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(3rd February to 14th February, 1936)

THIRD SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1936



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1936.

Legislative Assembly.

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CONTENTS.

VOLUME I.—3rd February to 14th February, 1936.

	PAGES.		PAGE.
MONDAY, 3RD FEBRUARY, 1936—		TUESDAY, 4TH FEBRUARY, 1936—contd	
Members Sworn	1—2	Resolution re State Control of the Bengal and North Western Railway and the Madras and Southern Mahratta Railway—Discussion— not concluded	147—52
Motion re Expression of regret on the death of His Late Majesty King George V, and Congratulatory to His Majesty King Edward VIII upon His accession	2—8	WEDNESDAY, 5TH FEBRUARY, 1936—	
TUESDAY, 4TH FEBRUARY, 1936—		Questions and Answers	150—97
Member Sworn	9	Motions for Adjournment re—	
Questions and Answers	9—45	Condition of the Handloom Weavers of Salem in the Madras Presidency—Not moved	197,199
Short Notice Question and Answer	45—46	Interference by Local Governments with the Congress Golden Jubilee celebrations—Disallowed by the Governor General	197—98
Unstarred Questions and Answers	46—107	Hunger-strike by Jogeeb Chandra Chatterji, a Kakori conspiracy case prisoner—Disallowed by the Governor General	198
Statements laid on the Table	107—19	Compulsory observance of <i>hartal</i> in New Delhi on the 28th January, 1936—Disallowed by the President	198—99
Deaths of Mr. Deep Narayan Singh, Khan Bahadur Alimuzzaman Chaudhuri and Mr. Kamini Kumar Chanda	119—21	Government of India's views on the question of excluded and partially excluded areas to the Secretary of State—Disallowed by the President	199
Motions for Adjournment re—		Security demanded from <i>Abhyudaya</i> of Allahabad—Disallowed by the Governor General	199-200
Lack of discipline in the King's Regiment stationed at Jubbulpore—Disallowed by the Governor General	121—22	Message from H. E. the Governor General	200
Rioting of the soldiers of the King's Regiment stationed at Jubbulpore—Barred	122	The Parsi Marriage and Divorce Bill.—Report of the Joint Committee laid on the Table	200
Extermment orders on certain Indian shop-owners and tradesmen in Iraq—Withdrawn	122—24, 152—58		
Panel of Chairmen	124		
Committee on Petitions	124		
Election of a Member to the Select Committee on the Amendment of Standing Orders	124—25		
Governor General's assent to Bills	125		
Resolution re Appointment of a Joint Standing Army Committee—Adopted	125—47		

	PAGE.
WEDNESDAY, 5TH FEBRUARY, 1936—contd.	
Agreement between the Secretary of State for India in Council acting by and through the Governor of the Punjab in Council and the Reserve Bank of India	200—02
Election of a Member to the Standing Committee for Roads	202
Election of Members to the Standing Committee for the Department of Industries and Labour	202-03
Election of Members to the Standing Committee on Emigration	203
The Italian Loans and Credits Prohibition Bill—Introduced	203
The Payment of Wages Bill—Discussion on the consideration of clauses not concluded	204—47
THURSDAY, 6TH FEBRUARY, 1936—	
Questions and Answers	249—89
Short Notice Questions and Answers	289—93
Motions for Adjournment re—	
Contract for the Howrah Bridge—Ruled out of order	293—95
Demand for security from the <i>Abhyudaya</i> for publication in verbatim of a speech delivered in the Legislative Assembly—Ruled out of order	295—98
Control of the administrative chaos in the Punjab—Ruled out of orders.	299
Election of a Member to the Select Committee on the Amendment of Standing Orders	299
The Indian Criminal Law Amendment (Repeal) Bill—Discussion on the consideration of clauses not concluded	299—335
FRIDAY, 7TH FEBRUARY, 1936—	
Questions and Answers	337—79
Short Notice Question and Answer	379

	PAGE.
FRIDAY, 7TH FEBRUARY, 1936—contd.	
Discussion of the Report of the Public Accounts Committee	379
The Payment of Wages Bill—Discussion on the consideration of clauses not concluded	379—416
Statement of Business	416
MONDAY, 10TH FEBRUARY, 1936—	
Members Sworn	417
Questions and Answers	417—62
Short Notice Question and Answer	462—65
Motions for Adjournment re—	
Misuse and misapplication of Legislative Rules in disallowing the Adjournment Motion on the Benda incident—Ruled out of order	465—67
Direct sea mail service between Madras and Rangoon—Ruled out of order	467—70
Loss of Indian Life and property in Zanzibar—Disallowed by the President	470—71
Demand of security from the <i>Abhyudaya</i> of Allahabad—Ruling to be given afterwards	471—512
Election of Members to the Standing Committee on Roads, the Standing Committee for the Department of Industries and Labour and the Standing Committee on Emigration	512
Election of Members to the Standing Committee for the Department of Education, Health and Lands	512—12
The Cinematograph (Amendment) Bill—Appointment of Mr. S. K. Das Gupta to the Select Committee	512

	PAGE.		PAGE.
MONDAY, 10TH FEBRUARY, 1936—contd.		WEDNESDAY, 12TH FEBRUARY, 1936—contd.	
The Code of Civil Procedure (Amendment) Bill (Amendment of section 51)—Appointment of Khan Bahadur Shaikh Khurshaid Muhammad to the Select Committee	513—14	Statements laid on the Table	657—60
The Code of Civil Procedure (Amendment) Bill (Amendment of section 60)—Appointment of Khan Bahadur Shaikh Khurshaid Muhammad to the Select Committee	514	Motion for Adjournment <i>re</i> Contributions given to the Y. M. C. A. in India—Disallowed by the President	660—61
The Code of Civil Procedure (Amendment) Bill (Amendment of section 51)—Appointment of the Honourable Sir Frank Noyce to the Select-Committee	514	The Arbitration (Protocol and Convention) Bill—Introduced	661
The Code of Civil Procedure (Amendment) Bill (Amendment of section 60)—Appointment of the Honourable Sir Frank Noyce to the Select Committee	515	The Payment of Wages Bill—Discussion on the motion to pass, as amended, not concluded	661—705 705—06
The Payment of Wages Bill Discussion on the consideration of clauses not concluded	515—17		
Statement of Business	518	THURSDAY, 13TH FEBRUARY, 1936—	
TUESDAY, 11TH FEBRUARY, 1936—		Member Sworn	707
Questions and Answers	519—64	Questions and Answers	707—58
Short Notice Question and Answer	564—67	Short Notice Questions and Answers	759—63
Resolution <i>re</i> State control of the Bengal and North Western Railway and the Madras and Southern Mahratta Railway—Adopted	567—600	Motion for adjournment <i>re</i> Prohibition of the appointment of Indians in the Cypher Bureau of the Foreign and Political Department—Disallowed by the President	763—67
Resolution <i>re</i> Extension of the same level of administration to the people of the excluded and partially excluded areas—Discussion not concluded	600—14	Election of Members to the Standing Committee for the Department of Education, Health and Lands	767
WEDNESDAY, 12TH FEBRUARY, 1936—		The Indian Criminal Law Amendment (Repeal) Bill—Motion to consider clause 2 negatived.	768—87
Member Sworn	615	The Code of Criminal Procedure (Amendment) Bill (Amendment of section 406)—Passed	787—93
Questions and Answers	615—57	The Code of Criminal Procedure (Amendment) Bill (Amendment of sections 30, 34, 34A and 35)—Discussion on the motion to circulate not concluded	793—805
		FRIDAY, 14TH FEBRUARY, 1936—	
		Questions and Answers	907—60
		The Payment of Wages Bill—Passed as amended	860—71
		The Italian Loans and Credits Prohibition Bill—Discussion on the consideration of clauses not concluded	872—907
		Statement of Business	907

LEGISLATIVE ASSEMBLY.

Wednesday, 5th February, 1936.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

QUESTIONS AND ANSWERS.

WITHDRAWAL OF TROOPS FROM THE LOHARU STATE.

45. ***Mr. S. Satyamurti**: Will Government be pleased to state whether their troops have been withdrawn from the Loharu State?

Sir Aubrey Metcalfe: Yes.

Mr. S. Satyamurti: May I know under what circumstances these troops were withdrawn? Was it by the request of the Ruler of the State or by the decision of the Government of India, without any reference to his request?

Sir Aubrey Metcalfe: I am afraid I must have notice of that question. I have not got the exact facts in my mind.

Mr. S. Satyamurti: May I know approximately when they were withdrawn?

Sir Aubrey Metcalfe: I am afraid that I cannot tell my Honourable friend as I was on leave at the time; but I can certainly give him the exact date if he wishes to know it.

Mr. S. Satyamurti: May I know how long they were in the State as a whole?

Sir Aubrey Metcalfe: I am afraid I must ask for notice of these questions: these are all matters of detail which do not arise directly out of the question.

Mr. S. Satyamurti: I do not mind my friend asking for notice, but I submit that they do arise out of the question.

Mr. President (The Honourable Sir Abdur Rahim): The original question could be answered by "yes" or "no".

REDUCTION OF THE EXCISE DUTY ON SUGAR.

46. ***Mr. S. Satyamurti**: Will Government be pleased to state:

- (a) whether their attention has been drawn to the accompanying leading article† in the *Hindu* of the 20th August on the Indian sugar industry;

†Sent to the Department concerned.

(b) whether they are considering the reduction of the excise duty on sugar; and

(c) whether they are taking adequate steps to secure proper prices for the cane growers?

The Honourable Sir James Grigg: (a) Yes.

(b) As I said in reply to Dr. Rajan's question No. 716 on the 26th September last, Government do not in matters of taxation announce their intentions in advance.

(c) Under section 3 of the Sugar-cane Act, 1934, this is primarily the concern of the Local Governments.

Mr. S. Satyamurti: With regard to the answer to clause (b), I want to know what is the policy of the Government with regard to excise duties on protected goods generally.

The Honourable Sir James Grigg: That does not arise out of the question. The Honourable Member asked me a question about one particular case, and I have given an answer to that: I am afraid that even if he asked the general question, the answer would be very much the same, until the budget at any rate.

Mr. S. Satyamurti: With regard to sugar, what is the policy of the Government? Do they think that they must make up the revenue somehow or other, or do they take the consumers' interest into account?

The Honourable Sir James Grigg: I am very glad to notice this new-found affection of the Honourable Member for the consumer, but it is a little late in the day.

Mr. S. Satyamurti: I am trying to convict the Honourable Member out of his own mouth. I want to know what the policy of the Honourable the Finance Member is. Is the consumer's interest taken into account only in certain cases, and not in the case of excise duties?

The Honourable Sir James Grigg: The grafting of an excise duty on to a very heavy protective duty without increasing that duty does not affect the consumer at all: it only affects the producer.

Mr. S. Satyamurti: With regard to that, may I know if Government are satisfied that cane-growers on the whole throughout India are now securing more or less adequate prices for their produce?

Sir Girja Shankar Bajpai: May I answer that, Sir? In the last Session, there was an inquiry, I think, by Dr. Ziauddin Ahmad. I then stated that two Local Governments where the area under cane is biggest—that is, the United Provinces and Bihar and Orissa—had made rules under the relevant Act to ensure the securing by the ryot of adequate prices.

Mr. S. Satyamurti: What about Madras, may I know?

Sir Girja Shankar Bajpai: So far as I know, the Government of India have not taken any action in this respect.

Mr. S. Satyamurti: Will the Government of India remind them and persuade them to take action?

Sir Girja Shankar Bajpai: I should have thought that the Legislative Council of Madras would be adequate really to bring pressure upon the Madras Government to take action in that direction if necessary.

Mr. S. Satyamurti: Will the Government of India abdicate their function in these matters to the Legislative Councils?

Sir Girja Shankar Bajpai: In this particular case they are merely attributing to the Government of Madras a function which properly belongs to them: there is no question of abdicating anything.

Mr. S. Satyamurti: Question No. 47.

Mr. F. E. James: Sir, before this question is answered, may I raise a point of order? This question refers to a statement made by a particular gentleman. There is no reference to what the statement is about, and there is no reference as to the precise document which contains that statement, and, therefore, it is extremely difficult for Members who might wish to put supplementary questions to know what the question is really about.

Mr. President (The Honourable Sir Abdur Rahim): The Chair thought the document or statement of Mr. Andrews was appended to the question?

Mr. S. Satyamurti: Yes, Sir.

Mr. F. E. James: That is not the relevant point. I recollect that it was your order that in these matters the question should make specific reference to where the document can be found. I would point your attention to question No. 46 of the Honourable Member in which he does specifically refer to a leading article in the *Hindu* of the 20th August on a particular subject. Therefore, Members who wish to put supplementary questions can inform themselves as to that document. But, in question No. 47, there is merely a reference to "an accompanying statement", and Members of the House have no idea of what the statement is about or where that statement can be found, and, therefore, Sir, I ask your direction in regard to this matter.

Mr. S. Satyamurti: May I make my submission on what has been said? I did send a copy of this statement to the Assembly Office, and it is there; and these questions are printed days in advance and sent to all Honourable Members: if any Honourable Member wanted to have a look at a copy of the statement, nothing was easier for him than to write to the Assembly Department and get a copy. I did not want the Assembly Office not to print the statement.

Mr. President (The Honourable Sir Abdur Rahim): Was that statement published in any newspaper?

Mr. S. Satyamurti: I do not recollect just now. If it was, normally speaking, I should have given the reference to it. You will notice that, in all cases, wherever I could give a reference, I have given it, and so it is not likely that it appeared in any paper. But it is available in the office.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that the statement was sent to the Department concerned—the Chair imagines that is the usual practice: and for the future the Chair should think, when reference is made to a statement like that, Members should give the exact reference, or when such reference by itself is not sufficient, a certain number of copies supplied to this office so that they may be available to other Members.

RE-APPOINTMENT OF A TRADE COMMISSIONER IN EAST AFRICA.

47. *Mr. S. Satyamurti: Will Government be pleased to state:

- (a) whether their attention has been drawn to the accompanying statement† of Mr. C. F. Andrews made in Ahmedabād;
- (b) whether they propose to re-appoint a Trade Commissioner in East Africa; and
- (c) if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) and (c). The question of appointing an Indian Trade Commissioner in East Africa is under the consideration of the Government of India.

Mr. S. Satyamurti: How long has it been under consideration?

The Honourable Sir Muhammad Zafrullah Khan: I cannot say.

Mr. S. Satyamurti: May I know what are the considerations which prevent the almost immediate appointment of a Trade Commissioner? Are there any insuperable difficulties in the way of the appointment?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Mr. S. Satyamurti: May I know then the reasons for this delay?

The Honourable Sir Muhammad Zafrullah Khan: There are certain difficulties which have to be got out of the way.

Mr. S. Satyamurti: Before how long do Government hope to make up their minds to appoint a Trade Commissioner?

The Honourable Sir Muhammad Zafrullah Khan: Government may have made up their minds, but there may be some matters intervening which may have to be disposed of.

Mr. S. Satyamurti: May I know definitely whether Government have or have not made up their minds?

†Sent to the Department concerned.

The Honourable Sir Muhammad Zafrullah Khan: Government hope to be able to announce their decision shortly in this matter.

Sir Darcy Lindsay: Have Government considered the feasibility of appointing a trade correspondent as against a Trade Commissioner in some of the overseas countries?

The Honourable Sir Muhammad Zafrullah Khan: That does not arise out of this question.

Mr. M. Ananthasayanam Ayyangar: Is it not a fact that as early as 1929 the Cotton Textile Board recommended the appointment of a Trade Commissioner for Durban, East Africa, etc.?

The Honourable Sir Muhammad Zafrullah Khan: I am unable to say, particularly with regard to the date; but very probably the suggestion is correct.

Mr. M. Ananthasayanam Ayyangar: Then why has there been so much delay?

Mr. President (The Honourable Sir Abdur Rahim): That has been answered.

PLIGHT OF INDIANS IN FIJI.

48. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to an article by Dr. A. D. Sagayam in the *Hindu* of the 22nd June, 1935;
- (b) whether they have considered the plight of Indians in Fiji with regard to the settlement of land; and
- (c) whether they propose to send a Commission or an officer to investigate and report on the matter?

Sir Girja Shankar Bajpai: (a) Yes.

(b) and (c). I would refer the Honourable Member to the reply given by me on the 6th September, 1935, to Mr. C. N. Muthuranga Mudaliar's starred question No. 183.

Mr. S. Satyamurti: May I know if Government propose to send out a Commission or an officer to investigate and report on the matter?

Sir Girja Shankar Bajpai: What I stated in reply to Mr. Muthuranga Mudaliar's question was that the question whether the Government should depute anybody to Fiji would depend upon the Report as regards the existing position there for which they had asked through the Colonial Office. That Report, I regret to say, has not yet been received.

CONTRACTS FOR LOCOMOTIVES.

49. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether it is a fact that contracts for 29 locomotives for the North Western Railway and the East Indian Railway have been placed with Krupps;

- (b) whether the Eastern Bengal Railway have ordered 15 locomotive boilers; and
- (c) whether these orders have been sanctioned, bearing in mind the present financial position of the Railways and the existing rolling-stock available at present for such reduced traffic?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) Yes.

(c) Yes. The locomotives purchased are all of the XT class and have been purchased because it was found necessary by the two railways to have light engines to run frequent services of light and fast trains to compete with road traffic. From trials carried out with this class and the next most suitable class, it has been found that on the North Western Railway, the XT class engine shows a saving of Rs. 4,042 per engine per annum, and on the East Indian Railway a saving of Rs. 2,325 per engine per annum. The position was fully explained to the Standing Finance Committee for Railways in June 1934 when the rolling stock programme for 1935-36 was placed before them.

The 15 boilers for the Eastern Bengal Railway were in replacement of boilers which had been in use for longer than their normal life and had to be replaced.

Mr. S. Satyamurti: May I know, Sir, if these contracts have been executed, and if these locomotives and boilers have been received?

The Honourable Sir Muhammad Zafrullah Khan: Yes, Sir.

Mr. S. Satyamurti: May I know, Sir, for how long these have been working on the lines?

The Honourable Sir Muhammad Zafrullah Khan: I could not answer that without notice.

Mr. S. Satyamurti: Have Government any information if these locomotives and boilers have really added to the revenues of these Railways, or at least reduced expenditure which otherwise they would have incurred?

The Honourable Sir Muhammad Zafrullah Khan: I have already stated that in my reply which I have read out.

Mr. S. Satyamurti: May I know, Sir, in placing these orders if Government took into consideration the very difficult financial position of the Railways, and whether they are satisfied that these orders which have been executed have really helped to relieve the difficult financial position of the Railways?

The Honourable Sir Muhammad Zafrullah Khan: Certainly, Sir.

Mr. F. E. James: Sir, may I ask a supplementary question? In determining the placing of these contracts, am I to understand that the price factor is the determining consideration?

