times and probably this infant, which has now grown into a robust boy, may require some protection for a few more years. But it must be made clear that no further protective measures will be brought in to support this infant. We find from the report that this robust boy has been behaving like a naughty boy and kicking against the other minor children which have not grown so robust. The Tariff Board seems to have taken security for good behaviour consisting mainly of Tatas' personal security in the shape of an assurance that they would behave better during the period of protection given to them. Well, I hope Tatas will keep to their promise and will not try to injure the interests of other minor industries. Of course there has been a good deal of complaint in this regard but I will not go into details.

Then the main report says Tatas do not really require a protective duty but the proposals are intended to give protection to Tatas against the dumping activities of some foreign countries. Perhaps they do require protection against such evil-doers but we want to be assured that the protection given is neither too much nor too little. The Honourable the Commerce Member told us that they have weighed the protection carefully in the balance and given just enough. He also said that no facts or figures are given by those who maintain that the protection is too much or too little. But I could not get many figures from the Government themselves, nor do I find from an extensive perusal of this report that any figures are given to justify the measure of protection advocated. We can only assume that it is necessary and no more nor less than necessary.

There has also been a complaint, both here and in the other place, that in a scheme of protection other complications of differential duties, revenue duties and excise duties which ought not to be included have in fact been included in the scheme. I join in the protest and maintain that a scheme of protection should be a pure and simple protection scheme and nothing else. It should not be a revenue Bill or something like a finance Bill. I take very strong exception to this provision for the imposition of excise duty. I was inclined to think that at the back of the minds of the Tariff Board there was an impression that no more protection was necessary and that is why they thought of an excise duty. An excise duty is generally imposed when an industry has established itself. I have been a student of economics all these years, and from an economic point of view when an industry comes to the stage of being able to bear an excise duty, it does not require protection at all. If it does require protection then it ought not to be made to bear an excise duty. There is therefore an inconsistency here. I am afraid the recommendations of the Fiscal Commission have not been carried out in this matter of the appointment of at least the Chairman of the Tariff Board. The Fiscal Committee recommended that a practising lawyer of the standing of a High Court Judge should be appointed Chairman. I have found from one or two places in the report that the absence of such a trained chairman is responsible for the muddle into which the Members of the Board have fallen. Fortunately all their recommendations are not being given effect to. In this case if a trained lawyer had been the chairman of this Board he would at once have seen the limitations of their terms of reference. (*An Honourable Member*: "Dr. Mathai was a vakil of some years' standing.") I have had the pleasure of knowing Dr. John Mathai since my law college days when he used to sit beside me. I have known also—

THE HONOURABLE THE PRESIDENT: Order, order. The Honourable Member should not refer by name to the members of the Tariff Board.

THE HONOURABLE MR. P. C. D. CHARI: I apologise for making a reference to any one by name but was forced to by the interruption. The Tariff Board Report goes outside the terms of reference in making a recommendation as regards revenue duty. Fortunately the Government have not acted upon it, and as regards the excise duty also it has fallen into the same error. But there are one or two other points in that report which are very material. I will refer to one of them only. A good deal has been said about imperial preference and the Ottawa spirit. I am one of those who do not object to imperial preference if it comes spontaneously from the people's real representatives. India is a large consuming country and the greatest asset of India lies in the fact that it can consume a large quantity of articles which other countries export. It is a valuable asset which should not be frittered away. If the real representatives of the people think that they must make a generous gesture to capture the goodwill of a particular section, then it must be reserved to those real representatives of the people when they get real power to make this generous gesture. My only objection is that they have been made by people who are not the real representatives and this has been premature. And as regards the differential duties, the Government fight shy of saying "We do intend to benefit Great Britain to a large extent". They do not

[Mr. P. C. D. Chari.]

say that, they merely say it is in the interests of the consumers that the differential duties are proposed. I carefully listened to the speech of the Honourable the Commerce Member. He could very well have come forward and said it does not affect the consumer and we do intend to give a large benefit to the British steel industry. If he had said that, I would have been satisfied and I hope the Honourable the Commerce Secretary will make that aspect quite clear. We do feel that we do make a sacrifice in our revenues as a sort of generous gesture to the British public and it must be made clear that we are not fools, that we are not being humbugged out of it and we do really understand that we are making a large sacrifice and that we expect that this generous gesture on our part should be appreciated by the British public.