The Honourable Sir Muhammad Zafrullah Khan: That is certainly one of the most relevant considerations.

Mr. F. E. James: In determining that, may I ask whether any consideration has been given to the undoubted possibility that the prices of continental articles as against British articles are affected by subsidies which are given to manufacturers in those countries in various forms?

The Honourable Sir Muhammad Zafrullah Khan: That raises a very contentious question. I am afraid I could not reply "Yes" or "No" to it. I can make a statement if the Honourable Member insists upon it.

Mr. F. E. James: I am not asking for a statement of policy, Sir. I am merely asking as to whether any consideration is given to that factor which naturally has a very large influence in determining the price of the continental article as against the price of the British article.

The Honourable Sir Muhammad Zafrullah Khan: That factor determines the prices of a good many things, and Government have to consider that factor in relation to the placing of contracts for several articles, and not merely in regard to these railway contracts.

Mr. F. E. James: May I know, then, whether the Honourable Member will be prepared to look into that question in so far as it affects the principles underlying the grant of contracts to countries which enjoy subsidies in various forms in regard to these matters?

The Honourable Sir Muhammad Zafrullah Khan: I have not said that we have not looked into it. My reply was that Government have looked into that question.

Mr. Lalchand Navalrai: May I know, Sir, how many locomotives, out of these 29, have arrived for the North Western Railway, and where are they working?

The Honourable Sir Muhammad Zafrullah Khan: I could not answer that without notice.

Mr. S. Satyamurti: May I know, Sir, from what point of view Government have looked into these subsidies and other things, and whether the price factor was also considered in buying these things?

The Honourable Sir Muhammad Zafrullah Khan: That was the main consideration.

Mr. F. E. James: In that connection, may I know if the Honourable Member who, as I understand, as Minister in charge of Railways, has looked into this question, will at some time make a statement as to the considerations which now affect this particular difficulty in the way of the British manufacturer?

The Honourable Sir Muhammad Zafrullah Khan: I can make a statement now. Allegations have been made against all sorts of concerns not only on the Continent, but even with regard to certain British manufacturers, and Government considered these allegations when they arrived at this decision, but one difficulty is if they apply their decision against continental manufacturers in favour of the British manufacturers, where are they to stop?

Mr. F. E. James: The allegations have been made?

The Honourable Sir Muhammad Zafrullah Khan: So far, the matter has not gone beyond allegations.

**POSITION REGARDING INDIAN STATES AND THE PROPOSED INDIAN
FEDERATION.**

50. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the news from the special correspondent of the *Hindustan Times*, dated the 28th August, published in its issue of the 30th August;
- (b) whether Government are keeping in touch with these developments;
- (c) whether Mr. Monckton has interviewed Government to discuss the situation; and
- (d) what the latest position with regard to the Indian States and the proposed Indian Federation is?

The Honourable Sir Nripendra Sircar: (a) and (b). Yes.

(c) No. Mr. Monckton is understood to have made his visit to India in his private capacity.

(d) Government have no information beyond what appeared in the Press on the 8th September, 1935.

Mr. S. Satyamurti: May I know, Sir, if all these negotiations with regard to the entry of Indian States into the Federation are being made by the Government of India or through the Government of India, and not by the Secretary of State directly with these Indian States?

The Honourable Sir Nripendra Sircar: I answered a question yesterday, and I stated that no negotiations have started between the Government of India and the Indian States.

Mr. S. Satyamurti: May I know, Sir, apart from the Government of India, if any other negotiations are going on, with the knowledge of the Government of India, between the Secretary of State and the Indian States?

The Honourable Sir Nripendra Sircar: Not to our knowledge.

**REPORT OF THE ASIATIC LAND TENURE COMMISSION AND ITS EFFECT ON THE
POSITION OF INDIANS IN JOHANNESBURG.**

51. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether they have considered the Report of the Asiatic Land Tenure Commission, Parts 1 and 2 of which have been published;

(b) whether they have considered the effect of the acceptance of these recommendations on the position of Indians in Johannesburg; and

(c) whether Government propose to take any steps to protect the legitimate rights of Indians?

Sir Girja Shankar Bajpai: With your permission, Sir, I shall reply to questions Nos. 51 and 66 together. The Government of India have recently received the views of the local Indian Community on parts I to III of the Report of the Transvaal Asiatic Land Tenure Act Commission. They have examined these along with the Report and the Bill which the Union Government have gazetted in order to give effect to the recommendations made by the Commission. They are in consultation with their Agent-General and hope shortly to give him instructions as to the representations that he should make to the Union Government.

Mr. S. Satyamurti: May I know if Government are satisfied that no irrevocable action will be taken by the South African Government or the authorities concerned before they receive these representations and consider them?

Sir Girja Shankar Bajpai: That is so. Government have satisfied themselves on that point.

ALLEGED ASSAULT OF THE PARCEL CLERK AND THE ASSISTANT STATION MASTER AT BAREILLY BY BRITISH MILITARY MEN.

52. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether their attention has been drawn to a report from Bareilly, dated the 16th August, 1935, published in the *Hindustan Times* of the 17th August, 1935, stating that three British military men assaulted the Parcel Clerk and the Assistant Station Master:

(b) whether any enquiry has been started in the matter; and

(c) what action, if any, Government propose to take in the matter?

Mr. G. R. F. Tottenham: (a) Yes.

(b) The usual police investigations were made.

(c) Two British soldiers were tried by the Railway Magistrate last August under section 121 of the Railway Act for assaulting a Parcel Clerk and the Station Master, Bareilly, while in the discharge of their duties. One was fined and the other was acquitted. Government do not propose to take any further action in the matter.

Mr. S. Satyamurti: With reference to the answer to clause (b) of the question, may I know, Sir, how many British soldiers were found to have been concerned in the matter as a result of the police inquiry?

Mr. G. R. F. Tottenham: I presume, Sir, two. Two were put up for trial.

Mr. S. Satyamurti: Subject to your ruling, Sir, may I ask whether Government propose to take any action to stop or to control these recent manifestations of lack of discipline of British soldiers in this country? This is not the first instance. We have put one or two questions about Benda and some other places.

Mr. President (The Honourable Sir Abdur Rahim): That is rather vague. It is a general reflection. The Chair thinks the Honourable Member must make his question more definite.

Mr. S. Satyamurti: May I ask the Government to state whether, in view of the recent two or three occurrences of lack of discipline of British soldiers, they contemplate taking any action to prevent such occurrences in future?

Mr. G. R. F. Tottenham: Will the Honourable Member please repeat his question.

Mr. S. Satyamurti: May I ask the Government, in view of the recent occurrences in two or three places of the lack of discipline of British soldiers, they propose to take any action to prevent such incidents in the future?

Mr. G. R. F. Tottenham: They do not propose, Sir, to take any more action than they have taken in the past. There is no evidence that the number of cases of indiscipline is on the increase. In fact, the evidence goes to prove the contrary. Therefore, Government consider that no further action is necessary. Every time a particular case occurs, they will see that the offender is dealt with in the proper way.

Mr. S. Satyamurti: But are Government taking action by way of prevention, as apart from punishment?

Mr. G. R. F. Tottenham: There are rules as regards the discipline of the army which are satisfactory and sufficient for the purpose.

Seth Govind Das: Do Government know that these instances are increasing every day?

Mr. G. R. F. Tottenham: No.

CIRCULAR ISSUED BY THE COMMISSIONER OF THE MEERUT DIVISION RE SREING OF TROOP MARCHES BY SCHOOL CHILDREN.

53. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether it is a fact that the Commissioner of Meerut Division has forwarded a circular letter, with regard to troop marches, to all the Chairmen of District and Municipal Boards, requiring them to inform their educational authorities that it is desirable, that the children in Schools on the line of march should be afforded an opportunity of seeing the troops march past;
- (b) whether this is based on any instruction from Army Headquarters or Government of India; and
- (c) what is the reason for this order?

Mr. G. R. F. Tottenham: (a) Government have no information.

(b) If such a circular was issued, it was no doubt based on instructions issued by the Government of India.

(c) In the opinion of Government, it is a good thing for the rising generation to know that there is an army and what it looks like.

Mr. S. Satyamurti: May I know what is the reason for the Government issuing these orders from time to time that all our children should line the routes of these British soldiers marching?

Mr. G. R. F. Tottenham: There is no instruction to that effect—that children should line the route—so far as I know.

Mr. S. Satyamurti: What is the kind of opportunity afforded to these children to see troops march past? Do they not have to stand on either side of the troops marching past?

Mr. G. R. F. Tottenham: I presume when the troops march past, they are allowed to cease work, look out of the window or go out to see what is going on.

Mr. S. Satyamurti: Does my Honourable friend know that, as a matter of fact, when the troops march, these boys are made to stand on either side of the troops marching past?

Mr. G. R. F. Tottenham: No.

Mr. S. Satyamurti: Will Government make enquiries and find out what is being done?

Mr. G. R. F. Tottenham: No. It is quite unnecessary.

Sir Muhammad Yamin Khan: Do Government know that the people of Meerut do not know of these orders? (Laughter.)

AMENDMENT OF THE INDIAN RAILWAYS ACT.

54. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether the Railway Board is anxious to get the Indian Railways Act amended early;
- (b) whether there are any proposals made by the late Sir B. N. Sarma in respect of the amendment of the Act; and
- (c) whether these proposals have been published and whether the amendment of the Railways Act will be undertaken by the Government of India in time for the formation of the Federal Railway Authority?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are aware that in some directions, notably in the direction of increasing the penalties for travelling without tickets, the Act requires revision; but all of these matters are not of sufficient urgency to justify immediate consideration being given to the question of revising the Act as a whole.

(b) Yes.

(c) The reply to the first part is in the negative, but the Honourable Member will find in the Library of the House a pamphlet in which are embodied the recommendations made by the late Sir B. N. Sarma. As regards the second part, Government are unable to give a reply at present.

Mr. S. Satyamurti: May I know the reasons why Government are unable to give reasons for not wanting to amend the Railways Act at least before the formation of the future Federal Railway Authority?

The Honourable Sir Muhammad Zafrullah Khan: I have not said that Government do not want to amend the Railways Act; I said, not all particulars with regard to which revision may have become desirable.

Mr. S. Satyamurti: May I take it that the Honourable the Commerce Member means that, in such respects as the Government consider necessary, the Act will be amended before the formation of the Federal Railway Authority?

The Honourable Sir Muhammad Zafrullah Khan: I hope so. With regard to some of the matters I have mentioned, it may be possible to introduce legislation in the current Session.

Mr. S. Satyamurti: Apart from increasing the penalties for travelling without tickets, are there any other directions in which Government contemplate amending the Railways Act?

The Honourable Sir Muhammad Zafrullah Khan: Not in the course of this Session.

LEGISLATION REGARDING THE FEDERAL RAILWAY AUTHORITY.

55. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) when they expect the Federal Railway Authority will come into being;

(b) whether they propose to introduce any supplementary legislation in the Legislative Assembly; and

(c) if so, when?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are unable at present to state a definite date.

(b) and (c). Government originally intended to introduce supplementary legislation in 1936, but have now been advised that the legislative power conferred on the Federal Legislature by sub-section 2 of section 182 of the Government of India Act can only be exercised by the present Indian Legislature during the transitional period between the commencement of Part III of the Act and the establishment of Federation. Consequently the introduction of legislation will have to be postponed till after Part III of the Act comes into operation.

Mr. S. Satyamurti: By whom were the Government advised? By their own legal officers?

The Honourable Sir Muhammad Zafrullah Khan: Yes, by the Legislative Department.

INTRODUCTION OF ECONOMY IN THE WORKING OF THE RAILWAYS.

56. *Mr. S. Satyamurti: Will Government be pleased to state:

- (a) whether they are considering the question of introducing economy in the working of the Railways;
- (b) what are the recommendations so far made in this direction by their Retrenchment Commissions which have not been carried out;
- (c) the reasons why they have not been carried out;
- (d) whether Government are considering the amalgamation of all the Railways in India; and
- (e) whether they have made up their mind to accept the policy of taking over the management of all Railways in India with a view to their amalgamation; and, if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The possibility of reducing expenditure on railways as far as practicable is constantly under the consideration of Government.

(b) and (c). I would refer the Honourable Member to the two statements placed on the table of the House in November, 1931, and February, 1932, respectively, detailing the recommendations of the Railway Subcommittee for reduction in railway expenditure and the action taken or recommended to be taken on them by the Railway Board. I place a further statement on the table regarding the decisions taken on items which were shown as still under consideration in the latter.

As regards the Pope Committee which made recommendations for economy in Railway expenditure I would refer the Honourable Member to paragraph 12 of Volume I of the Reports by the Railway Board on Indian Railways for 1933-34 and 1934-35; and to the two memoranda by the Railway Board on the progress of job analysis on Indian Railways to be found in the Proceedings of the meetings of the Standing Finance Committee for Railways on pages 30 to 33 of Volume X—No. 6, and on pages 5 to 7 of Volume XI—No. 3. Copies of the Reports and of the Proceedings referred to are in the Library of the House.

(d) Regrouping of Indian State Railways into a smaller number of systems is one of the recommendations of Mr Pope which Government have had under consideration for some time.

(e) A decision on the transfer to State-management of railways now managed by companies on the expiry of their contracts depends on the circumstances of each case and upon whether it is found profitable taking into consideration all circumstances at the time, such as the cost of borrowing and the savings by such purchase whether by amalgamation with another railway or otherwise. Government are not prepared to express an opinion on the general question.

Statement showing recommendations made by the Railway Sub-Committee of the Retrenchment Advisory Committee regarding economy in working expenses which have not been carried out.

Para. of Sub-Committee's Report.	Recommendation.	Reasons why recommendation has not been carried out.
Para. 31 & Chapter V.(a)	The Sub-Committee recommended that the posts of Controller, Deputy Controller and Assistant Controller of Railway Accounts and the Assistant Accounts Officer should be abolished and that a post of Deputy Director of Accounts be created in the Railway Board's office in their stead;	(a) After discussion with the Auditor General and the Public Accounts Committee, Government found themselves unable to accept the recommendation.
(b)	that the cost of accounting on railways should be reduced by 12 lakhs; that the cost of the audit staff should be reduced by 10 lakhs; and in particular that the office of the Director of Railway Audit should be abolished and the existing concurrent check should be replaced by a test check.	(b) The total savings on an average cost basis resulting from the re-retrenchment measures effected are estimated to be Rs. 11 lakhs per annum in the Railway Accounts Department, and Rs. 2 lakhs and sixty-four thousand per annum in the Railway Audit Department.
(d)	that unless the total cost of the accounts and audit organisations on State-managed Railways be reduced in accordance with the previous recommendations the question of amalgamating the Departments should be considered.	Consistent with the views expressed by the Public Accounts Committee that the scope for retrenchment in the Railway Audit is limited and that, in view of the volume and complexity of railway transactions, any drastic attempt at retrenchment might involve risks which could not be lightly undertaken, Government could not contemplate any further reduction in the Railway Audit Department.
103	The Sub-Committee recommended that the headquarters organisation of Railways, with Divisional organisation, should be considerably cut down.	(d) Government were unable to accept the suggestion.
		The question was examined at great length by the Board and it was decided to leave the consideration of the matter over till the expert enquiry into Indian Railways was instituted. The proposal of an expert enquiry was, however, dropped and the Pope Committee was appointed instead. The Pope Committee officially did not consider this question but Mr. Pope on an unofficial reference expressed the opinion that on general organisational principles it would be a mistake to reduce the executive and supervisory machinery on important Railways. The question was not therefore, proceeded with further.

Para. of Sub-Committee's Report.	Recommendation.	Reasons why recommendation has not been carried out.
104	The Sub-Committee considered that if the Divisional organisation had led to increased efficiency it ought to be carried much further on the Great Indian Peninsula Railway and that the Commercial Department and the Engineering staff should be put under the Divisional Superintendent.	The question was examined by an officer on special duty. After careful consideration of his report the Railway Board came to the conclusion that no change in the Divisional organisation on the Great Indian Peninsula Railway was indicated. Nagpur and Bhusawal divisions on that Railway have, however, been amalgamated.
108	The Sub-Committee were inclined to the opinion that there was unnecessary duplication of work in the system of personnel officers, and in particular the organisation on the North Western Railway was unnecessarily extravagant.	This is still under consideration.
143	The Sub-Committee recommended that the expenditure on publicity by Railway Administrations should be reduced to 2½ lakhs.	The possibility and advantage of working to this limit which was less than half the expenditure that was being incurred at the time was considered in consultation with the Railway Administrations and it was not found possible to cut down the expenditure to a figure below 7,70,000 which was the amount of the expenditure actually incurred during 1932-33. The matter is, however, being further examined.
148	The majority of the Sub-Committee recommended that the post of Timber Advisory Officer should be abolished.	The main reason for the Sub-Committee's recommendation was that the advice of the Forest Research Institute could be obtained in such matters. The Railway Board, however, considered that a large part of the Advisory Officer's work could not be undertaken by the Institute.
164	The Sub-Committee recommended that the leave reserve of officers be cut down from 20 per cent. to 10 per cent.	This question received very careful consideration of the Board. It was decided to reduce the leave reserve of 20 per cent. (which included deputation reserve) to 16 per cent. It was not considered possible to make any further reduction and the leave reserve of 10 per cent. as suggested by the Committee was not considered adequate.

Para. of Sub-Committee's Report.	Recommendation.	Reasons why recommendation has not been carried out.
192	The Sub-Committee recommended that further action to give effect to the Hours of Employment Regulations should be suspended and no effort should be made to introduce these rules where they were not in force.	The Railway Board at first considered the possibility of suspending further action in regard to the extension of Hours of Employment Regulations to other Railways, but the Government of India felt that consistent with the international obligation they could not postpone further action in the matter indefinitely. Consequently the Hours of Employment Regulations have been extended to Eastern Bengal and Great Indian Peninsula Railways from 1st April 1934 and to Bombay, Baroda and Central India Railway and Madras and Southern Mahratta Railway from 1st November 1935.
193	The Sub-Committee recommended that the concessions with regard to rates and fares given to the Military Department should not be continued any longer.	This matter is still under examination.
194	The Sub-Committee recommended that the headquarters establishment of the Medical Department on the Eastern Bengal and East Indian Railways should be amalgamated.	The recommendation was examined very carefully and discussed with the Agents concerned but it was not found feasible as it was considered that one Chief Medical Officer could not supervise the medical work on both the Eastern Bengal and East Indian Railways efficiently. As an alternative a proposal to combine the post of Principal Medical Officer and the District Medical Officer, Eastern Bengal Railway, Calcutta was considered but this was also not found practicable as both the officers were fully employed and it was considered essential that the Principal Medical Officer should be free to tour away from the headquarters for inspections, etc.
196	The Sub-Committee recommended that the compilation of statistics on Railways should be in charge of a Compilation Officer under the Accounts Department.	The present position in regard to the statistical work on State-managed Railways is that the compilation office now works under the Accounts Department on the North Western, East Indian and Great Indian Peninsula Railways, but on the Eastern Bengal and Burma Railways this work is under the Agents.