There is one other thing with reference to the differential duty and that is very much to the point. It is in the nature of a question to the Honourable the mover of the Bill as to whether I am right in thinking that in arriving at the differential duty in the case of galvanized sheets the real landed price for galvanized sheets had been really kept in view. I find at page 62 of the Tariff Board's Report this passage—

THE HONOURABLE MR. T. A. STEWART: It might save time if I say that the answer is "Yes".

THE HONOURABLE MR. P. C. D. CHARI: "The United Kingdom price—"

THE HONOURABLE THE PRESIDENT: You need not read that. The Honourable Mr. Stewart said that the answer is "Yes".

THE HONOURABLE MR. P. C. D. CHARI: They say that a figure had to be fixed arbitrarily. The price of continental and British galvanized sheets have been fixed by the Ottawa Agreement and these have been arrived at somehow. The figure of Rs. 160 for British goods and Rs. 130 for continental goods have been fixed somehow. They could not explain it, but in view of the statement by the Tariff Board at page 62 that continental prices and British landed prices were the same in respect of this class of goods, I cannot really understand why the differential duty has been fixed like that? If really British goods were only worth Rs. 130 and for the purpose of calculating the differential duty here, it had been put at Rs. 160, then it is a bounty of Rs. 30 given to the British manufacturer and I cannot see why this bounty should be given to the British manufacturer in respect of a class of goods which really benefit the agriculturist most; and in several parts of the report they seem to be very keen about the interests of the agriculturists and if really a lawyer of the standing of a High Court judge had been the chairman of the Board, in spite of the fact that the Ottawa Delegation were committed to this figure of Rs. 160, he would have really found out the correct landed price and the differential duties would have been calculated on that basis and this bounty of Rs. 30 per ton on galvanized sheets would have been avoided.

Sir, I have got several topics to touch upon, but in view of the fact that the Council is tired, at this stage I shall resist the temptation of speaking on them.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, in the course of the very exhaustive—and at some times exhausting—debate

on this Bill practically every aspect of this question has been explored in all directions. There is very little, I think, that is left for me to say. In the first place, however, I should like to contradict as emphatically as I can the suggestion that any disrespect has been shown to this Honourable Chamber by the Commerce Department, as a result of which this Bill was not referred to a Joint Select Committee. The reference of Bills to Joint Select Committees was the subject of an equally exhausting debate in the last Delhi session and I think if the Honourable Mr. Hossain Imam would cast his mind back to that debate, he might think fit to withdraw his allegation.

Before going further, I should like to associate these benches with the tribute that was paid by the Honourable Sir Rumunni Menon to the Tariff Board. I do not think that any fair-minded man inside this Chamber or outside could fail to deplore the abuse and mud-slinging that greeted the publication of the Tariff Board Report. The Tariff Board, I am glad to think, are too big men to mind what the little ones say.

THE HONOURABLE MR. HOSSAIN IMAM : What were the Government doing? What about the Government's rejection of the Report of the Tariff Board on the textile industry?

THE HONOURABLE MR. T. A. STEWART : Government did not indulge in any personalities, whatever they did.