Mr. S. Satyamurti: Do Government realise the very urgent need for retrenchment in railway expenditure, in view of the continuous fall in railway revenues?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

Mr. S. Satyamurti: Then, may I know whether, in view of the latest developments, what are the economies which the Honourable the Commerce Member has affected or has in mind, apart from the previous recommendations which have been accepted or are being considered?

The Honourable Sir Muhammad Zafrullah Khan: The expenditure is being very carefully scrutinised from day to day almost and even the smallest economy is not being neglected. With regard to the amount of the economies effected in working expenses, I may be able to make a statement in the course of my speech introducing the budget estimates.

Mr. S. Satyamurti: Have Government heard from the Agents of Railways in response to their request, which I think was sent some time last year, for further economies in railway expenditure, and, if so, what is the nature of their replies?

The Honourable Sir Muhammad Zafrullah Khan: Government are in constant communication with the Agents and believe that every possible economy is being effected and that the situation is being carefully watched.

Mr. S. Satyamurti: Will the Honourable the Commerce Member be good enough to give just one or two instances of the major economies effected?

The Honourable Sir Muhammad Zafrullah Khan: No major economies are possible at this stage.

Mr. S. Satyamurti: Any minor economies?

The Honourable Sir Muhammad Zafrullah Khan: With regard to that, one would have to go into very great detail to collect all the information.

Mr. President (The Honourable Sir Abdur Rahim): Next question.

Mr. M. Ananthasayanam Ayyangar: I want to put one supplementary question. Is it not a fact that job analysis does not include a retrenchment of the staff?

Mr. President (The Honourable Sir Abdur Rahim): That question has been sufficiently discussed.

Mr. S. Satyamurti: I want to put one question with regard to (e) of the question, that is, amalgamation. May I ask whether they have considered the possibility of economies by amalgamating the railways, in that they can abolish many superior officers, Agents, and so on and so forth, which consume a lot of our expenditure?

The Honourable Sir Muhammad Zafrullah Khan: The first part, yes; last part, No.

ADVERSE EFFECT ON RAILWAY RECEIPTS DUE TO INCREASING COMPETITION FROM MOTOR LORRIES.

57.. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether they have considered the increasingly adverse effect on Railway receipts on account of increasing competition from motor lorries;
- (b) what steps they propose to take in the matter; and
- (c) whether they have considered or propose to consider the need and desirability of having a Special Officer-in-Charge of Railway revenues?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). I would refer the Honourable Member to the reply that Mr. P. R. Rau gave to Mr. Lalchand Navalrai's question No. 23 on the 5th February, 1935.

(c) The Honourable Member is no doubt aware that each railway has a commercial department of its own with an officer of considerable experience at its head. The Railway Board have also a Traffic Branch with a Director and two Deputy Directors. Till 1932, there was a Member of the Railway Board dealing with traffic questions, but the post was held in abeyance as a measure of retrenchment. The desirability of reviving this post in view of present conditions is at present engaging the attention of Government.

Mr. S. Satyamurti: May I take it that the last answer means that the question of having a special officer in charge of railway revenues is being considered?

The Honourable Sir Muhammad Zafrullah Khan: I have said that the question which is engaging the attention of Government is one of reviving the post in the Railway Board of a Member who would consider particularly the question of development of traffic.

Mr. S. Satyamurti: I am asking specifically whether they are considering or will consider the question of having a special officer whose job will be to keep a very careful watch on railway revenues, and suggest to the various railways and to the Government means of increasing the same?

The Honourable Sir Muhammad Zafrullah Khan: Means of increasing the development of traffic,—yes.

Mr. S. Satyamurti: With regard to (a) and (b), may I know if nothing has happened since February, 1935, to enable Government to give a fresh answer?

The Honourable Sir Muhammad Zafrullah Khan: I believe the Honourable Member for Industries and Labour gave some replies to the Honourable Member, who is now putting the question, on that subject only yesterday.

Mr. S. Satyamurti: Has anything been done to increase railway traffic, as opposed to motor lorry traffic, or at least to prevent a further fall in railway traffic?

The Honourable Sir Muhammad Zafrullah Khan: Railways are taking such measures as are open to them from time to time.

Mr. Lalchand Navalrai: May I know from the Honourable Member if this competition of the motor lorries is really affecting railway finances?

The Honourable Sir Muhammad Zafrullah Khan: It is affecting railway revenues.

RE-IMPOSITION OF EXCISE DUTY ON COTTON.

58. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the editorial of *Roy's Weekly* of the 12th August, 1935, entitled "Cotton Excise Duty";
- (b) whether there is any truth in the statement that Cotton Excise Duty is likely to be re-imposed; and
- (c) whether they are at all considering this matter; and if so, at what stage the matter stands?

The Honourable Sir James Grigg: (a) Yes, I read with great interest the periodical pronouncements, or perhaps I should say announcements, in regard to Government policy made by this highly imaginative journal.

(b) and (c). As I said on the 26th of September last in reply to Dr. Rajan's question No. 716, Government do not in matters of taxation announce their intentions in advance.

Mr. S. Satyamurti: May I take it that Government are considering this matter, along with other matters?

The Honourable Sir James Grigg: The Honourable Member must take what I have said and nothing more.

FISCAL AND FOREIGN TRADE POLICY OF INDIA.

59. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the paragraph under the heading "World of Indian Finance" of the 10th August 1935 in the *Indian Finance*, Calcutta;
- (b) whether they propose to re-examine the whole position with a view to recommending necessary changes in the Fiscal and Foreign Trade Policy of India; and
- (c) whether this House will be consulted in the matter before they come to any conclusions?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) The Government of India have examined the question and are of opinion that no change in their existing policy is necessary.

(c) Does not arise.

Mr. S. Satyamurti: When did they examine this?

The Honourable Sir Muhammad Zafrullah Khan: You want the exact date?

Mr. S. Satyamurti: Approximately.

The Honourable Sir Muhammad Zafrullah Khan: I cannot give the exact date.

HEARING OF MATRIMONIAL CASES CONCERNING EUROPEANS BY INDIAN JUDGES OF HIGH COURTS.

60. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) with reference to the accompanying editorial article† in the *Hindustan Times* of the 16th August, 1935, entitled "Indianise the Judiciary", whether it is a fact that Indian Judges of High Court are not allowed to hear matrimonial cases in which Europeans are concerned;
- (b) whether their attention has been drawn to Sir Lalgopal Mukherji's comment on that prohibition; and
- (c) whether they propose to take any action in the matter?

The Honourable Sir Henry Craik: (a) The Honourable Member is referred to Rule 2 of the Indian (Non-Domiciled Parties) Divorce Rules, 1927, from which he will see that the matter does not rest with Government. I may, however, inform him that Indian Judges have been included among the Judges appointed under that Rule.

- (b) Government have seen the article.
- (c) No.

AFFAIRS OF INDIANS IN ZANZIBAR.

61. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the statement of Rev. C. F. Andrews, published in the *Hindustan Times*, dated the 12th August, 1935, from Bombay;
- (b) whether they have considered that part of the statement in which he says that the affairs of the Indians in Zanzibar was growing desperate every day; and
- (c) whether they are taking any steps in the matter?

Sir Girja Shankar Bajpai: (a) and (b). Yes.

(c) The attention of the Honourable Member is invited to the observations made by me on the 18th September, 1935, on Pandit Govind Ballabh Pant's Resolution on the subject. Since then the Report of the Agricultural Indebtedness Commission, appointed by the Government of Zanzibar, has been published, together with a memorandum summarising the views of the Government of Zanzibar, and on the 24th December, last, the Government of India received a deputation of Indians from Zanzibar. The question of the further representations to be made to His Majesty's Government to safeguard Indian interests is receiving attention.

Mr. S. Satyamurti: May I know if Government realise the need for prompt action in the matter, and they will take very prompt steps to see that something is done definitely before very long?

Sir Girja Shankar Bajpai: I can assure my Honourable friend that the need for timely intervention is present to the mind of the Government of India, and if there has been a postponement of their representation to His Majesty's Government at all, it has been at the request of a very prominent and very representative Indian gentleman in Zanzibar who is shortly visiting this country.

RESERVATION OF THE KENYA HIGHLANDS FOR EUROPEAN SETTLERS.

62. ***Mr. S. Satyamurti:** At what stage does the representation of the Government of India in connection with the proposed exclusive reservation of the Kenya Highlands for Europeans stand?

Sir Girja Shankar Bajpai: If I should use an adjective, I should say "at a stationary stage".

Mr. S. Satyamurti: Have His Majesty's Government stayed their hands in respect of passing no Orders in Council on this matter?

Sir Girja Shankar Bajpai: I should think so. Otherwise we should have seen an Order in Council by now.

Mr. S. Satyamurti: Have the Government of India received any assurance that Orders in Council will not be passed till this Government have had their final say in the matter?

Sir Girja Shankar Bajpai: I explained the position, I think, when the adjournment motion of my friend came up for discussion last year. At that stage His Majesty's Government did assure the Government of India that no action would be taken until the views of the Government of India had been received and considered. After the discussion that took place here and on the lines of the statement that I made then, representations have been made to His Majesty's Government, and, so far as we are aware, His Majesty's Government have come to no decision yet.

Mr. S. Satyamurti: Have the Government of India heard in answer to their representations made after the debate in this House?

Sir Girja Shankar Bajpai: No.

PROTECTION OF THE LIVES OF INDIANS IN ABYSSINIA.

63. ***Mr. S. Satyamurti:** What steps have Government taken to protect the lives of Indians in Abyssinia?

Sir Aubrey Metcalfe: The Honourable Member is referred to the answer given on the 3rd September, 1935, to his short notice question on the same subject and also to the information supplied in reply to the supplementary questions of the same date.

Mr. M. Ananthasayanam Ayyangar: Have the Indians in Abyssinia been sent to a particular place and looked after there?

Sir Aubrey Metcalfe: Not so far as I am aware.

Mr. M. Ananthasayanam Ayyangar: Are then they distributed over the entire area?

Sir Aubrey Metcalfe: That I could not tell the Honourable Member without notice. I presume they are all in Addis Ababa, but I do not know.

Mr. M. Ananthasayanam Ayyangar: Are there any in the region where the war is taking place?

Sir Aubrey Metcalfe: I am not aware that there are any.

Mr. M. Ananthasayanam Ayyangar: Have Government assured themselves there are not any.

Sir Aubrey Metcalfe: If anybody is in the war area, I should think he would leave it as quickly as possible.

Mr. S. Satyamurti: Have Government taken such steps as can be taken to protect the lives of Indians?

Sir Aubrey Metcalfe: I do not think there would be any Indians in the war area, but adequate steps have certainly been taken to protect Indians who wish to carry on their occupations in areas not affected by the war.

STATEMENT OF THE HONOURABLE SIR MUHAMMAD ZAFRULLAH KHAN TO THE SOUTH INDIAN CHAMBER OF COMMERCE.

64. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the accompanying leading article† in the *Hindu* of Madras on the Honourable Sir Zafrullah Khan's statement to the South Indian Chamber of Commerce during his recent visit to Madras;
- (b) whether they are taking steps on the lines suggested in the leading article; and
- (c) if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes. The summary of my views given in the article is, however, not quite accurate.

(b) and (c). The Honourable Member is referred to part (b) of my reply to his starred question No. 59.

TRADE AGREEMENTS WITH GERMANY, ETC.

65. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether the position of the Government of India in respect of trade agreements with other countries is that which was

†Sent to the Department concerned.

stated by the Honourable the Commerce Member to the South Indian Chamber of Commerce at Madras on 8th August, 1935, namely, that "since the trade clearing agreement between the United Kingdom and Germany specified an equal amount of imports and exports and as the United Kingdom's capacity to German goods was limited, India could not claim for a share of the British quota of exports to Germany unless she undertook to take corresponding percentage of German imports into the United Kingdom.";

- (b) if so, what are the reasons; and
- (c) whether India is restricted to conclude her own trade agreement with Germany in the best interest of this country?

The Honourable Sir Muhammad Zafrullah Khan: (a) I made no such statement to the South Indian Chamber of Commerce. In this connection I would refer the Honourable Member to a press note published in the *Hindustan Times* of the 25th August last which explains what I actually stated to the Chamber.

- (b) Does not arise.
- (c) I regret I am unable to follow the question.

Mr. S. Satyamurti: There is a printing mistake here. "Restricted" should be "enabled". My question was,—after the agreement between Great Britain and Germany, is India free to conclude her own agreement with Germany?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

PROTECTION OF THE INTERESTS OF INDIANS IN TRANSVAAL.

- †66. ***Mr. S. Satyamurti:** Will Government be pleased to state:
- (a) whether their attention has been drawn to the accompanying leading article† entitled "Indians in Transvaal"; and
 - (b) whether they propose to take up and deal with the whole question comprehensively so as to protect the legitimate interests of Indians; if not, why not?

DUTIES AND RESPONSIBILITIES OF THE ARMY WHEN EMPLOYED IN AID OF CIVIL POWER.

67. ***Mr. S. Satyamurti:** Will Government be pleased to state:
- (a) the reason why the Army Headquarters issued the recent pamphlets on duties and responsibilities of the Army when employed in aid of civil power in India;
 - (b) on what basis they maintain 181,000 troops;
 - (c) what part of it is being maintained for supporting civil power;
 - (d) on what basis they have come to the conclusion that both at Karachi and at Lahore the high standard of discipline among the troops and the principle of applying minimum force to achieve the object were obtained;

†For answer to this question, see answer to question No. 51.

‡Sent to the Department concerned.

- (e) whether any enquiry was held after the firing to justify the conclusion that no more than minimum force was used;
- (f) whether they propose in this country to have subsequent judicial enquiry in this matter after the Federation; and
- (g) if not, why not?

Mr. G. R. F. Tottenham: (a) No such pamphlets have been published. The Honourable Member is presumably referring to a number of articles on this subject which appeared in the press some months ago. These were based on information supplied to representatives of the press in response to enquiries.

(b) and (c). The attention of the Honourable Member is invited to pages 6 to 10 of the publication entitled "Some Facts and Figures about Indian Defence, 1935-36".

(d) On the evidence of the number of rounds fired and the manner in which fire was controlled.

(e) No.

(f) Government have no such proposal under consideration.

(g) Because it is quite unnecessary for the present Government to consider what the Federal Government should do in such cases.

Mr. S. Satyamurti: With regard to the answer to clause (c) of the question, I do not quite follow the Honourable Member. May I ask what part of this 181,000 is being maintained for supporting the civil power?

Mr. G. R. F. Tottenham: All the information on that point and on the point raised in part (b) is given in this pamphlet which was issued to all Members of the Assembly last year. It will take some time to read it, but I can give the main facts straightaway.

Mr. President (The Honourable Sir Abdur Rahim): Perhaps the Honourable Member would like to read the pamphlet himself.

Mr. S. Satyamurti: What is the answer to clause (e) of the question?

Mr. G. R. F. Tottenham: "No".

Mr. Satyamurti: On what basis have Government come to the conclusion referred to in clause (d) of the question? Has any inquiry been held?

Mr. G. R. F. Tottenham: I have already said "On the evidence of the number of the rounds fired and the manner in which fire was controlled".

CONTRIBUTION MADE BY EACH STATE MEMBER OF THE LEAGUE OF NATIONS, ETC.

68. ***Mr. S. Satyamurti:** Will Government be pleased to state, if necessary after obtaining the information from the authorities concerned:

- (a) the contribution made by each State Member of the League of Nations;

- (b) the total number of officials, and employees belonging to each nationality, that is a Member of the League, who work in different organs of the League, auxiliary organizations, International Labour Office and Court of International Justice; and
- (c) the total amount drawn as salary each year by the above officials and employees belonging to each nationality, that is a State Member of the League?

The Honourable Sir Nripendra Sircar: (a), (b) and (c). The Honourable Member is referred to pages 1012, 1025 to 1036, 1065 to 1073, 1088 and 1092 to 1121 of the League of Nations Official Journal 16th Year No. 10 of October 1935, a copy of which is in the Library.

Mr. S. Satyamurti: In view of the great disparity between the contribution made by India as a Member of the League of Nations and the number of officials and employees belonging to India employed therein and the total amount of salaries drawn by them, will Government take any steps to redress this great disparity?

The Honourable Sir Nripendra Sircar: I think, Sir, I have answered this question at least three times since I have been here.

Mr. S. Satyamurti: Have any steps been taken at all?

The Honourable Sir Nripendra Sircar: Whatever steps are possible have been taken, but, having regard to the situation at Geneva, it is not possible to have a proportionate number of Indians to discharge the kind of work which they are asked to do.

Mr. S. Satyamurti: May I ask what results have been achieved so far, as a result of the steps taken?

The Honourable Sir Nripendra Sircar: I think the answer on the last occasion—I speak from recollection—was that one additional man was taken, but I am not sure.

WORKING OF THE OTTAWA TRADE AGREEMENT.

69. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to a speech of Mr. W. D. M. Clarke, His Majesty's Trade Commissioner at Bombay, at the Rotary Club Luncheon on the 30th July, 1935;
- (b) whether they have examined the statements in that lecture; and
- (c) whether they have themselves examined the working of the Ottawa Pact and what their conclusions are?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) No.

(c) A report on the working of the Ottawa Trade Agreement for the year 1934-35 was laid on the table of the House during the last Simla Session. Government do not propose to offer an opinion on the results of the Agreement pending the discussion of the matter during the current Session.

Mr. S. Satyamurti: May I take it that that report by a special officer—Dr. Mathai—was by a special officer appointed by themselves?

The Honourable Sir Muhammad Zafrullah Khan: The report was by the Government of India.

Mr. S. Satyamurti: Do the Government of India make themselves responsible for the statements therein?

The Honourable Sir Muhammad Zafrullah Khan: I have not followed the question.

Mr. S. Satyamurti: Do the Government of India make themselves responsible for the contents of that report?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

INDEBTEDNESS OF THE RYOTS IN THE CENTRALLY ADMINISTERED AREAS.

70. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether they have considered the question of indebtedness of the ryots in the centrally administered areas, especially in Coorg; and
- (b) whether they propose to make any legislation in the matter; if so, when; if not, why not?

Sir Girja Shankar Bajpai: (a) The question has been brought to the notice of local Administrations concerned. In Coorg the Economic Committee which was appointed last year has submitted its report and the proposals made by it are now under consideration by the Chief Commissioner.

(b) The Government of India do not propose to undertake legislation in the matter, as conditions in the various areas are by no means uniform.

Mr. President (The Honourable Sir Abdur Rahim): Mr. Satyamurti. Question No. 71.

Mr. S. Satyamurti: With regard to my starred question on the paper, No. 71†, about insurance and banking laws, I think, Sir, the Honourable the Law Member made an elaborate statement yesterday on company law and his proposals with regard to that.

71. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) at what stage the proposals for amending the Company, Insurance and Banking Laws in this country stand;
- (b) when they propose to introduce legislation on these subjects in the Assembly; and
- (c) the reasons for the delay?

The Honourable Sir Nripendra Sircar: *Then, is my Honourable friend's question confined to insurance and banking law? If so, I am told that there is a question, No. 88, relating to the same matter, and my Honourable colleague will answer that question No. 88.*

Mr. S. Satyamurti: May I know whether the Honourable Member contemplates having any insurance legislation also incorporated in his proposed Bill to amend the Companies Act?

The Honourable Sir Nripendra Sircar: No, Sir. The insurance law will be a different Bill altogether.

Mr. S. Satyamurti: I will only ask about insurance law on this question.

The Honourable Sir Nripendra Sircar: I think I said yesterday that insurance laws have been held up along with company law because obviously the provisions of the latter or most of them will apply to insurance law, and until we know in what form company law is passed in this House, we are not in a position actively to take up insurance law; but we have received Mr. Sen's report and we are considering that report.

INCLUSION OF THE COMPANIES OF INDIGENOUS SHROFFS IN THE SCHEDULE OF BANKS UNDER THE RESERVE BANK.

72. *Mr. S. Satyamurti: Will Government be pleased to state:

- (a) whether Government recognise the important part played by Companies of indigenous shroffs in internal trade and Banking;
- (b) whether they have considered the desirability of including them in the Schedule of Banks under the Reserve Bank so that they may be given facilities;
- (c) whether the Reserve Bank has been asked to report on the terms and conditions on which they can be so admitted; and
- (d) whether the Reserve Bank has reported, and if not, the reasons for the delay?

The Honourable Sir James Grigg: (a) Yes.

(b), (c) and (d). The Honourable Member is referred to clause (a) of sub-section (1) of section 55 of the Reserve Bank of India Act, 1934, which states that it is a duty of the Reserve Bank to make a report in due course to the Governor General in Council as regards an extension of the Reserve Bank Act to persons and firms, not being scheduled banks, engaged in British India in the business of banking. The Bank's report has not yet been received, and Government have as yet no information as to when it will be received.

Mr. S. Satyamurti: Have the Government of India addressed the Reserve Bank and asked for their report?

The Honourable Sir James Grigg: I do not think that would be very reasonable. The section in question says:

“The Bank shall, at the earliest practicable date, and, in any case, within three years from the date on which this chapter comes into force, etc.”

That mention of “three years” is an indication that to do it after the Bank has been going for less than a year would be a little rushing them.

PROTECTION TO GLASS INDUSTRY.

73. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether they have received any representation from the Secretary, Merchants Chambers, United Provinces, to reconsider their decision not to grant protection to glass industry;
- (b) whether they have considered the representation; and
- (c) what conclusions they have reached thereon?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Yes, Sir.

(c) The Honourable Member's attention is directed to the reply given to his question No. 502 during the last Simla Session.

Mr. S. Satyamurti: May I take it that the Government of India have finally decided not to grant protection?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir; the case stands where it was.

Mr. M. Ananthasayanam Ayyangar: Is it not a fact that the Tariff Board in a unanimous report recommended that protection should be afforded to this industry?

The Honourable Sir Muhammad Zafrullah Khan: I have answered at least a score of questions on that subject. The report has been published, and the Honourable Member can find out for himself.

Mr. M. Ananthasayanam Ayyangar: On what further technical grounds have they refused protection?

The Honourable Sir Muhammad Zafrullah Khan: On the grounds explained in the Resolution; I read out the whole of that yesterday.

DEVELOPMENT OF INDIAN SHIPPING.

74. ***Mr. S. Satyamurti:** Will Government be pleased to state whether one of the most important principles recognised during the proceedings of the Shipping Conference, convened by Lord Irwin at Delhi, in 1930, was that the growth and increase in Indian shipping postulated an equivalent reduction in the non-Indian tonnage engaged in the coastal trade?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Mr. S. Satyamurti: May I know if the Honourable Member's attention has been drawn to the following statement by Lord Irwin, who presided over this Conference:

"What is desired is to find, if possible, some measures, which would effect an increase, a definite increase, in the number of Indian ships and a revision of the conditions of their economic—if that is the right word—employment."

May I ask whether Lord Irwin said that or not?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

Mr. S. Satyamurti: Then, Sir, may I know whether his attention has also been drawn to Lord Irwin's other statement that:

"The reasonable satisfaction of the Indian point of view is quite definitely for British lines to try if they think the case is a reasonably good one to assist Indian lines by being willing to sell and by being willing not to expand their tonnage, so as to undo the good they have done by permitting the other side to purchase"?

The Honourable Sir Muhammad Zafrullah Khan: That statement was also made.

Mr. S. Satyamurti: Then, why does the Honourable Member says no to my question?

The Honourable Sir Muhammad Zafrullah Khan: The question was whether this principle was recognized at that Conference. There were very important dissents to it from certain members of the Conference.

Mr. S. Satyamurti: May I know whether the Government of India at least accept the principles laid down by Lord Irwin, the then Viceroy and Governor General?

The Honourable Sir Muhammad Zafrullah Khan: That is the subject-matter of the Honourable Member's next question.

DEVELOPEMENT OF AN INDIAN MERCANTILE MARINE.

75. ***Mr. S. Satyamurti:** Will Government be pleased to state whether in the communiqué issued on the 6th January, 1930, they announced that it would be the responsibility of the Government of India themselves to see what steps they should take for the development of an Indian Mercantile Marine?

The Honourable Sir Muhammad Zafrullah Khan: Yes, Sir.

Mr. S. Satyamurti: May I know what Government have done to discharge those responsibilities?

The Honourable Sir Muhammad Zafrullah Khan: On the administrative side, we have successfully placed the first two batches of the "Dufferin" boys in various shipping concerns; we have Indianised the Bengal Pilot Service; and we have started the scheme for training Engineer Officers for Mercantile Marine on the "Dufferin". And largely owing to the good

offices of the Commerce Member during this period, the Conference Agreement of 1923 under which the Scindia was limited to a tonnage of about 60,000 tons and was excluded from the passenger trade, has been replaced by another agreement under which they will be able to increase their fleet to 100,000 tons, and have been admitted into the passenger trade on the Indian Coast. Also in the same way, the small Steamship Companies by the award made by the Commerce Member last February, have been given a recognized share in the west coast trade and a considerable step forward has been thus made in the prevention of rate wars.

DEVELOPMENT OF INDIAN SHIPPING.

76. ***Mr. S. Satyamurti:** (a) Will Government be pleased to state whether it is not a fact that the British India Steam Navigation Company, Ltd., or the P. & O. Group have recently acquired a controlling interest in the Asiatic Steam Navigation Co., Ltd.?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether it is in consonance with the principle which they advocated at the Shipping Conference in 1930?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are aware that allegations to this effect have been made, but they are not in a position to confirm their correctness.

(b) I am not aware that any such arrangement would be contrary to any principle advocated by Government at the Shipping Conference in 1930.

Mr. S. Satyamurti: May I know if Government will make inquiries and find out whether this allegation is correct, *viz.*, that the British India Steam Navigation Company and the P. & O. have recently acquired a controlling interest in the Asiatic Steam Navigation Company?

The Honourable Sir Muhammad Zafrullah Khan: How are the Government to find that out?

Mr. S. Satyamurti: By addressing the Companies.

The Honourable Sir Muhammad Zafrullah Khan: The Companies are not bound to answer.

TRIPARTITE AGREEMENT BETWEEN THE BRITISH INDIA, THE SCINDIA AND THE ASIATIC SHIPPING COMPANIES.

77. ***Mr. S. Satyamurti:** (a) Will Government be pleased to state whether the recent Tripartite Agreement between the British India, the Scindia and the Asiatic Companies was made under the auspices of the Honourable the Commerce Member?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether the making of the Tripartite Agreement was on the understanding that the British India, the Asiatic and the Scindia Companies were separate and distinct shipping companies employed in the coastal trade?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state whether it is not a fact that under the said agreement a certain proportion of the coastal traffic was assigned individually to:

- (1) The British India Co.,
- (2) The Scindia Co., and
- (3) The Asiatic Co.?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state whether with the controlling interest in the Asiatic now acquired by the British India or the P. & O. Group and in spite of the outward appearance of the steamers being continued to run under the name of the Asiatic Co., it is not the fact that the proportion of traffic of the British India in the coastal trade has now in effect actually increased beyond the proportion stipulated and agreed to under the Tripartite Agreement?

(e) Will Government be further pleased to state what action they propose to take in regard to such an independent arrangement?

The Honourable Sir Muhammad Zafrullah Khan: (a) No.

(b) to (e). Do not arise.

DEVELOPMENT OF INDIAN SHIPPING.

78. ***Mr. S. Satyamurti:** (a) Will Government be pleased to state if during the course of the Award, which the Honourable the Commerce Member gave in January, 1935, while settling the outstanding questions between the Conference Lines and the small Steamship Companies on the West Coast of India, it was decided that none of the Conference Lines should acquire or take a financial interest in these small Steamship Companies?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether they have viewed favourably the action of a British Shipping Company, *viz.*, the British India or the P. & O. Group, in acquiring a controlling interest in another British Shipping Company, *viz.*, the Asiatic Company? Was this right denied to an Indian Shipping Company?

(c) If the answers to parts (a) and (b) be in the affirmative, does this not lead to the non-Indian tonnage passing into the hands of a British Shipping Company and instead of reducing British-owned tonnage on the Coast actually increasing it?

The Honourable Sir Muhammad Zafrullah Khan: (a) It is true that one of the terms of the Honourable Sir Joseph Bhowe's Award was directed to preventing the acquisition of any financial interest in the Small Steamship Companies by any member of the Conference Lines. The main object of the Award was to allocate the West Coast Trade between the Smaller Steamship Companies and the Conference Lines, which latter include both Indian and British shipping interests, and it is obvious that the object of such an award would be frustrated if any of the Conference Lines were permitted to acquire interests in the Smaller Steamship Companies.

(b) The Award in no way concerned itself with the relations of the Conference Lines *inter se*, and would, therefore, not be affected by any such arrangement as that mentioned by the Honourable Member if it had taken place. So far as the Award is concerned, the acquisition of an interest in the Asiatic Company would be just as much open to the Indian Company as to the British India Co.

(c) Government are unable to see how any kind of amalgamation between two British firms, both already operating on the coast, would of itself operate either to reduce or increase the total of British tonnage.

Mr. S. Satyamurti: With reference to part (b), may I know what is the specific answer to the latter part? Was this right denied to the Indian shipping company?

The Honourable Sir Muhammad Zafrullah Khan: It was at perfect liberty to acquire an interest in the Asiatic company.

Mr. S. Satyamurti: Was the Indian company offered the right to purchase the Asiatic company?

The Honourable Sir Muhammad Zafrullah Khan: Does the Honourable Member mean by the Commerce Member?

Mr. S. Satyamurti: Were facilities provided for the purchase?

The Honourable Sir Muhammad Zafrullah Khan: I do not understand the question. Does the Honourable Member mean that in the Award made by the Commerce Member was any arrangement made by which the Indian company could purchase the Asiatic company?

Mr. S. Satyamurti: Were facilities provided for such purchase by the Government of India as was recommended by the Indian Mercantile Marine Committee and as was urged at the Shipping Conference in 1930?

The Honourable Sir Muhammad Zafrullah Khan: No facilities were provided by the Government of India to any of the companies to acquire an interest in the smaller steamship companies.

Mr. S. Satyamurti: Were facilities given to the Indian company?

The Honourable Sir Muhammad Zafrullah Khan: Does the Honourable Member mean if the Asiatic company were willing to sell, did they make an offer first to the Indian company?

Mr. S. Satyamurti: Yes.

The Honourable Sir Muhammad Zafrullah Khan: I am not aware of it.

REDUCTION OF FARE FOR DECK PASSENGERS BETWEEN CALCUTTA AND RANGOON.

79. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state if it is a fact that the pre-war level of fare for deck-passengers from Calcutta to Rangoon was Rs. 10 only?

(b) Is it a fact that the fare was increased to Rs. 14, plus terminal tax of Rs. 2, by the British India Steam Navigation Company, Ltd., during the war and since then, holding the monopoly, the rates have been kept the same, in spite of popular representations and world-wide economic depression?

(c) Is it not a fact that rates for cargo have been reduced on account of trade depression?

(d) Are Government aware that the Managing Committee of the Burma Chamber of Commerce in their letter of the 19th September, 1933, requested the British India Steam Navigation Company, Ltd., to reduce the deck-fares to the pre-war level of Rs. 10?

(e) Are Government also aware that the Passenger Service League of Rangoon, under the mandate of a meeting held on the 17th March, 1935, urged upon all the steamship companies, sailing from Rangoon, to reduce their fares for deck-passengers to pre-war level?

(f) Is it not a fact that the Agarwala Steam Navigation Company of Rangoon first started with Rs. 14 for deck-passengers from Rangoon to Calcutta?

(g) Are Government aware that they reduced the fare to the pre-war level of Rs. 10 at the request contained in the Passenger Service League resolution, dated the 17th March, 1935, circulated to all the Companies?

(h) Are Government aware that the British India Steam Navigation Company, Ltd., reduced their rates for deck-passengers from Calcutta to Rangoon first to Rs. 10, then to Rs. 8 and then to Rs. 6 only, and that too, only for the particular trips to compete with the Agarwala Company?

(i) Are Government aware that the British India Steam Navigation Company, Ltd., increased their rates to the former level as soon as the Agarwala Company ceased to operate?

(j) Are Government aware that the newly started 'New India Steam Navigation Company, Ltd.' plying between Calcutta and Rangoon, was requested by the Passenger Service League, Rangoon, at a largely attended meeting held at the Aryasamaj Hall to reduce the rate for deck-passengers to the pre-war level of Rs. 10?

(k) Will Government be pleased to state what assurances Sir Joseph Bhoré—the then Commerce Member—had given as to the prevention of such rate-cutting when Mr. Haji's Coastal Bill was dropped?

(l) Are Government prepared to fix up an economic level for such rates, in view of the unhealthy competition resorted to by older companies? If so, when and how? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) Government are aware that there was a general increase in fares after the Great War, the rate in 1921 being Rs. 13 and later Rs. 14. The terminal tax of Rs. 2 is levied under section 69 of the Rangoon Development Trust Act, and has nothing to do with the fares charged by the shipping companies.

(c) It is true that there has been a general reduction in freights during the last few years, and doubtless trade depression has been one of the contributory causes.

(d) Government are not so aware, but they understand that such a letter was sent by the Burma Indian Chamber of Commerce.

(e) Government have received a communication to this effect from the Passenger Service League.

(f) Yes, according to the information supplied by the Aggarwal Company to Government.

(g) and (h). Government are aware that the Aggarwal Company first reduced their fares, and only complained to Government when further reductions were made by the British India Steam Navigation Company. The attention of the Honourable Member is in this connection invited to the reply given to starred questions Nos. 200 and 225 asked by Mr. Satyamurti on the 9th September, 1935, regarding the competition between the two companies.

(i) Government understand that on the cessation of the competition started by the Aggarwal Company with a reduced fare, the rate reverted to the original level, but that it has since then again been reduced.

(j) Government have no information in the matter.

(k) It is not clear to what assurances the Honourable Member is referring. At the time Mr. Haji's Bill for the reservation of the coastal traffic of India lapsed, Sir Joseph Bhore was not the Member in charge of the Commerce Department.

(l) As Government have stated on various occasions in the past they have no power to control ocean steamship fares and freights.

Mr. S. Satyamurti: In order to prevent this unhealthy competition, will Government take power by legislation to fix fares and freights at an economic level?

The Honourable Sir Muhammad Zafrullah Khan: I am unable to answer that question without notice.

Pandit Lakshmi Kanta Maitra: Am I to understand that Government are absolutely powerless to protect the indigenous Indian shipping companies from foreign competition?

The Honourable Sir Muhammad Zafrullah Khan: If a specific question with regard to the matter as to which protection is desired were put, I shall answer it. The question now put is too vague and general.

Pandit Lakshmi Kanta Maitra: Does not the Honourable Member realise that these nascent shipping companies are throttled out of existence by the bigger companies and does the Honourable Member mean to say that the Government are absolutely powerless to protect them?

The Honourable Sir Muhammad Zafrullah Khan: There are a good many assumptions in that question.

Mr. Lalchand Navalrai: With reference to part (d), may I know whether the Government advised reduction to the pre-war level?

The Honourable Sir Muhammad Zafrullah Khan: Not that I am aware of.

Mr. Lalchand Navalrai: Do Government propose to advise the company?

The Honourable Sir Muhammad Zafrullah Khan: I should not think so.

Mr. Lalchand Navalrai: What are the reasons for not thinking so?

Mr. President (The Honourable Sir Abdur Rahim): Next question.

TERMS OF CONTRACT FOR CARRIAGE OF MAILS BETWEEN CALCUTTA AND RANGOON.

80. ***Pandjt Lakshmi Kanta Maitra:** (a) Will Government be pleased to state the terms of contract, for the present, for carrying mails between Calcutta and Rangoon?

(b) Who are the carriers now and how long have they been carrying mail?

(c) What are the rates given to the carriers and what duties are they to perform?

(d) When will the present contract expire?

(e) Do Government propose to place the contract with any company with Indian capital and management who may be agreeable to fulfil the conditions laid down by the department for carrying the mails between Calcutta and Rangoon? If not, why not?

The Honourable Sir Frank Noyce: (a) The Honourable Member's attention is invited to the terms of the existing agreement with the British India Steam Navigation Company, a copy of which is in the Library of the House. This agreement was due to expire on the 31st January, 1934; but for the reasons stated in the reply given to Mr. K. C. Neogy's starred question No. 309 in this House on the 2nd March, 1934, the agreement was extended for two years with effect from the 1st February, 1934. In view, however, of the expected air mail developments in 1937 in connection with the Empire Air Mail Scheme and in view of the impending separation of Burma from India, both of which may require the modification of the existing sea services, arrangements have been made by negotiation for a further extension of the present agreement for a short period of 14 months only with effect from the 1st February, 1936, involving no increase in the subsidy.

(b) The British India Steam Navigation Company are the carriers at present. The exact date from which they have been carrying mails is not readily available but the records show that mails were being carried by the Company from before 1867. The present agreement commenced from 1st February, 1934.

(c) The Honourable Member is referred to the terms of the agreement, a copy of which is in the Library of the House.

(d) The present extended contract will expire on the 31st March, 1937.

(e) In view of the rapid development of communications along this route, it is difficult to say what may happen in 1937. But I can assure the Honourable Member that if any long period contract for the carriage of mails by sea between Calcutta and Rangoon is entered into then the claims of Indian shipping companies will be fully considered.

Mr. Sami Vencatachelum Chetty: Are Government going to increase the number of sea mail services between Calcutta and Rangoon?

The Honourable Sir Frank Noyce: It is not a matter of Government increasing them. Government cannot increase the number of services. They can only take advantage of the ones that exist. I do not quite follow what the Honourable Member wants.

Mr. Sami Vencatachelam Chetty: I am asking if Government are going to increase the postal mail services between Calcutta and Rangoon?

The Honourable Sir Frank Noyce: No, Sir.

Mr. S. Satyamurti: With reference to part (c), may I know on what principles these rates to the carriers are fixed? On economic principles or monopoly rates?

The Honourable Sir Frank Noyce: Obviously fair rates.

PROMOTION OF FIREMEN ON THE NORTH WESTERN RAILWAY.

81. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government please state whether it is a fact that boy firemen and firemen, grade III, on the North Western Railway, who were appointed in 1923, and after, have not been promoted to the next grade as shunters in spite of occurrence of normal vacancies and in accordance with Loco. Superintendent's Circular No. 60/21/1/5458, dated the 6th March, 1923, page 8, and Agent's subsequent circular letter No. 746-E./D., dated the 19th/21st March, 1925? If so, why?

(b) Is it a fact that boy firemen and firemen, class IV, who were appointed in 1923, and after, have been promoted to shunters' and drivers' posts on the North Western Railway in accordance with the orders contained in the circulars cited in part (a) above? If so, how many of them are Europeans, Anglo-Indians and Indians?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 81 to 84, 86 and 87 together.

Government have no information. These are matters of detailed administration for the Agent, North Western Railway, to whom copies of these questions have been sent for such action as he may consider necessary.

PROMOTION OF SHUNTERS ON THE NORTH WESTERN RAILWAY.

†82. ***Pandit Lakshmi Kanta Maitra:** (a) Is it a fact that no one from grade III, Loco. Running Staff on the North Western Railway, has been promoted from shunters to drivers as yet, in spite of occurrence of normal vacancies? Is this not contrary to the circulars and rules in force?

(b) If the answer to part (a) above be in the affirmative, will Government please state how many of the Indians, Europeans and Anglo-Indians were deprived of their promotions?

(c) Is it a fact that all of those who have been kept back are mostly Indians?

†For answer to this question, see answer to question No. 81.

PROMOTION OF FIREMEN AND SHUNTERS ON THE NORTH WESTERN RAILWAY.

†83. ***Pandit Lakshmi Kanta Maitra**: (a) Is it a fact that grade IV boy firemen, firemen and shunters on the North Western Railway, are automatically promoted under an agreement, irrespective of occurrence of vacancies?

(b) If the answer to part (a) be in the affirmative, why were they promoted against the vacancies of grade III, *vide* Agent's letter No. 755/E/157-11, dated the 7th November, 1934, thus putting a dead-lock to the future promotion of grade III men?

(c) Are Government aware of the facts that all the grade IV men (on the North Western Railway) who were promoted were either Europeans or Anglo-Indians, and all the grade III men against whose vacancies they were promoted are mostly Indians?

PROMOTION OF DEMOTED LOCO. RUNNING STAFF ON THE NORTH WESTERN RAILWAY.

†84. ***Pandit Lakshmi Kanta Maitra**: Is it a fact that all the demoted hands of different grades on the North Western Railway have since been promoted with the exception of grade III Loco. Running Staff? Is it a fact that there were vacancies and if so, why were these men not promoted?

PROMOTIONS TO THE POSTS OF LOCO.* INSPECTOR, LOCO. FOREMAN AND ASSISTANT FOREMAN ON THE NORTH WESTERN RAILWAY.

85. ***Pandit Lakshmi Kanta Maitra**: Will Government please state how many Indians and how many Europeans and Anglo-Indians have uptil now been promoted to the posts of Loco. Inspector, Loco. Foreman and Assistant Foreman, on the North Western Railway, from grade III and grade IV?

The Honourable Sir Muhammad Zafrullah Khan: I am placing a statement giving the required information on the table of the House.

Statement showing the number of Loco. Inspectors, Loco. Foremen and Assistant Foremen, by communities, now serving on the North Western Railway, who have been promoted from Drivers, Grades III and IV.

Category.	Anglo-Indian.	European.	Indian.	Remarks.
Loco. Inspector, Grade III (675—25—700)	1	..		
„ „ Grade II (575—25—650)	1	3		
„ „ Grade I (425—25—550)	9	10		
Shed Foremen, Grade IV (675—25—700)	..	3		
„ „ Grade III (575—25—650)	1			
„ „ Grade II (500—25—550)	2	5		
Foremen, Grade I (425—25—475)	3	7	..	

†For answer to this question, see answer to question No. 81.

SUPERSESIONS OF LOCO. RUNNING STAFF ON THE NORTH WESTERN RAILWAY.

†86. ***Pandit Lakshmi Kanta Maitra:** Are Government aware of the facts that there is no difference of academical and technical qualifications between grade IV and grade III Loco. Running Staff over the North Western Railway, and incumbents in grade III senior in service and having more driving service and experience, are being superseded for driving mails and passenger trains by the less experienced grade IV incumbents who have learnt their work from the same individuals and have worked as firemen under them, *i.e.*, grade III drivers?

GRIEVANCES OF THE LOCO. RUNNING STAFF ON THE NORTH WESTERN RAILWAY.

†87. ***Pandit Lakshmi Kanta Maitra:** Is it a fact that grade III employees of Loco. Running Staff on the North Western Railway, submitted memorials after memorials regarding their grievances and no action has been taken by the North Western Railway administration, and if not, why not?

ENACTMENT OF A BANKING ACT.

88. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether they are now considering the enactment of a Banking Act, as recommended by the Central Banking Enquiry Committee;
- (b) at what stage the matter stands; and
- (c) when it is expected the Bill will be introduced in the Legislative Assembly?

The Honourable Sir James Grigg: It is the intention that sections on Banking Law should become part of Company Law. As the Honourable the Law Member stated yesterday, Government intend to introduce legislation to amend the present Companies Act this Session.

Mr. S. Satyamurti: May I take it, therefore, that a separate Banking Act will not be introduced, but will form part of the Companies Act?

The Honourable Sir James Grigg: That is the intention.

FUNCTIONS OF THE INDUSTRIAL INTELLIGENCE AND RESEARCH BUREAU OF THE INDIAN STORES DEPARTMENT.

89. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) what the functions of the Industrial Intelligence and Research Bureau of the Indian Stores Department are;
- (b) the staff and the monthly cost thereon; and
- (c) how much work they have done so far?

The Honourable Sir Frank Noyce: (a) The attention of the Honourable Member is invited to page 8 of Bulletin of Indian Industries and Labour, No. 52, a copy of which is in the Library of the House.

† For answer to this question, see answer to question No. 81.

(b) The staff of the Bureau, including the Research Branch at the Government Test House, Alipore, consists of four gazetted officers, 15 technical subordinates, 20 clerks and 13 inferior servants and is estimated to cost Rs. 10,000 a month. The cost of the staff actually employed at present is about Rs. 8,000 a month.

(c) The attention of the Honourable Member is invited to the proceedings of the first session of the Advisory Council for Industrial Intelligence and Research held in July, 1935, a copy of which is in the Library of the House. The recommendations made by the Council are being actively pursued.

Mr. S. Satyamurti: Are Government satisfied that they are getting value for the money they are spending on this Department?

The Honourable Sir Frank Noyce: Yes, Sir; I think I could convince my Honourable friend if he were to give me a chance of talking to him about this that we are getting excellent value for this money.

Mr. N. M. Joshi: May I know whether this Bureau and Industrial Council consider labour matters at all?

The Honourable Sir Frank Noyce: No, Sir; it is a Bureau of Intelligence and Research. (Laughter.)

MOTIONS FOR ADJOURNMENT.

CONDITION OF THE HANDLOOM WEAVERS OF SALEM IN THE MADRAS PRESIDENCY.

Mr. President (The Honourable Sir Abdur Rahim): I have received
 12 Noon. a notice from Mr. M. Ananthasayanam Ayyangar that he wishes to move the adjournment of the business of the House to discuss a definite matter of urgent public importance, namely, the throwing out of employment of nearly two lakhs of handloom weavers of Salem in the Madras Presidency by there being no demand for the *sarees* that they have been manufacturing from time immemorial owing to the importation, dyeing and printing of Japanese *gadas* known as shirtings and their sale in the market for abnormally low prices and the consequent starvation of hundreds of families of Devangas, Sourashttras and other weaving classes.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I do not propose to move it.

INTERFERENCE BY LOCAL GOVERNMENTS WITH THE CONGRESS GOLDEN JUBILEE CELEBRATIONS.

Mr. President (The Honourable Sir Abdur Rahim): The next motion stands in the name of Mr. Akhil Chandra Datta who wants to discuss the Government of India's failure to take proper steps to prevent interference by the Local Governments with the Congress Golden Jubilee celebrations.

[Mr. President.]

I have to inform the House, however, that His Excellency the Viceroy and Governor General, in the exercise of his powers under sub-rule (2) of rule 22 of the Indian Legislative Rules, has disallowed this motion on the ground that the motion relates to a matter which is not primarily the concern of the Governor General in Council.

The next motion of adjournment stands in the name of Mr. Basanta Kumar Das who, I understand, is not present in the House. So that motion fails.

HUNGER-STRIKE BY JOGESH CHANDRA CHATTERJI, A KAKORI CONSPIRACY CASE PRISONER.

Mr. President (The Honourable Sir Abdur Rahim): The next motion is in the name of Mr. Mohan Lal Saksena who wants to discuss the failure of Government to meet the demands of Srijut Jogesh Chandra Chatterji, a Kakori case prisoner on hunger strike, as regards the treatment of political prisoners in India. His Excellency the Governor General, however, under sub-rule (2) of rule 22 of the Indian Legislative Rules, has disallowed the motion on the ground that the motion relates to a matter which is not primarily the concern of the Governor General in Council.

COMPULSORY OBSERVANCE OF HARTAL IN NEW DELHI ON THE 28TH JANUARY, 1936.

Mr. President (The Honourable Sir Abdur Rahim): The next motion for adjournment is in the name of Pandit Nilakantha Das who wants to discuss the failure on the part of the Government of India to bring to the notice of His Majesty's Government the undesirability of declaring *Hartal* and stopping all business on the 28th January last, a day of one of the most important Hindu festivals, i.e., *Basant Panchami* and the *Saraswati Puja*, and specially the compulsory observance of *Hartal* in New Delhi under police surveillance.

I want to know what exactly are the facts on which the Honourable Member wants to move this motion. Was the *Hartal* declared by the Government of India?

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): There was a *Hartal* in New Delhi and many other places in India.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member got any orders of the Government of India to that effect?

Pandit Nilakantha Das: I do not know whether there were any direct orders to the police, but the police were doing it.

Mr. President (The Honourable Sir Abdur Rahim): Surely when allegations of that sort are made, they must be based on some order of Government.

Pandit Nilakantha Das: I do not have the order with me now, but there was a communiqué that there should be no business in New Delhi.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member got that communiqué?

Pandit Nilakantha Das: I think it was published in the Gazette and the Press.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member is not prepared to supply the necessary information, the Chair must disallow the motion. The motion is disallowed.

CONDITION OF THE HANDLOOM WEAVERS OF SALEM IN THE MADRAS
PRESIDENCY.

Mr. President (The Honourable Sir Abdur Rahim): The next motion for adjournment is in the name of Mr. Ananthasayanam Ayyangar who wants to discuss the throwing out of employment of nearly two lakhs of handloom weavers in the district of Salem in the Madras Presidency, owing to the importation and sale of Japanese *gades* (longcloth) as *sarees*.

Mr. M. Ananthasayanam Ayyangar: Sir, I do not want to move it.

GOVERNMENT OF INDIA'S VIEWS ON THE QUESTION OF EXCLUDED AND
PARTIALLY EXCLUDED AREAS TO THE SECRETARY OF STATE.

Mr. President (The Honourable Sir Abdur Rahim): The next motion stands in the name of Mr. Ram Narayan Singh who wants to discuss the failure on the part of the Government of India to consult public opinion and the Central Legislature before formulating their views on the question of excluded and partially excluded areas to the Secretary of State. I understand that the very first Resolution on the 11th February wishes to discuss this very subject. So this will anticipate the Resolution which has been put down for the 11th February, and, therefore, likely to come up for discussion.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): Sir, I am not anxious to move this adjournment motion, but I submit that to get a Resolution passed by the House is one thing and to censure Government for their offence is something different. (Laughter.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot be allowed to do that on this motion. The motion is disallowed.

SECURITY DEMANDED FROM THE *ABHYUDAYA* OF ALLAHABAD.

Mr. President (The Honourable Sir Abdur Rahim): The next motion stands in the name of Sardar Sant Singh who wants to discuss the demand of security from the newspaper *Abhyudaya* of Allahabad for *verbatim* reproduction of the speech of an Honourable Member of this Assembly from the authorised reports of the debates of the Assembly. I have to inform

[Mr. President.]

the House that His Excellency the Governor General, in the exercise of his power under sub-rule (2) of rule 22 of the Indian Legislative Rules, has disallowed this motion on the ground that the motion relates to a matter which is not primarily the concern of the Governor General in Council.

MESSAGE FROM H. E. THE GOVERNOR GENERAL.

Mr. President (The Honourable Sir Abdur. Rahim): The following Message has been received from His Excellency the Governor General:

"In pursuance of the provisions of sub-section (3) of section 67-A of the Government of India Act, I hereby direct that the heads of expenditure specified in that sub-section shall be open to discussion by the Legislative Assembly when the budget is under consideration."

THE PARSI MARRIAGE AND DIVORCE BILL.

REPORT OF THE JOINT COMMITTEE LAID ON THE TABLE.

Secretary of the Assembly: Sir, I lay on the table the Report of the Joint Committee on the Bill to amend the law relating to marriage and divorce among Parsis.

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA
IN COUNCIL ACTING BY AND THROUGH THE GOVERNOR
OF THE PUNJAB IN COUNCIL AND THE RESERVE BANK OF
INDIA.

The Honourable Sir James Grigg (Finance Member): Sir, I lay on the table a copy of the Agreement between the Secretary of State for India in Council acting by and through the Governor of the Punjab in Council and the Reserve Bank of India.

Agreement.

An agreement made this second day of November 1935, between the Secretary of State for India in Council acting by and through the Governor of the Punjab in Council (hereinafter called "the Punjab Government") of the one part and the Reserve Bank of India (hereinafter called "the Bank") of the other part.

Whereas the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) (hereinafter called "the Act").

And whereas by section 21 (2) of the said Act it is provided that each Local Government shall entrust the Bank on such conditions as may be agreed upon with the management of its public debt and with the issue of any new loans.

Now it is hereby mutually agreed and declared by and between the said parties hereto as follows, that is to say:

1. This agreement shall come into force on the execution of these presents.

**AGREEMENT BETWEEN SECRETARY OF STATE AND RESERVE BANK OF 201
INDIA.**

2. The management of the public debt of, and the issue of new loans by, the Punjab Government and the performance of all the duties relating thereto respectively, including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Punjab Government and keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at all or any of its offices in: Bombay, Calcutta and Madras, and at any of its offices, branches or agencies at which respectively, the administration of any portion or portions of the public debt is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers books and accounts in respect of the said public debt as the Punjab Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Punjab Government in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Punjab Government.

3. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Punjab Government, half-yearly, a commission at the rate of Rs. 2,000 per crore, per annum, on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz.* :—

- (a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.
- (b) The amount of stock certificates for Rs. 50,000 and upwards held by the Punjab Government or by any officer or officers of that Government authorised in that behalf.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Punjab Government such fixed sum as may from time to time be agreed upon between the parties on account of the stock certificates referred to in clause 3(b) hereof, and the Bank shall be also entitled to charge the public (but not the Punjab Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General in Council under the powers conferred upon him by the Indian Securities Act, 1920, (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government securities which the Bank issues.

4. The responsibility for all loss or damage to the Punjab Government which may result from any act or negligence or omission of the Bank in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, subdivision or cancellation of any security of the Punjab Government shall rest with and be borne by the Bank, provided, however, that it shall not be incumbent on the Bank to verify signatures and endorsements on securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto.

5. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Punjab Government to be addressed to the Governor of the Bank and to be served by being left at the Head Office of the Bank and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government of the Punjab in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

6. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Punjab Government or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

7. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Punjab Government.

8. In the event of any dispute arising as to the terms and conditions of this agreement such disputes or any differences of opinion shall, in the event of the parties—

hereto failing to reach an agreement, be referred to an officer to be nominated by the Governor General whose decision shall be final and binding as between the parties hereto.

In witness whereof Charles MacIvor Grant Ogilvie, Secretary to the Government of the Punjab in the Finance Department by the order and direction of the Governor of the Punjab in Council acting for and on behalf of the Secretary of State for India in Council has hereunto set his hand and the Reserve Bank of India has caused its Common Seal to be hereunto affixed the day and year first above written.

Signed by the abovenamed Charles MacIvor Grant Ogilvie, Secretary to the Government of the Punjab in the Finance Department by the order and direction of the Governor of the Punjab in Council acting for and on behalf of the Secretary of State for India in Council in the presence of } C. MACIVOR G. OGILVIE.

A. D. Grindal,
Deputy Secy. to Govt., Punjab,
Finance Department, Lahore.

The Common seal of the abovenamed Reserve Bank of India was hereunto affixed in the presence of Sir Sikander Hyat-Khan, K.B.E., a Deputy Governor and Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., and Framroz Edulji Dinshaw, Esquire: two of the Directors of the said Bank who in token thereof have hereunto signed their names in the presence of } S. HYAT-KHAN,
Dy. Governor.
PURSHOTAMDAS THAKURDAS,
F. E. DINSHAW,
Directors.

K. G. AMREGAOKAR,
Secretary, Reserve Bank of India.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE FOR ROADS.

The Honourable Sir Frank Noyce (Member for Industries and Labour):
Sir, I beg to move:

"That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of a Member to serve on the Standing Committee for Roads during the remainder of the financial year 1935-36, in place of the late Mr. Deep Narayan Singh."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That this Assembly do proceed to the election, in such method as may be approved by the Honourable the President, of a Member to serve on the Standing Committee for Roads during the remainder of the financial year 1935-36, in place of the late Mr. Deep Narayan Singh."

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

The Honourable Sir Frank Noyce (Member for Industries and Labour):
Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on the Standing Committee to advise on subjects, other than 'Roads' and 'Posts and Telegraphs' dealt with in the Department of Industries and Labour."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official Members to serve on the Standing Committee to advise on subjects, other than ‘Roads’ and ‘Posts and Telegraphs’ dealt with in the Department of Industries and Labour.”

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, eight non-official Members to sit on the Standing Committee on Emigration.”