Mr. Hossain Imam objects to the preamble of the Bill. After what he himself has said, our draftsman has to be congratulated. According to us, it is a Bill for the modification and continuance of the protection afforded to the iron and steel industry. It is also a Bill to impose an excise duty upon certain steel. According to the Honourable Mr. Hossain Imam it is designed to cast an additional burden on the consumer and to favour the British manufacturer. In these circumstances the short title seems to me the most appropriate one, all circumstances being considered! Many voices have been raised for the consumer and it must be admitted that the consumer has to bear a burden. It is of the essence of the theory of protection that he should do so, and I think at this stage it is entirely fruitless, it is entirely an academic pursuit, to endeavour to measure in terms of so many lakhs or so many crores what is the worth of this protection to the country as a whole. If any Honourable Member wishes to indulge in that calculation, I should be very glad if he would work out for me what is the potential benefit of having established a basic industry like the steel industry if in the future there comes a time of national emergency. I should be glad to have an answer to that question; I myself can give none. At any rate it is hoped that in practising this policy of discriminating protection, we have endeavoured, whatever burden must be imposed on the consumer, that it should be kept as low as possible.

Certain Honourable Members have referred to what they call monopolistic tendencies of the Tata Iron and Steel Company and they have asked that some check should be put to any such monopolistic tendencies. I think, Sir, in the assurances that have been given in respect of the supply of steel billets to the re-rolling industry and the assurances that have been given in respect of the tinsplate industry, Government have given an earnest that they are not unmindful of the dangers that might arise from monopolistic tendencies. Again, my Honourable friend, Sir Ramunni Menon, who is not here, expressed

[Mr. T. A. Stewart.]

a certain amount of apprehension on behalf of the potential steel industry in Mysore. I think that he has misunderstood the terms of the Report of the Select Committee of the other House. The assurance that was received by the Select Committee was not that Government would undertake that in no circumstances a British Indian industry should suffer from the competition of an industry established in Mysore. What the assurance means is this; that, should such an industry arise, in the interests of the Indian industry, out of fairness to the Indian industry, it would not be permissible for steel from that State to come into India and escape the incidence of an excise duty. That is the whole meaning of that phrase from the Select Committee's Report.

Apprehension was also expressed that in their freight engagements with the Railways, Tatas had received unfair and undue advantage. There is nothing secret about the freight contract. Tatas pay the ordinary public rates for all the traffic they give to the Railways, with this condition that, when their total traffic exceeds 350 million ton miles per year, a rebate of 25 per cent. is given. That, Sir, is not an extraordinary contract. If any of us manage to put 350 million ton miles of traffic in the hands of any railway, I have no doubt that our claim for a corresponding rebate would receive consideration.

So far as there has been serious criticism of this Bill, it has been concentrated on two points—one the differential duties and the other the excise duty. Now, I do not know whether it was of direct purpose or not, but in the course of the debate it was suggested to me that certain Honourable Members regarded or wished us to regard these differential duties as innovations. As one Honourable Member said, the differential duty is an innovation introduced seven years ago. Well, it is either an innovation now or was an innovation seven years ago. It cannot be both, and I venture to think that the Legislature that put those differential duties on the Statute-book originally was no less jealous of India's rights and no less jealous of the encroachment on those rights by the United Kingdom than this Honourable House is, and I would remind the Honourable Members who objected so strenuously to differential duties—or preferential duties, as they call them—that the responsibility is not that of 1934 but it is a responsibility that goes back to 1927.

THE HONOURABLE MR. HOSSAIN IMAM: Conditions were different.

THE HONOURABLE MR. T. A. STEWART: Conditions, Sir, I admit, were different. It has been said by many Honourable Members that these are in effect not differential duties but they are really measures of imperial preference. I had thought that that theory was exploded some considerable time ago but it has now been revived. The Honourable the Commerce Member, I thought, had dealt sufficiently well with the subject but he does not appear to have satisfied Honourable Members on the opposite benches. They have sought to prove three things. One, that these differential duties will antagonise foreign countries and as a result that India's foreign trade will be prejudiced. Now, let us take the case of—I take it because it is our most important import—let us take the case of galvanized sheets, on which a duty