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, eight non-official Members to sit on the Standing Committee on Emigration.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I may inform the Assembly that for the purpose of election of members to the Standing Committee on Roads, the Standing Committee for the Department of Industries and Labour and the Standing Committee on Emigration the Notice Office will be open to receive nominations upto 12 Noon on Friday, the 7th February, 1936. The elections, if necessary, for the Standing Committee on Roads and the Standing Committee for the Department of Industries and Labour will take place on the 10th February, while the election for the Standing Committee on Emigration will be held on the 12th February, 1936. The elections which will, as usual, be held in the Secretary's Room in the Council House between the hours of 10-30 A.M. and 1 P.M. will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE ITALIAN LOANS AND CREDITS PROHIBITION BILL.

The Honourable Sir James Grigg (Finance Member): Sir, I beg to move for leave to introduce a Bill to prohibit the making of certain loans and credits.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That leave be granted to introduce a Bill to prohibit the making of certain loans and credits.”

The motion was adopted.

The Honourable Sir James Grigg: Sir, I introduce the Bill.

THE PAYMENT OF WAGES BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the Bill to regulate the payment of wages to certain classes of persons employed in industry, as reported by the Select Committee.

The Chair proposes in this case to deal with sub-clauses (4), (5) and (6) of clause 1 of the Bill first, as it finds that there are substantive amendments in the name of Mr. Joshi to these sub-clauses, and the Chair understands that upon the result of the debate and voting on these sub-clauses will depend as to whether some of the other amendments in the name of other Honourable Members are moved or not.

The question is:

“That clause 1 stand part of the Bill.”

Mr. N. M. Joshi (Nominated Non-Official): Sir, I move:

“That for sub-clause (4) of clause 1 of the Bill, the following be substituted:

- (4) It applies in the first instance to the payment of wages to persons employed—
- (a) in any factory as defined by the Factories Act, 1934;
 - (b) on a tramway;
 - (c) on a dock, wharf or jetty within the limits of any port subject to the Indian Ports Act, 1908;
 - (d) on an inland steam-vessel;
 - (e) in any mine or quarry as defined in clause (f) of section 3 of the Indian Mines Act, 1923;
 - (f) in connection with operations for winning natural petroleum or natural gas;
 - (g) on any estate which is maintained for the purpose of growing cinchona, coffee, rubber, tea or sugar and on which on any one day in the preceding twelve months twenty or more persons have been employed;
 - (h) in any workshop or other establishment in which articles are produced, adapted or manufactured, with a view to their use, transport or sale and in which on any one day of the preceding twelve months, twenty or more persons have been employed;
 - (i) upon any railway by a railway administration or, either directly or through a sub-contractor, by a person fulfilling a contract with a railway administration.”

Mr. President, the Select Committee which considered this Payment of Wages Bill made certain changes. I may call them improvements as regards the industries to which the Act should be applied. The Bill, as amended by the Select Committee, provides that the Bill should apply to factories as well as to those employed on Indian railways with certain powers of exemption given to the Governor General in Council. Sir, you know that this Bill deals with questions regarding the payment of wages. It tries to provide for prompt payment of wages—wages must be paid without unnecessary delay after they are earned or after they become due. Secondly, it provides for a maximum wage period—the employer must pay the wages of an employé for a certain period: the period must not be longer than a month. Then, the Bill also provides for regulation or deduction from the wages of an employé by the employer. This Bill is a Bill which in my humble judgment should be made applicable to all employees in all industries. There is legislation in Great Britain which is called the Truck Acts generally dealing with deductions from wages. These Acts are applicable to all classes of industrial workers in Great

Britain. There is no reason why the application of this measure should be restricted to a small class of workers. The only argument given so far is that if you make the Act applicable to all industries at once, it will be difficult for the Local Governments, upon which devolve the duty of enforcement of this legislation, to find money for the large expenditure involved: they will have to provide for the inspection of enforcement. It is quite true that if the Act is made applicable to all industries in the country at once, the Local Governments will have to provide for inspection and increase the expenditure. In my view if the Local Governments will increase expenditure for the provision of inspection of the enforcement of this legislation, they will be doing a great amount of good to the working classes of this country. But I realise that it is not very easy to get the Local Governments in this country to take large steps or strides in the matter of providing for the welfare of the working classes. I, therefore, propose, that although the extension of this measure will be justified to all industries still for the present the application of this measure should be limited to what I may call organized industries. I have, therefore, in my amendment suggested that the Act should be applied immediately to organized industries, such as tramways, steamships, docks, mines, plantations and larger workshops. The Bill itself provides that although the immediate application of this measure should be restricted to factories and railways, the Local Government should have power to apply this measure to most of the industries which are covered by my amendment. The power given to the Local Governments by clause 2 is wider so far as workshops and plantations go. That clause does not define plantations and workshops to which the Local Government should apply this measure. I am proposing a restricted application to plantations and workshops, namely, the measure should be applied to larger plantations employing 20 persons or more or larger workshops employing 20 persons and more. I feel that there should be no real difficulty in applying the measure to the industries which I have suggested. I have dealt with the question of expenditure which may fall upon the Local Governments. If the application of this measure is restricted to only organized industries, the increased expenditure for the inspection of enforcement of this measure will not be very large. As a matter of fact, in a large number of cases, there is already some kind of inspection provided by the Local Governments. Of course there is inspection for factories. Railways can very well afford to inspect the application of this Act—they have got some inspectors. Then there are mines inspectors. If the Bill is applied to mines there need not be any increased expenditure. So far as workshops go, today there is no inspection of workshops, but the Government of India is committed to introduce legislation for the regulation of the workshops and that will involve inspection. Therefore, there is nothing new in principle in my seeking to apply this measure to workshops which do not use power.

Similarly, there is some kind of medical and sanitary inspection of plantations. I, therefore, feel that when I ask this Legislature that the immediate application of this measure should be limited to the industries which are named in my amendment, I am not suggesting a very radical change involving much larger expenditure than is incurred at present. I feel that there is a good case for the application of this measure to the important industries which I have named in my amendment. Take, for instance, mines. The Royal Commission on Indian Labour said at

[Mr. N. M. Joshi.]

page 121 that payment of wages should not be made on rest days. That is provided for in this Bill. If this measure is not applied to mines immediately, the recommendation of the Royal Commission will not be given effect to. Similarly, the Royal Commission suggested that the legislation regarding the periods of payment of wages such as monthly wages or fortnightly wages or weekly wages should be applied to industries like factories, mines, railways and plantations, and they propose that the application of this measure should be extended to other industries in course of time. So the Royal Commission recommended that so far as the wage periods are concerned, the legislation should apply immediately to factories, mines, railways and plantations. I, therefore, feel that there is a good deal of support for the amendment which I have put forward and I have no doubt that this Legislature which generally takes a very sympathetic view of the interests of the working classes will accept my amendment which I claim is a very modest one.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

“That for sub-clause (4) of clause 1 of the Bill, the following be substituted:

“(4) It applies in the first instance to the payment of wages to persons employed—

- (a) in any factory as defined by the Factories Act, 1934;
- (b) on a tramway;
- (c) on a dock, wharf or jetty within the limits of any port subject to the Indian Ports Act, 1908;
- (d) on an inland steam-vessel;
- (e) in any mine or quarry as defined in clause (f) of section 3 of the Indian Mines Act, 1923;
- (f) in connection with operations for winning natural petroleum or natural gas;
- (g) on any estate which is maintained for the purpose of growing cinchona, coffee, rubber, tea or sugar and on which on any one day in the preceding twelve months twenty or more persons have been employed;
- (h) in any workshop or other establishment in which articles are produced, adapted or manufactured, with a view to their use, transport or sale and in which on any one day of the preceding twelve months, twenty or more persons have been employed;
- (i) upon any railway by a railway administration or, either directly or through a sub-contractor, by a person fulfilling a contract with a railway administration.”

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I have nothing to say so far as the main amendment of my friend, Mr. Joshi, is concerned, but, because of the inclusion of one word in his amendment, I feel inclined to oppose it. I find that in sub-clause (g) relating to estates, he mentions the word “sugar”. I think my friend is not aware of the fact that in the villages payments are not made every day or every month. In the United Provinces, all payments are made in kind at the time of the harvest.

Mr. N. M. Joshi: This applies to plantations only.

Sir Muhammad Yamin Khan: If this amendment is accepted, it will be a very great handicap to the entire sugar industry in my province. My

district is chiefly concerned with the sugar industry. We have a large number of sugar factories in the Meerut district, and I certainly think that the whole sugar industry will suffer if this amendment is accepted. My point is that, when speaking about other industries, my friend should not have included the sugar industry in his amendment. If he drops the word 'sugar' out of his amendment, I have nothing to say; but if he presses the point, then it will be my painful duty to oppose this amendment.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, in spite of the powerful support which has been lent to my friend, Mr. Joshi's amendment by a telegram I received this morning from the Race Horse Syces of Rangoon (Laughter), I regret I am compelled to oppose it. It was, I think, a year ago, Sir, when I moved the motion to refer this Bill to a Select Committee, that I pointed out that it was the only important item in the lengthy list of labour legislation which had been placed before the House as a result of the recommendations of the Whitley Commission which broke entirely new ground. On that, Sir, I must take my stand today. I cannot too strongly impress upon the House the fact that this legislation is of a purely experimental character. Since the Report of the Whitley Commission, we have brought several important Bills before this House,—a Bill to amend the Factories Act, a Bill to amend the Workmen's Compensation Act, a Bill to regulate labour on the Assam Tea Estates,—but in all these cases we had legislation before us, legislation which had been tried for many years. We could see what was wrong and we could take steps to put it right. Here we have nothing of the kind. We are, as I have said, breaking entirely new ground, or to vary the metaphor, we are sailing in uncharted and rather perilous seas. I do, therefore, appeal to the House to agree to our going slowly in this matter.

My Honourable friend, Mr. Joshi, never sees any difficulties in the way of getting what we want. He thinks that, by a stroke of the pen, we can comply with his desires. But there are difficulties, and let me point out, Sir, a few of them. My Honourable friend, Sir Muhammad Yamin Khan, has already mentioned one of them. The point is that it is quite impossible to extend the scope of this Bill to industries other than factories and railways without a careful examination of the merits of each case. Take steam vessels, for instance. The time allowed for payment of wages in factories may be, obviously will be, quite unsuitable for steam vessels. Take the conditions of plantations. My Honourable friend, Mr. Milligan, is better able than I am to explain to the House the difficulties there. But what I would urge is that it would be most unwise to extend the scope of this Bill at once to industries other than those which are at present included in clause 1(4) without the most careful examination by the Local Governments of the merits in each case. That is why the Act gives power to Local Governments to extend it after three months' notice. We take it that they will do so after they themselves are satisfied that it can be extended, and above all, after they have satisfied themselves that they have an efficient staff to carry out inspection. I do not think, my friend, Mr. Joshi's, what I may say somewhat slipshod, way of thinking could be better illustrated than by his statement that we have accepted the principle of regulating the smaller factories. He says: "You have accepted that in principle, why not, therefore, extend the Payment of Wages Bill to those factories?" What he is, in fact, asking us to do is to extend this Bill to

[Sir Frank Noyce.]

the smaller factories and workshops, of which there are probably thousands, before we have extended the Factories Act to them. I submit, that is entirely a wrong way of proceeding. Obviously, it is much more important that we should regulate the conditions of work in those factories than we should regulate the payment of wages to them, important as the latter is. Mr. Joshi is asking us to ask the Local Governments to use their factory staff, to divert it, in fact, from its proper object of looking after the conditions in factories, to the inspection of hundreds, if not thousands, of small factories and workshops to see that they are paying their wages promptly. Again, the need for extension has not yet been shown for some of the industries he has mentioned, such as mines, operations for winning natural petroleum or natural gas, tramways, and so on. I would again impress upon the House the need for proceeding cautiously. Let us try the provisions of the Bill in a limited field; let us try them in the field of organised industry, where, we know, abuses exist, before extending them on a wide scale, to other industries where, we know, abuses do not exist, to the same extent, or for which we have not the staff. For these reasons, Sir, I must most strongly oppose this amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That for sub-clause (4) of clause 1 of the Bill, the following be substituted:

“(4) It applies in the first instance to the payment of wages to persons employed—

- (a) in any factory as defined by the Factories Act, 1934;
- (b) on a tramway;
- (c) on a dock, wharf or jetty within the limits of any port subject to the Indian Ports Act, 1908;
- (d) on an inland steam-vessel;
- (e) in any mine or quarry as defined in clause (f) of section 3 of the Indian Mines Act, 1923;
- (f) in connection with operations for winning natural petroleum or natural gas;
- (g) on any estate which is maintained for the purpose of growing cinchona, coffee, rubber, tea or sugar and on which on any one day in the preceding twelve months twenty or more persons have been employed;
- (h) in any workshop or other establishment in which articles are produced, adapted or manufactured, with a view to their use, transport or sale and in which on any one day of the preceding twelve months, twenty or more persons have been employed;
- (i) upon any railway by a railway administration or, either directly or through a sub-contractor, by a person fulfilling a contract with a railway administration.”

The motion was negatived.

Mr. J. A. Milligan (Bengal: European): Sir, I beg to move:

“That in sub-clause (5) of clause 1 of the Bill, after the words ‘or any of them’ the words ‘subject to such relaxation as may be specified in the notification’ be inserted.”

The reasons which led to the making of this amendment have been very well explained, if not exhaustively dealt with, by the Honourable Sir Frank Noyce in speaking on the previous amendment. Mr. Joshi gave the impression that the objection to the extension of this Bill immediately to all industries was the expense that would be involved to Local

Governments in supervision. That, Sir, is no doubt a consideration, but a very minor one. The Select Committee, when it framed this Bill, had no idea that such a proposal as Mr. Joshi's would be made and all along

Mr. N. M. Joshi: I made such a proposal in the Select Committee.

Mr. J. A. Milligan: The Bill was drafted to apply in the first instance to factories and railways, and extension to other industries was regarded as a consequence that would follow, not automatically, but as Local Governments considered it to be necessary. There are a number of provisions in this Bill which, if applied to certain industrial establishments, would take on an entirely different meaning from the meaning which they have when applied to a factory situated in a big city like Bombay or Calcutta. For example, clause 6 lays down, "All wages shall be paid in current coin or currency notes or in both". The idea of paying wages in kind in places like Bombay or Calcutta is no doubt unthinkable and is entirely unnecessary, but there are many places in India where the feeding of the workmen is not only a boon to them but is an absolutely essential part of the terms of their engagement, but as the Bill stands, such a contract would be illegal. My proposal is to give power to Local Governments when they extend this measure to other industries, to so modify particular terms in the Act, when this Bill becomes an Act, that the real objects, namely, the prompt payment of wages and the protection of wages from illegal deductions, will be achieved without the infliction of hardships which are not contemplated by the framers of the Bill. I, therefore, beg to move that the Local Governments be invested with this power of specifying such relaxation as it sees fit when it decides to extend the provisions of this measure to any industrial establishment. It must be remembered that this is helping the Local Governments to make free use of this measure. There are cases which I can readily imagine in which a Local Government, if such discretion is not allowed to it, would have to weigh up the disadvantages of extending this measure considering the hardships that certain provisions would cause against the advantages which it would confer, and it might sometimes decide that the disadvantages implied were greater than the advantages conferred. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (5) of clause 1 of the Bill, after the words 'or any of them' the words 'subject to such relaxation as may be specified in the notification' be inserted."

Mr. N. M. Joshi: Sir, I oppose this amendment. My Honourable friend, Mr. Milligan, said that the Select Committee, the Government of India and we all did not take into consideration the difficulties of the industry which he represents. Only a minute ago, the Honourable Member in charge of Industries and Labour talked of my slipshod method of dealing with questions. But, Sir, here is an Honourable Member now who accuses the Government of India and the Select Committee of this Legislature of slipshod methods. The Government of India knew that this Bill was to be applied to the plantation industry by the Local Government. I am sure, the Government of India did

[Mr. N. M. Joshi.]

consider the difficulties of the plantation industry. The Select Committee too considered the difficulties of the plantation industry and in that Select Committee we had a very able representative of that industry in the person of my Honourable friend, Mr. Milligan. Why should my Honourable friend now say that the difficulties of his industry were not considered by the Government and by the Select Committee and may not be considered by this House?

Mr. J. A. Milligan: Sir, I rise to a personal explanation. My memory may be at fault, but I do not think, in the course of my speech, I ever used the expression "plantation industry". I made no reference to any particular industry.

Mr. N. M. Joshi: Well, Sir, I do not remember now exactly what he said. But, somehow, in my mind Mr. Milligan is associated with the plantation industry. It may be very wrong on my part to do so. I, therefore, feel that it is wrong to say that the difficulties of the various industries were not taken into consideration. As a matter of fact, if there is any industry in this country which requires a legislation of this kind first, it is the industry which my Honourable friend, Mr. Milligan, represents, that is, the plantation industry. There are all sorts of deductions in that industry. They start with advances for recruiting, travelling, all sorts of advances, and all sorts of deductions are made.

Mr. J. A. Milligan: Sir, may I protest against such statements by Mr. Joshi which have no foundation in fact? Advances for recruiting are not recoverable advances.

Mr. N. M. Joshi: Advances for recruiting are not recoverable under this Bill. Therefore, this legislation is necessary. If this legislation is passed they won't be recovered.

Mr. J. A. Milligan: They are not now recoverable.

Mr. N. M. Joshi: I do not know about that. (Laughter.) This legislation prevents the recovery of those advances. Therefore, this Bill was more necessary for the plantation industry than for any other industry. What is the amendment of my Honourable friend? That the Local Governments should be given power to apply this measure to a particular industry, not as a whole, not even by sections, but they must have power to mutilate the sections. Already the Bill provides that the Local Government, if it thinks fit, should apply the whole of this Act to a particular industry. But if they do not want to apply the whole Act to a particular industry they can apply any sections of this measure to any industry. They need not apply the whole. They may apply only the sections regarding the prompt payment of wages or regarding the deduction of wages or regarding the fixing of the wage period. There is no obligation upon the Local Government to apply the whole Act. The power given to the Local Government therefore is so wide. Already the power about relaxation is given. Now, my Honourable friend is not satisfied with that. He wants that if a Local Government applies a particular section to his

industry, say, the plantation industry, the Local Government may change even that section as it likes. If, for instance, one of the sections of this Act provides that the wages must be paid, say, before 7 days or before 10 days, the Local Government may have power to extend that period of ten days to 15 days or 20 days or 50 days. That is what he is proposing. Is that the way in which the House will pass this legislation? I am quite sure, the House is not going to give this power to the Local Government.

Mr. V. V. Giri (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): I rise to support what has been said by Mr. Joshi with regard to this amendment. I strongly oppose the amendment for this reason, that if relaxations are allowed, I feel that no Bill is necessary to be placed before the Central Legislature. With regard to leaving the matter to the Local Governments, the Government of India can send them their views on the point whether a particular thing is good or bad. If relaxations are allowed, this Bill would not be worth the paper on which it is written. For these reasons, I oppose the amendment.