of Rs. 40 is proposed on continental sheets and Rs. 10 on British sheets. Does it alter the situation for the continental producer if you change the Rs. 10 into Rs. 40 in the case of the United Kingdom sheets? If Rs. 40 is going to kill the continental trade it is going to kill it in any case, so I cannot see that it is going to do any good to revise the duties. It will not help in that respect. Two other arguments have been advanced. Relying on the imaginary instance given by the Honourable the Commerce Member, many curious results have been evolved but I would refer again to this case of galvanized sheets. The fair selling price of Tatas' sheets is Rs. 170 a ton. The landed price of British sheets (*pace* the Honourable Mr. Chari) is Rs. 160 a ton, the equating duty being Rs. 10. For continental sheets, the landed price is Rs. 130 a ton but the equating duty is Rs. 40 a ton. What would happen if the duties were equalised and Rs. 40 were made applicable to all sheets imported? Well, in the first place you must realise that Tatas cannot supply the whole Indian demand. What is going to happen? The first thing that happens is that British sheet is entirely out of the market. It cannot compete at Rs. 200. And the next thing that is going to happen is that the continental supply, having a partial monopoly of the market is certainly not going to sell at Rs. 170, and Tatas, if I judge them aright, are not going to sell at Rs. 170 either. The result is that the ultimate figure arrived at will be something just under Rs. 200. It is perfectly true that my Honourable friend, Sir Alan Parsons, will get the benefit of the duty, but who is he taking the duty from? The purchaser of these sheets. And who is the purchaser of these sheets? Not us, Sir, but the cultivator.

THE HONOURABLE MR. P. C. D. CHARI: If the landed prices are the same, then there ought to be no differential duties, but a uniform duty on galvanized sheets.

THE HONOURABLE MR. T. A. STEWART: If the Honourable Mr. Chari had done me the honour to listen to what I said on Saturday, he would not be under this apprehension. If he had been interested enough to read the debates in another place, where his theories were utterly exploded, again he would not be under this apprehension. The landed price is not the same. It is Rs. 160.

THE HONOURABLE MR. P. C. D. CHARI: But the Tariff Board says it is the same in both the cases.

THE HONOURABLE MR. T. A. STEWART: As I was saying, Sir, it is quite true that the revenue might be improved by such a device, but it would be improved only at the expense of the poorest cultivator and that is a device, Sir, which the Government of India were not prepared to adopt.

I will refer to the challenge that was thrown out by the Honourable the Commerce Member that it has not on this occasion been shown that the levels of duties proposed by the Tariff Board were wrong. The Honourable Mr. Hossain Imam has taken up that challenge and he wishes to prove that in one instance at least those duties are wrong. To do so, he has gone back to the report of 1927. He has discovered that there the Tariff Board said that there is a selling margin between the price of British tested steel and continental untested steel and from that he deduces that there must be a difference in the selling price of British tested steel and Tatas' tested steel. I cannot follow

[Mr. T. A. Stewart.]

his logical processes, but I am prepared to admit that there is a difference. There is a slight prejudice against Tatas which I hope will soon be wiped out. But I would point out that this has been taken account of and that there has been an addition to the fair selling price on account of the lag of Tatas' selling prices behind import prices. I am referring to paragraph 91.

THE HONOURABLE MR. HOSSAIN IMAM : I will refer the Honourable Member to paragraph 96.

THE HONOURABLE MR. T. A. STEWART : Excuse me. If you will refer to paragraph 91 you will find that it deals entirely with the price allowance for the lag between import and realised price. An addition is made to the fair selling price f. o. r. Tatanagar in order to allow for that lag. I will refer the Honourable Member to paragraph 91.

THE HONOURABLE MR. HOSSAIN IMAM : And I would refer the Honourable Member back to paragraph 96.

THE HONOURABLE MR. T. A. STEWART : There remains only the question of excise. In the course of the debate I have heard more than one reason adduced for the imposition of an excise duty. I think I do not commit any financial heresy if I say that there is only one reason for the imposition of an excise duty and that is, in order to get money. There has been another discovery regarding excise duties. The discovery is—it is said to be a new one—that an excise duty, and this duty in particular, places a burden on the consumer. Well, I should be extremely surprised if it did not. An excise duty, in its nature, is a tax on consumption, as a revenue customs duty,—not a protective duty,—is, and though we realise that such a burden has to be borne, as I have already said it is only stark necessity that has led us to the imposition of that duty.

In the course of his speech, the Honourable Mr. Hossain Imam complained that the Government did not explore other avenues down which revenue might roll. I am not quite sure that he is correct in saying so, but I should like to ask him whether he has explored those avenues, and what has been his success ?

THE HONOURABLE MR. HOSSAIN IMAM : Export duty on gold, Sir.

THE HONOURABLE SIR ALAN PARSONS : I do not know if the Honourable Member anticipates that the proceeds of an export duty on gold will be sufficient to replace annually the recurring revenue we are losing.

THE HONOURABLE MR. HOSSAIN IMAM : Even last week, Rs. 10 lakhs worth of gold was sent out on account of the rise in prices.

THE HONOURABLE MR. T. A. STEWART : Whatever may have been the Honourable Member's explorations, he was not good enough to let me know his secrets early enough in the debate for me to give any proper answer.

THE HONOURABLE MR. HOSSAIN IMAM : It has been before the House for the last two years, Sir.

THE HONOURABLE MR. T. A. STEWART: Well, I do not think, Sir, that there is any further point to which I need refer.

With these words, Sir, I again commend this Bill to this Honourable House. (Applause.)

THE HONOURABLE THE PRESIDENT: The Question is :

"That the Bill to provide for the modification and continuance of the protection afforded to the iron and steel industry in British India, and to impose an excise duty for revenue purposes upon certain steel, as passed by the Legislative Assembly, be taken into consideration."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: The Question is :

"That clause 2 stand part of the Bill."

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU (United Provinces Southern : Non-Muhammadan): Sir, I rise to move :

"That in clause 2 (a), the proviso to the proposed sub-section (4) be omitted."

The proviso in question runs thus :

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

Sir, I do not propose to make a long speech on this amendment at this late hour. But I will just say this. The Honourable Mr. Stewart has said that the duties are of a differential character, and not of a preferential character, and that we are wrong in assuming that the duties are of a preferential character. Now, Sir, my answer to that argument is furnished by this clause. This clause shows that we are giving a most favoured nation treatment to Great Britain, because it says "that the duty leviable on any such article shall in no case be less than the duty leviable on a like article of British manufacture". What is the corresponding advantage that we are going to get for this preferential treatment? It is preferential treatment because we are distinguishing here in this clause between British manufactures and manufactures of other countries. I wish to ask, Sir, whether there is any such clause in the British Steel Protection Act and whether we are going to get any corresponding advantage from Great Britain. Would it be correct to say that we have this clause here because of the political subordination of the Government of India? Apparently, that is the reason for this clause. So far as I have been able to gather, there is no real advantage that we are going to get for this concession. Sir, this provision will continue even when economic prices are quoted by continental countries. Is it, therefore, correct to say that we in this country enjoy any such thing as real fiscal autonomy? It is for this reason that I attack this clause, and I will be obliged if the Honourable mover will explain why it should not be regarded as a clause giving preference to Great Britain.

With these words, Sir, I commend this amendment to the acceptance of the House.

THE HONOURABLE MR. T. A. STEWART: Sir, I rise to oppose this amendment. In doing so, I am led to ask what the object of the Honourable Member is in moving this amendment? Is he under the impression, may I ask, that this is a new proviso that we have suddenly imposed on our fiscal law?

[Mr. T. A. Stewart.]

I do not know whether the Honourable gentleman will be so good as to inform me whether that is so.

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU : I believe it was in 1927 also.

THE HONOURABLE MR. T. A. STEWART : The Honourable gentleman is quite correct.

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU : Why should the discretion of the executive or the Legislature be fettered by this clause ?