The Honourable Sir Frank Noyce: I have considerable sympathy with this amendment and I cannot help feeling that in their opposition to it Mr. Joshi and Mr. Giri are, perhaps, if I may say so, their own worst enemies. I do think there is some reason to believe there might be more rapid progress in the direction of extension of the provisions of the Act if relaxations were permitted. But I also see the danger that they have pointed out, the danger that if you leave the question of relaxation to Local Governments, the Act, when it is applied to industries other than those to which it is primarily applicable, will be extended in such an attenuated form as to be practically useless. It was for this reason that I agreed in the Select Committee to the omission of the words which Mr. Milligan now seeks to restore. I think on balance that it is better that the Act, when it is extended, should be extended either entirely or in part in the form in which it is passed by this House. For that reason, I regret that I must oppose Mr. Milligan's amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That in sub-clause (5) of clause 1 of the Bill, after the words ‘or any of them’ the words ‘subject to such relaxation as may be specified in the notification’ be inserted.”

The motion was negatived.

Mr. G. Morgan (Bengal: European): Sir, I beg to move:

“That to sub-clause (5) of clause 1 of the Bill, the words ‘with power to modify any particular sections in the case of Industrial Establishments referred to in sub-clauses (b) and (c) of clause (2) of section 2 of the Bill’ be added.”

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): On a point of order. I submit that this amendment is covered by the more comprehensive amendment moved by Mr. Milligan and just now rejected by this House. That amendment sought to give the Local Government the power to make any kind of relaxation. This amendment gives power to Local Governments to modify any particular sections in the case of certain industrial establishments.

Mr. President (The Honourable Sir Abdur Rahim): This has narrower scope.

Mr. S. Satyamurti: You will notice that sub-clause (5) of clause 1, which this amendment seeks to amend, reads like this:

“The Local Government may, after giving three months’ notice of its intention of so doing, by notification in the local official Gazette, extend the provisions of the Act or any of them to the payment of wages to any class of persons employed in any industrial establishment or in any class or group of industrial establishments.”

You will notice lower down the phrase ‘industrial establishment’ is defined. Therefore, sub-clause (5) of clause 1 is a clause which refers to the power of the Local Government to extend the entire Act or any provisions thereof to all the categories mentioned, and defined in clause 2 of the Bill and Mr. Morgan’s amendment seeks to restrict the power of relaxation to certain classes of these establishments such as dock, wharf or jetty, inland steam vessel

Mr. President (The Honourable Sir Abdur Rahim): Which is the more comprehensive amendment?

Mr. S. Satyamurti: The second amendment on the Order Paper which the House rejected just now. I submit, therefore, that that vote covers the point sought to be introduced by the present amendment.

Mr. G. Morgan: My amendment is only dealing with sub-clauses (b) and (c). This is one of the cases which was referred to by the Honourable Member in charge when opposing Mr. Joshi’s amendment. We know the difficulties that will be experienced unless an amendment of this kind is inserted in the Bill. It will be almost impossible to apply the Act to the various sections of industrial establishments without some modification. My amendment aims at a restriction of the relaxation. It is not a relaxation extending to the whole Bill. This is a definite point on which we feel strongly.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think that the amendment which has been moved by Mr. Morgan is barred by the vote of this House on the amendment moved by Mr. Milligan. The amendment now under consideration is of a more limited character in the sense that the relaxation contained in amendment No. 2 which he wanted the House to pass was of a general character, while the one which Mr. Morgan proposes would be confined only to certain classes of industries. The Chair, therefore, rules that the amendment is in order.

Mr. G. Morgan: Sir, I beg to move:

“That to sub-clause (5) of clause 1 of the Bill, the words ‘with power to modify any particular sections in the case of Industrial Establishments referred to in sub-clauses (b) and (c) of clause (2) of section 2 of the Bill, be added.’”

Sir, I have nothing more to add to what I have already said, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

“That to sub-clause (5) of clause 1 of the Bill, the words ‘with power to modify any particular sections in the case of Industrial Establishments referred to in sub-clauses (b) and (c) of clause (2) of section 2 of the Bill’ be added.”

Mr. F. B. Leach (Burma: European): Sir, may I say a few words in support of this amendment to explain why it has been moved for these two particular industries, especially with regard to clause (c) which refers to inland steamers. Sir, in the Province from which I come, Burma, inland steam-vessels are a very important industry and it would be in practice very difficult if not impossible to apply all the provisions of this Bill as it now stands to employees on those steamers, particularly with regard to the fixed wage-periods. Sir, some of these steamers leave Rangoon on the voyage to Mandalay and back, which takes something like three weeks. They leave on no regular dates each month; they may leave Rangoon perhaps on the first of the month and come back say on the 20th, stay a few days in Rangoon and leave again on the 25th and so on. Now the crews of these steamers do not wish to be paid on the seventh of the month or any other fixed day of the month, because that would involve in many cases their receiving their wages at some small station during the course of the voyage. They prefer to receive their wages at the end of the voyage, when they get back to their headquarters, because they have no place to keep the money on the steamer. Also it is quite impossible in practice for the company to arrange to pay them on a fixed day of the month. There is, to the best of my belief, only one station on the Irrawaddy between Rangoon and Mandalay where there is a responsible agent who could be trusted with the large sums of money which would be necessary to pay the wages of these crews, and in other stations there are little sub-agents who are nothing more than clerks, who could not do this work. Therefore, both from the point of view of the employer and from the point of view of the employee, any fixed wage-periods would be impossible in practice in this particular case. This is the kind of reason for which it is desired to give power to Local Governments to modify the Act in certain details before applying it to particular industries, and I can assure Mr. Joshi that there is no desire to mutilate the Act at all; our sole desire is to modify it in small points like this to make it practicable for the employers and also convenient to the employees.

Mr. N. M. Joshi: Mr. President, I am afraid I cannot support this amendment. So far, the speeches made in support of this amendment have referred to the difficulty of making payment on a particular day in the case of inland steam vessels, but not a single word has been said as regards the payment of wages or other matters as regards docks, wharves or jetties. If, Sir, there has been no difficulty felt at all in docks, they need not have put it in in the amendment. If it is a question of steam vessels only, it was wrong on their part to include docks, wharves or jetties.

An Honourable Member: Will you accept an amendment in those terms?

Mr. N. M. Joshi: I shall come to that. Then, the amendment in other respects also goes too far. If there is any difficulty in the payment of wages on steam vessels, then they should have put that particular section in their amendment and not ‘any particular sections’. The amendment is:

“With power to modify any particular sections in the case of Industrial Establishments.”

[Mr. N. M. Joshi.]

They do not mention any particular section at all. So it means:

"With power to modify any section, in the case of Industrial Establishments, of this measure."

If the Mover of the amendment had limited his amendment to the payment of wages on a particular day on steam vessels, I would have certainly considered his amendment and tried my best to meet it—not that I feel convinced that no other arrangement could be made; I think they can authorise the captains of ships to make the payment of wages, and if they have no confidence in them and if it is a question of paying wages on steam vessels on a particular day, I would certainly, Sir, have tried to meet their point, but as the amendment stands, I cannot support it, and I must oppose it.

The Honourable Sir Frank Noyce: Sir, I have very little to add to what I said with reference to the last amendment, except that I would point out that my Honourable friend who moved this amendment might have looked up his dictionary before he put it forward. The amendment proposes to give the Local Governments power to "modify" any particular section. Sir, there is a great difference between "modification" and "relaxation". Modification might mean "tightening up". The word is certainly a very double-edged weapon. As for what has fallen from my Honourable friends, Mr. Morgan and Mr. Leach, as I see it, what is going to happen is that, when we come to work the provisions of this Bill, we shall find that it requires various modifications; I wish I could believe that it is going to work so smoothly that no material modifications will be required for several years. I do not think that will happen. We shall find out whether and where the machinery creaks when we start operating it: and Local Governments will, I fear, in view of those creaks, hesitate before they extend the provisions of the Bill to the other industries to which it can be extended. By that time and in the light of experience my Honourable friend, Mr. Joshi, and my Honourable friends opposite may be more willing to agree to the Act being extended with relaxations. For the present, I think that the industries to which my Honourable friend, Mr. Morgan, and my Honourable friend, Mr. Leach, referred are protected to a very large extent by the fact that Local Governments have perfect discretion whether to extend the whole Act or any particular sections of it. There is another way of approaching the question. They could extend certain sections to certain industries and certain sections to other industries. I must once more appeal to the House to let us try the provisions of this Bill within its present scope before considering any large extension. Sir, I regret I must oppose the amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That to sub-clause (5) of clause 1 of the Bill, the words 'with power to modify any particular sections in the cases of Industrial Establishments referred to in sub-clauses (b) and (c) of clause (2) of section 2 of the Bill' be added."

The motion was negatived.

Mr. Ghansham Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadian): Sir, I beg to move:

"That after sub-clause (6) of clause 1 of the Bill, the following new sub-clause be inserted:

'(7) Nothing in this Act shall apply to persons employed or engaged in agriculture.'"

Sir, my amendment is a most innocent one and I do not think that there can be any opposition to this amendment. It is clear that the Bill is really designed to meet industrial establishments and not agriculture at all. But the wording is such that it can be construed to apply to ordinary agriculture. The Bill as framed is so designed as to suit only industrial concerns and not to ordinary agriculture which is mostly rural and many of those engage in it are illiterate. I shall show presently how it can be interpreted to include ordinary agriculture. Sub-clause (5), clause 1, reads thus:

"The Local Government may, after giving three months' notice of its intention of so doing, by notification in the local official gazette, extend the provisions of the Act or any of them to the payment of wages to any class of persons employed in any industrial establishment or in any class or group of industrial establishments".

Now, Sir, the expression "industrial establishment" has been defined in sub-clause (ii) of clause 2 as "tramway, dock, wharf or jetty, inland steam vessel, mine, quarry or oil field, *plantation*". Therefore, industrial establishment means *any plantation*. Now, Sir, the word "plantation" has not been defined anywhere in this Act, nor do I suppose that it has been defined in any Act of a general nature. Therefore, we have to take its ordinary dictionary meaning and when we take the dictionary meaning, the word "plantation" can cover ordinary agriculture. Webster has defined "plantation" as act or practice of planting, a place planted, land cultivated as a cotton plantation. In the Encyclopaedia Britannica, plantation is defined literally as placing of plants in the ground, hence plants planted or a collection of grouping, particularly used of ground plantation with young trees. Not only that, the ordinary dictionary meaning of the word "plantation" can cover ordinary agriculture, but there are certain tenancy legislations in the provinces which also would include ordinary agriculture in this word "plantation". I know in the Central Provinces Tenancy Act of 1920 the word "agriculture" has been defined to include "planting" and upkeep of orchards.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member has much more to say, the Chair will adjourn the House now. The Honourable Member can resume his speech after Lunch.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. Ghansham Singh Gupta: Sir, what I was going to say is this that the word "plantation" that now occurs in this Bill is likely to be misconstrued and misapplied to cases of pure and simple agriculture, and that position I want to avoid by my amendment. It is not only the ordinary dictionary meaning of the word "plantation" that brings within its orbit ordinary agriculture but that there are certain agricultural laws, tenancy laws in the provinces which also show that the word "plantation" can be interpreted to apply to it. For instance, in the Central Provinces Tenancy Act of 1920, the word "agriculture" has been defined and it includes planting and upkeep of orchards. The word "planting" occurs there. In

[Mr. Ghansham Singh Gupta.]

the Bengal Tenancy Act also the word "plantation" occurs in section 160, and betel leaf cultivation has been held to be "plantation" within the meaning of section 160 of the Bengal Tenancy Act. Similarly in the Agra Tenancy Act the word "land" has been defined and it includes "land let or held for agricultural purposes or as *grove land*". So what I say is this that the word "plantation" that occurs in clause 2 of this Bill can be applied to pure and simple agriculture which is of course really beyond the scope of this Bill. This Bill is really intended to apply to industrial concerns only. When it was first introduced in 1933 the Bill was not open to any such objection. There was no such thing as plantation and the language was that :

"The Local Government in any province may, after three months' notice of its intention of so doing by notification in the local official Gazette, apply the provisions of the Act or any of them, subject to such relaxations as may be specified in the notification of the payment of wages to any class of persons employed in *any industrial establishment*."

The phrase "industrial establishment" was not defined so as to include plantation. My objection is not that this Act should not apply to plantation pure and simple. What I object to at present is this that when we are framing laws to suit only industrial concerns they should not be so worded as to bring in pure and simple agriculture. If we really intended to apply such provisions to agriculture also, the wording would have to be different and amendments would have to be made so as to suit rural conditions also. I will only give one illustration. For instance, in clause 6 it is said that all wages shall be paid in current coin or in currency notes or in both. But it is the experience of every man who lives in the villages or knows the villages that in agricultural operations in the villages the wages are mostly paid in kind and not in coin. So my plain meaning is this that the original purpose of the Bill was not to include agriculture, and I understand that the present purpose of this Bill is also the same. What I want to guard against is its misapplication to agriculture. There should be no such loophole left as that at some subsequent date this Act may be applied to agriculture. I do not mind bringing forward a Bill on these lines with suitable modifications which could be applied to agricultural labour also, but as it stands it is most unsuitable to agricultural labour, and, therefore, I move my amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That after sub-clause (6) of clause 1 of the Bill, the following new sub-clause be inserted :

'(7) Nothing in this Act shall apply to persons employed or engaged in agriculture'."

Mr. N. M. Joshi: Sir, I rise to oppose this amendment. If you read clause 2, you will find that, in sub-clause (ii) (e), there is the word "plantation". That word makes it quite clear that it is the intention of this Bill that people working only on organised agriculture should be included in the provisions of this Bill. There is no intention to apply the provisions of this Bill to unorganised agriculture. The word "plantation" shows that the application is restricted to what I may call organised agriculture, such as, tea plantations, coffee plantations, sugar plantations, cinchona plantations and such plantations. It is true that the word "plantation" is not defined and it will have to be defined by the Local Governments. The

power to apply this Bill is given to the Local Governments and, so far as I can judge, the Local Governments are not going to be very enthusiastic and very prompt in applying this measure to plantations and much less to ordinary agriculture. If you take the constitution of the present Local Legislatures, leave aside the Local Governments, you will find that the agricultural labourer,—I am not talking of the agricultural tenant or the small agricultural landlord or peasant,—the agricultural labourer to whom this Bill will apply is not represented in the Local Legislatures at all. The poor man has absolutely no influence with Local Governments; he has hardly any voice and if he has any voice it is never heard by anybody.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Where has your voice gone to?

Mr. N. M. Joshi: As I am not in the Local Legislatures at present, I can only raise my voice in this Legislature, though it is not very effective.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): But you are not an agriculturist.

Mr. N. M. Joshi: But I speak for them. I should like some agriculturist to speak on behalf of the agricultural labourer, but if they will not, I shall.

Sir, there is, therefore, no fear of the Local Governments or even the Local Legislatures doing anything which may cause harm to rural agriculture. The intention of the Bill is that it will be applied to plantations. My fear is that it may not be even applied to plantations. There is absolutely no fear that it will ever be applied to ordinary agriculture by the Local Governments or by the Local Legislatures. I, therefore, oppose this amendment.

Mr. J. A. Milligan: Sir, I think the attitude taken up by my Honourable friend, Mr. Joshi, is not entirely logical. He objects to amendments being put into this Bill which would enable the Local Governments to extend it freely and fearlessly to every sort of industrial establishment. And now, by persuading the House to reject reasonable amendments, having made it difficult for Local Governments to extend the Act in this way, he says, "Oh, you need not worry; there is no fear that the Local Governments will ever desire to extend it to plantations". Sir, I strongly support the amendment.

The Honourable Sir Frank Noyce: Sir, I suggested to my Honourable friend, Mr. Morgan, this morning that he might look up his dictionary. Now he can return the compliment and suggest we might have done the same. I think that my Honourable friend, the Mover of this amendment, has drawn attention to a point which is worth considering. I was first inclined to think that his amendment was quite unnecessary, and I am still not quite convinced that it is necessary, because you have to read the word "plantation" to which he objects in terms of what goes before. "Industrial establishment" means, amongst other things, "tramway, dock, wharf or jetty, inland steam-vessel, mine, quarry or oil-field". It is perfectly obvious, I think, Sir, that read in the light of everything else in the sub-clause, ordinary agriculture cannot be brought under the term "industrial establishment". But, with your permission, and, if it

[Sir Frank Noyce.]

is the wish of the House that "plantation" should be more clearly defined, we have a precedent in the Workmen's Compensation Act. It has been defined there and there is a good deal to be said for adopting much the same definition here so as to make the intention that the Bill should not apply to agriculture—we might say agriculture pure and simple—more explicit. In the Workmen's Compensation Act, "plantation" is defined as follows:

"Plantation means any estate which is maintained for the purpose of growing cinchona, rubber, coffee or tea, and on which on any one day of the preceding twelve months twenty-five or more persons are employed for that purpose."

For the purpose of this Bill that might read:

"Plantation means any estate which is maintained for the purpose of growing cinchona, rubber, coffee or tea and on which twenty-five or more persons are employed for that purpose."

If it is the wish of the House, and if you would permit me, I would ask Mr. Clow to move a formal amendment when we come to the next clause.

Mr. Ghanshiam Singh Gupta: In view of what has been said by the Honourable Sir Frank Noyce, I beg leave of the House to withdraw my amendment.

Mr. J. A. Milligan: Sir, as the amendment has been withdrawn, my question is not in order, but I did desire to ask the Honourable Sir Frank Noyce "Did his proposal not involve first a definition of 'estate'".

The Honourable Sir Frank Noyce: No. My proposal goes no further than the definition already in the Workmen's Compensation Act.

Mr. J. A. Milligan: Is there no definition of "estate" in that Act?

The Honourable Sir Frank Noyce: No.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Abdur Rahim): Before clause 1 is put to the House, the Chair would deal with the other clauses it has already mentioned.

The question is:

"That clause 2 stand part of the Bill."

Mr. F. B. Leach: Sir, I beg to move:

"That to part (ii) (a) of clause 2 of the Bill, the words 'or any motor omnibus' be added."

The reason for this amendment, Sir, is to fill what appears to be an omission in the Bill which was discussed last Session with representatives of Government. There are two reasons which I would like to put forward in support of it. The first is that in Rangoon at any rate, and I believe in other towns of India as well, tramway companies have now started to

run motor omnibuses as well as trams, and it is not clear whether the wording of the Bill as now drafted, namely "industrial establishment means any tramway. . ." would give protection to employees engaged on the motor omnibuses or would only give protection to those employed actually on the trams. The same point applies to certain railway companies which have taken up road transport and are running motor omnibuses in connection with the railways. The question arises there whether their employees engaged on the omnibuses would receive protection in the same way as the employees engaged on the trains. It is obviously desirable that all the employees of the company should be given the same protection. That is one point.