THE HONOURABLE MR. T. A. STEWART : So long as the Honourable Member makes it quite clear that he realises that this is a provision which has been in the law from 1927 it simplifies my task. Again, I would ask, what does he seek to achieve by removing this ? Has it at any time in the past and is it likely at any time in the future to have any practical effect ? In view of the evidence that we have had from the Tariff Boards from 1924 onwards, I think the answer to that question is that, whether he removes this or whether he does not, it will have little practical effect. Then why remove it ? Is he actuated by any animosity towards the United Kingdom ?

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU : No, no.

THE HONOURABLE MR. T. A. STEWART : Then what may I ask him does he seek to do ?

THE HONOURABLE PANDIT PRAKASH NARAIN SAPRU : Why fetter the discretion of the executive ?

THE HONOURABLE MR. T. A. STEWART : I shall ask the Honourable Member that question when he comes to his next amendment. But it appears to me that it is entirely ill-advised at the present time that he should seek to remove what has been on the Statute book for the past seven years and has in no way affected adversely India's interests.

THE HONOURABLE THE PRESIDENT : Amendment moved :

"That in clause 2(a), the proviso to the proposed sub-section (4) be omitted."

The Question is :

"That that amendment be made."

The Motion was negatived.

THE HONOURABLE THE PRESIDENT : The next amendment is also that of the Honourable Mr. Sapru. I am not prepared to give my consent to the moving of this amendment. I think it is a wholly impractical amendment. Under sub-clause (4) powers are vested in the Governor General to alter any duty when it has been found ineffective or excessive by notification. This amendment seeks to establish that when such an order has been passed the notification should be placed before both Chambers of the Indian Legislature, and if within two months no resolution has been passed and no action taken, — unless in the meantime it has been approved by a resolution of each Chamber, it shall cease to have effect. I will put a practical instance. Suppose a fortnight after Wednesday when we disperse Government find it necessary to alter

the duty by a notification. Neither of the Chambers will be sitting, but the notices will have to be put in for two months. The next Council will not meet till November and it will be absolutely impracticable. Even if an amendment of this nature is passed it will be difficult to put it into execution. For these reasons I consider the amendment is not admissible and I am not prepared to allow it to be moved.

THE HONOURABLE MR. HOSSAIN IMAM : May I make a statement ?

THE HONOURABLE THE PRESIDENT : On what ? My ruling has been given.

THE HONOURABLE MR. HOSSAIN IMAM : On behalf of my Party.

THE HONOURABLE THE PRESIDENT : A ruling by the President is final. No debate, no explanation, no arguments are allowed.

THE HONOURABLE MR. HOSSAIN IMAM : Then we had better walk out. It is useless to remain in the House now.

(The Honourable Member and other Members of his Party left the Chamber.)

THE HONOURABLE THE PRESIDENT : The Question is :

“ That clause 2 stand part of the Bill ”.

The Motion was adopted.

Clauses 3 to 10 were 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 Motion was adopted.

INDIAN TARIFF BILL.

THE HONOURABLE MR. C. GOVINDAN NAIR (Government of India : Nominated Official) : Sir, I move :

“ That the Bill to consolidate the law relating to customs duties, as passed by the Legislative Assembly, be taken into consideration. ”

The Bill does not introduce any change in the existing laws. The object of the Bill is twofold. The law relating to customs duties is spread over several enactments, commencing from the Indian Tariff Act, 1894, passed nearly 40 years ago. In consequence of the numerous amendments introduced by these enactments the Schedule has lost its shape and the numbering of the items therein its serial character. The items are also not arranged on a logical or scientific basis. The object of this Bill is to consolidate these various enactments and to re-classify the various articles on a scientific plan, so that it may be possible to find out the duty on a particular item without any difficulty and without recourse to an index.

Sir, I do not want to go into any details with reference to the provisions the Bill. The body of the Bill reproduces the existing provisions which

[Mr. C. Govindan Nair.]

require to be retained. The First Schedule classifies the various articles and items under 21 main sections in accordance with the classification adopted by the Economic Committee of the League of Nations in the preparation of a framework of customs nomenclature designed for international use. The Second Schedule gives the list of enactments which have been consolidated, and which as a result of the consolidation have got to be repealed.

Sir, I move.

The Motion was adopted.

The First, Second and Third Schedules were added to the Bill.

Clauses 2 to 13 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. GOVINDAN NAIR : Sir, I move :

“ That the Bill, as passed by the Legislative Assembly, be passed. ”

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, the 4th September, 1934.

APPENDIX "A".

Invisible profit at 4 per cent. duty per ton should be added to Table XXI, page 51.

	1	2	3	4	5	6	7
	Fair selling price at Tatanagar at Rs. 4 per ton excise duty. vide Table XXI, page 51.	Landed price without duty.	Proposed duty. vide page 54. Table XXIII.	Landed duty paid price.	Invisible profit per ton (column 4 — 1).	Total output in tons.	Invisible profit in rupees.
Rails	99	113	10	123	24	80,000	1,920,000
Fish-plates	137	151	10	161	24	3,000	72,000
Structurals	104	113	10	123	19	11,700	2,223,000
Bars	98	86	15	111	13	80,000	1,040,000
Plates	103	114	10	124	21	35,000	735,000
Semis	57	64	10	74	17	1,10,000	1,870,000
Black steel	126	119	16	135	9	25,000	225,000
Galvanized sheets	163	160	15	175	12	90,000	1,080,000
Sleepers	82	86	10	96	14	15,000	210,000
Total .. .. .	..	..	..	..	..	..	93,75,000

APPENDIX "B".

Table of visible profit at 4 per cent. interest, Table XIV, page 43.

Total					Lakhs of Rs.	199.00
					Lakhs of Rs.	
(1) Depreciation					78.00	
(2) Interest on working capital at 4 per cent.					7.50	
(3) Managing Agents' commission and head office expenses.					8.00	
	Total	..	..	..	93.50	93.50
	Balance	..	..	..	..	105.50
Invisible profit	..	..	..	..	..	93.75
Latent profit	..	..	..	..	..	12.00
Extra profit	..	..	..	..	..	18.00
	Total	..	..	..	..	229.25 per annum
	Seven years' amount	..	..	..	..	× 7
GRAND TOTAL .. .. .	..	..	..	..	..	1,604.75

APPENDIX "C"

Sad plight of the Muslims in the Tata Iron and Steel Co., Ltd., Jamshedpur.

Department.	Total No.	Non-Muslim.	Muslim.	Remarks.
General office	569	554	15	
Town engineering	70	65	5	In a city which claims about 30 per cent. Muslims.
Coke ovens	1,400	1,320	70	
Coke ovens (Foremen)	40	40		
Electrical power plant repair and armature shop.	293	263	30	
{ Engineer	14	13	1	
{ Foremen	12	12	..	
{ Clerk	40	40	..	
Medical	183	178	5*	*These five include two chowkidars and one dresser drawing Rs. 20 per month.
Open hearth (Foremen)	20	20	2	
Machine shop and soda plant	820	770	150	
Do. do. (Foremen)	33	29	4	
Blacksmith shop	650	550	100	
Time office	125	109	16	
Main store	143	127	16	
Construction	175	168	7	
Do. (Foremen)	3	2	1	
Repair gang	58	58	8	
Blast furnaces (Foremen)	83	81	2	
Blast furnaces repair gang (Foremen)	23	18	3	
Blast furnaces (Clerks)	20	20		
Technical institute	27	27	..	
Schools (16)	225	205	20	
Dairy Farm	80	75	5	
Pattern shop	250	232	18	
Duplex plant (Foremen)	46	45	1	
Blooming mill (Foremen)	72	68	4	
Sheet mill (Foremen)	46†	45	1	†These 46 men are drawing from Rs. 100 to Rs. 3,500.