The second point is, I think, a good deal more important; that is, that the Act now applies to railways, but it definitely does not apply to motor omnibus companies or private motor omnibuses as such. Now, Sir, we have all been hearing a great deal lately about the serious condition of railway finances in this country, and one of the points which has been raised in that connection is the alleged unfair competition of motor road transport with railway companies. Railway companies are under strict supervision with regard to their employees, but motor omnibus companies are exempt from the provisions of this Bill. We are, therefore, adding by this Bill to the facilities given to motor omnibuses and road transport in their competition with railways. It is very questionable whether this should be done. It is an extremely difficult question, because, at any rate in the province from which I come,—Burma,—a large number of these motor omnibuses are not owned by companies who keep any proper books, which could be inspected and in whose case the provisions of this Act could easily be enforced. A large number of them are privately owned, by persons who may own one, two or three buses; at the same time I think the employees in them deserve the same protection as the employees in other forms of transport, but I find that it is not provided in this Bill. I think also that on account of the great importance of not giving road transport any undue preference over the railways which are the property of the State and are one of its most valuable assets, the question whether motor omnibuses should not be included within the scope of this Bill requires very serious consideration. Whether the actual wording of this amendment is altogether suitable, I leave it to the Honourable Member in charge of the Bill to decide. The question was discussed during the last Session, and I understand that the wording now suggested was informally accepted. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That to part (ii) (a) of clause 2 of the Bill, the words 'or any motor omnibus' be added."

Mr. N. M. Joshi: Sir, I have great pleasure in supporting this amendment. We owe really sincere thanks to the Mover of this amendment for an obvious omission on the part of Government as well as on the part of the members of the Select Committee. This motor omnibus service, as has been claimed, has now developed to a great extent in the country. I do not believe the application of this Bill really makes a difference at all to the ability of the motor omnibuses to compete with the tramways or railways, because this measure does not throw any great financial liability upon the industry

Some Honourable Members: Oh, yes.

Mr. N. M. Joshi: It is a very slight one indeed.

Mr. F. E. James: A lakh of rupees for one railway.

Mr. N. M. Joshi: I do not think so. But, at the same time, I think that the inclusion of motor omnibus in the list in clause 2 is very desirable. As a matter of fact, I feel that the conditions of work on motor omnibuses deserve to be regulated: the Royal Commission on Indian Labour made a recommendation that, in granting licenses to these omnibuses, the Local Governments, if they find it necessary, should lay down certain conditions as regards hours of work and other things. Unfortunately, no Local Government has yet done this. If we can bring the motor omnibuses under regulation even for the sake of this Bill, I think we shall be doing a good service.

Mr. J. A. Milligan: Sir, I would like to take this opportunity of making a personal explanation in reply to a previous accusation made by Mr. Joshi against myself: he accused me before of misrepresenting what had happened in the Select Committee. He has done the same now. He said this matter was never before the Select Committee. I claim that I raised this particular point in the Select Committee, and Mr. Joshi was one of those chiefly responsible for turning it down.

Mr. N. M. Joshi: Sir, I absolutely deny this charge.

The Honourable Sir Frank Noyce: Sir, it has come with such a shock of pleasurable surprise to me to find Mr. Joshi in agreement with my Honourable friends of the European Group that I may say at once quite shortly that I am prepared to accept this amendment with a slight alteration. Obviously, the amendment in its present form would not make very good sense. If the amendment were accepted, we should then find that "industrial establishment" meant "(a) any tramway or any motor omnibus". You can hardly call one motor omnibus an industrial establishment. I would, therefore, suggest to my Honourable friend that if he is prepared to add the word "service" after "motor omnibus", it would meet the case, and I should be quite prepared to accept the amendment. The clause would then read:

"'Industrial establishment' means any (a) tramway or motor omnibus service . . ."

Mr. F. B. Leach: Sir, the first suggestion which I made when framing this amendment was to use the phrase "motor omnibus company". That was obviously unsuitable. If the Honourable the Industries Member is satisfied that "omnibus service" would include a private individual running one motor omnibus along a route from A to B, a daily service at regular or irregular hours, then I am quite satisfied. It is extremely difficult to find the proper phrase—I have been searching to find it; but I quite agree that "service" is more satisfactory than the words "motor omnibus"; and I am quite willing to accept it.

The Honourable Sir Frank Noyce: I would inform my Honourable friend, Mr. Leach, that my Honourable colleague, the Law Member, is of opinion that "motor omnibus service" meets his point and would cover the case of a single bus provided it runs along a regular route at regular times.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That in part (ii) (a) of clause 2 of the Bill, after the word ‘tramway’ the words ‘or motor omnibus service’ be inserted”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): Another amendment has been handed in just now to clause 2 by Mr. Clow, and the Chair is prepared to suspend the Standing Order regarding notice of amendments to clauses.

Mr. N. M. Joshi: We have not been given any copies.

Mr. A. G. Clow (Secretary, Department of Industries and Labour): Sir, I move:

“That after sub-clause (ii) of clause 2, the following sub-clause be added, namely:

“(iii) ‘plantation’ means any estate which is maintained for the purpose of growing cinchona, rubber, coffee or tea, and on which twenty-five or more persons are employed for that purpose.”

and that the remaining sub-clauses be re-numbered accordingly.

This is the amendment to which my Honourable friend in charge of the Bill alluded just now and it is adapted from a definition which is contained in a Schedule to the Workmen’s Compensation Act.

Mr. F. E. James (Madras: European): Sir, may I submit to you that if the Honourable Member will be prepared, this particular amendment might be taken up tomorrow? We have not got it before us and we should like to look at it and study its implications before proceeding actually to vote upon it. I do not know whether the Honourable Member will be prepared to do that.

The Honourable Sir Frank Noyce: Most certainly, Sir. I shall be very glad to do so. The question rests rather with you than with me: if you are willing to postpone consideration of this amendment till Friday when the Bill will be taken up again, I have no objection.

Mr. President (The Honourable Sir Abdur Rahim): The Chair takes it, the Bill will go on till Friday.

The Honourable Sir Frank Noyce: Then, I am very willing.

Mr. President (The Honourable Sir Abdur Rahim): If it does not go on till Friday?

Mr. N. M. Joshi: May I suggest that sugar be included amongst the other plantations included in the definition?

The Honourable Sir Frank Noyce: No, Sir: I am not prepared to go beyond the definition which we have already accepted and embodied in an Act passed by the Legislature.

Mr. N. M. Joshi: Then I give notice that I shall move an amendment to this amendment.

Mr. President (The Honourable Sir Abdur Rahim): Then, it must stand over till Friday or the next allotted day.

Mr. A. G. Glow: Sir, I move:

"That in sub-clause (v) of clause 2 of the Bill, after the words 'which would be so payable', the words 'and any sum payable to such person by reason of the termination of his employment' be inserted."

I regret, Sir, that I have quite a number of small amendments standing in my name, but in a complicated Bill of this kind one constantly finds little errors and omissions, and this relates to one of them. We found on examining the definition in question that where an employee was discharged, for example, without notice, and was, therefore, entitled to his wages for the remaining period of the month, that did not come within the definition of the wages we had included in the Bill, because it represented essentially what were damages and not wages. And we felt that in a Bill of this kind, payments of this kind in connection with the termination of employment are much more suitably combined with wages, and that it would create an anomalous position if parties had to recover wages in one Court and damages in another Court. This is, therefore, intended to ensure that a sum of that kind which may be due to workers falls within the definition of wages and can be recovered on application to the authority set up under this Bill

Sir Cowasji Jehangir: Dismissed without notice?

Mr. A. G. Glow: or with inadequate notice, I take it.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (v) of clause 2 of the Bill, after the words 'which would be so payable', the words 'and any sum payable to such person by reason of the termination of his employment' be inserted."

The motion was adopted.

Mr. A. G. Glow: Sir, I move:

"That for part (a) of sub-clause (v) of clause 2 of the Bill, the following be substituted:

"The value of any house accommodation, supply of light, water, medical attendance or other amenity, or of any service excluded by general or special order of the Governor General in Council or Local Government'."

Sir, in this amendment, only the latter part is new. The object of the amendment is to repair another minor omission, and it is due to the insertion by the Select Committee of clause 6 which prescribes that all wages shall be paid in current coin or currency notes or in both. If Honourable Members will turn to clause 7 (2) (e), they will see that provision is there made for deductions for certain services. But the employer might choose to give certain services free and make no deductions at all, and the clause I seek to amend, if left in its present form, would preclude him from doing so. For example, on steamers it is the custom and necessity to provide the worker with his food; but as that is, under the definition of wages as it stands, a part of wages, it could not be paid otherwise than in cash; in other words, it could not be supplied at all. That is the defect in the definition that this amendment seeks to remedy.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That for part (a) of sub-clause (v) of clause 2 of the Bill, the following be substituted :

"The value of any house accommodation, supply of light, water, medical attendance or other amenity, or of any service excluded by general or special order of the Governor General in Council or Local Government'."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot put clause 2 to the vote since there is one amendment still outstanding.

The question is:

"That clause 3 stand part of the Bill."

Mr. N. M. Joshi: Sir, I move:

"That in clause 3 of the Bill, after the word 'persons', the words 'or their substitutes' be inserted."

The object of my amendment is to make the employer responsible for the payment of wages not only to the persons employed by him but also to those persons who act as substitutes for the workmen or the persons employed by such employer. I am not quite sure whether my drafting is quite perfect, but if there is any defect in drafting, I am quite sure, the House will be indulgent enough to me and permit me to improve that drafting. But I have made my object quite clear. I want to make the employer responsible for the payment of wages of the persons employed by him and for the payment of wages of their substitutes. In some industries like the Bombay textile industry there is a practice of employing substitutes, especially for weavers. These substitutes are temporary workers. When a man wants to absent himself from work, another man takes his place temporarily for two or three days. A large number of workers in Bombay find employment in this way in various mills. A temporary worker works in one mill for two days, in another mill for two days, and in a third mill for four days. In that way he gets some work during the month. The payment of these substitutes is made either by the employer or by the man for whom he acts as a substitute when the regular payment is made for all people, that is, say on the 10th or another day of next month. There may be a payment made say on the 10th of February for work done in January. A man may have worked in the first week of January for two days, but, in order to get his pay for two days, he has to go to the mill on the 10th of February and if he has worked in several mills in one month he will find it extremely difficult to collect his dues and do his work. This practice causes great inconvenience to all the substitutes including the substitutes employed by the weavers. The Bombay Government, in writing about this practice, have very strongly recommended that substitutes should not be made to go to the mills on the 10th or 12th day of next month, but there must be some arrangement for their prompt payment. The Bombay Labour Commissioner has also strongly recommended that these substitutes should be paid not 20 days or 30 days after, but as soon as their services are terminated. I do not wish to tire the patience of the House by reading at length what the Bombay Labour Commissioner has said, but I shall read only one small sentence:

"The first difficulty could be met by providing that all substitutes should be regarded as employed by the employer."

[Mr. N. M. Joshi.]'

This is what I intend to do, that all substitutes should be regarded as being employed by the employer. This practice of paying the substitutes after 20 or 30 days leads to various evils. I, therefore, feel that the substitute should be included among those people for whose payment the employer should be held responsible. At present, in Bombay, when the weaver employs a substitute for himself and the weaver himself is responsible for the payment; the substitute on many occasions does not receive full payment from the weaver. It is true that it is the weaver here who exploits the sub-weaver or his substitute, but I do not care who the exploiter is, whether it is the weaver or any other person. I stand against all exploiters, and I would like, therefore, that the substitute should be protected. It may be said that this practice has been going on for a long time and this may create a lot of disturbance in the industry. Nothing of the kind. This practice is confined to Bombay only. We have got the textile industry in Ahmedabad, but there the substitutes are paid by the employer and not by the weaver who appoints the substitute. When the practice is confined only to Bombay and it has not been found necessary in Ahmedabad, there is no reason why that practice should be allowed.

Sir Cowasji Jehangir: On what authority are you saying that?

Mr. N. M. Joshi: On the authority of knowledge. I have enquired and people in Ahmedabad, who have a very thorough knowledge of the Ahmedabad mill industry, have told me that this practice of a weaver paying his substitute does not exist in Ahmedabad at all.

Sir Cowasji Jehangir: So, we have only got your word for it!

Mr. N. M. Joshi: Not only my word, but my word has the authority of people who have worked in Ahmedabad. I, therefore, hope that my amendment will be carried. If there is any defect in drafting, I am certainly prepared to make good that defect by proposing an amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in clause 3 of the Bill, after the word 'persons', the words 'or their substitutes' be inserted."

Sir Hormasji Peroshaw Mody (Bombay Millowners' Association: Indian Commerce): Sir, I desire to say a couple of words in opposition to this amendment. While a great deal of what my Honourable friend, Mr. Joshi, may have said with regard to hardship to individual operatives may be true, the course that he suggests as a remedy is wholly impracticable. Apart from the fact that we would have to keep on paying almost every day of the month to a large number of operatives, because of the system of absenteeism which prevails in various centres of the industry, there is this practical difficulty in the way. Supposing a weaver left a "badli" for a couple of days, the "badli" would be working on the beam on which the weaver was working. The beam would take three or four weeks to finish, and it would be quite impossible for the management to assess the value of the work of the "badli" until such time as the beam had

yielded a definite number of pieces. Therefore, if the amendment suggested by my Honourable friend, Mr. Joshi, were to be accepted, a totally new principle would be introduced. If there is any hardship it is not the management who are responsible for it. They pay their operatives at the proper time, and if the operative who is regularly on the muster fails to pay the "badli" it is surely not the fault of those who are responsible for the payment. Therefore, I oppose the amendment.

The Honourable Sir Frank Noyce: This is a point which was discussed in the Select Committee at some length and it was eventually decided not to make any special provision for it. The reason why the Select Committee were unable to accept Mr. Joshi's proposal was, as pointed out by my Honourable friend, Sir Hormasji Mody, that the *badli* or substitute is brought in as a convenience to the workman and not to the employer. The employer does not want him particularly and, therefore, there is no case for insisting on the employer paying him directly. It is to the workman who brings him in, that he should look for payment and he is to that extent protected by the provisions of the Bill. For these reasons, I oppose the amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in clause 3 of the Bill, after the word 'persons', the words 'or their substitutes' be inserted."

(After calling for "Ayes" and "Noes".)

The Chair thinks the "Noes" have it.

Mr. N. M. Joshi: "Ayes" have it.

Mr. President (The Honourable Sir Abdur Rahim): Will those Members who support the amendment rise in their places?

(After counting the number of those who rose in their seats.)

Will those who oppose the amendment rise in their places?

(After counting the number of those who rose in their seats.)

The "Noes" have it.

Mr. N. M. Joshi: On a point of order, Sir. I have some doubt about this method of division. I shall place before you my difficulty. Any Member has a right to ask for a division, but the method and manner of the division is left to the President. The object of a division is twofold, first, to see whether the amendment or proposal is passed or not. The second object of a division is to record who votes how. By the method which you have followed it will not be recorded who votes how. I would, therefore, request you to consider, not today if you like, but at some other time.....

Mr. President (The Honourable Sir Abdur Rahim): That is the practice.

Mr. N. M. Joshi: I am not suggesting that it is not the practice. I am only suggesting to you.....

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member thinks that he is really doubtful that other Members will support him, that is another matter.

Mr. N. M. Joshi: The point is how the voting will be recorded. If the Secretary takes down our names, then I do not mind, but if he does not do that, the division is not complete.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think that it is the practice to record the names of Honourable Members in such a case. If the Honourable Member is able to point to any precedent in support of his contention, the Chair will consider it, but, for the present, the Chair will follow the practice that has been followed in the past. The "Noes" have it.

The motion was negatived.

Mr. J. A. Milligan: Sir, I beg to move:

"That in the proviso to clause 3 of the Bill, after the words 'Provided that, in the case of persons employed' the words and brackets '(otherwise than by a contractor)' be inserted."

The purpose of this amendment is to make clear in the wording of the Bill itself the declared intention of the Select Committee in their report. May I quote from that report a few lines? Under clause 3 it runs as follows:

"In respect of contractors, the intention is that the contractor should be responsible for payment where he undertakes actual work for the principal employer and is in charge of the labour, and that the principal employer or his manager should be responsible where the contractor merely contracts for the supply of labour to the employer."

I submit that clause 3 of this Bill, as it has emerged from the Select Committee, fails to make that distinction clear, and the amendment which I have proposed is, I understand, adequate for the purpose. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved.

"That in the proviso to clause 3 of the Bill, after the words 'Provided that, in the case of persons employed' the words and brackets '(otherwise than by a contractor)' be inserted."

The Honourable Sir Frank Noyce: Sir, the facts are as stated very clearly by Mr. Milligan, and I accept his amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in the proviso to clause 3 of the Bill, after the words 'Provided that, in the case of persons employed' the words and brackets '(otherwise than by a contractor)' be inserted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That clause 4 stand part of the Bill.”

Mr. N. M. Joshi: Sir, I beg to move:

“That in sub-clause (2) of clause 4 of the Bill, for the words ‘one month’ the words ‘a fortnight’ be substituted.”

This Bill fixes that one month shall be the maximum wage period. If a man is employed by an employer, he has to be paid every month. The period of payment shall not be two months, three months or six months, but it must be a month, or less than a month. Now, Sir, my amendment seeks to enact that the maximum period shall not exceed a fortnight. This question was very seriously considered by the Royal Commission on Indian Labour. They went into the question very thoroughly and they came to the conclusion that a weekly payment is desirable but that it would make a sudden change. Therefore they recommended that fortnightly payment of wages should be introduced. I do not wish to go into all the arguments. The main argument of the Royal Commission was that the workers in India are illiterate. They cannot take very long views. Whenever they get money for a month, they do not know how to make it go the whole month. They spend it in the first week or in the first fortnight with the result that they have to go to the *sowcar* and take loans. Similarly if the payment is a monthly payment it forces the workers to purchase things on credit and when a man purchases things on credit he pays higher prices for the articles he purchases. The object of the Royal Commission was to reduce the credit of these working classes, which is created amongst other things by a monthly payment of wages. When the payment is on a monthly basis, the man gets a larger amount in his hands, with the result that the *sowcar*, at the end of the month, can go to him and get his interest and also part of his capital very easily. He is willing to give him a larger loan. For these reasons, the Commission came to the conclusion that, it is in the best interests of the working classes of this country, that the weekly system of payment should be introduced, but, considering the difficulties in the way of making a sudden change, they recommended the fortnightly system. It is said that a system of this kind will be difficult to administer in India, because in India generally the payments for rent and other things is by the month. But my view is that these systems depend on how the wages are received. If we introduce the fortnightly system, I am sure that the *baniya* will collect his dues fortnightly and also the owners of houses will collect rent on a fortnightly basis. As a matter of fact, there are industries in India where the weekly system of payment exists. In Bihar, the weekly system of payment obtains in mines. There is no difficulty felt at all. People who collect rents change their system, as soon as the system for the payment of wages is changed. The workers being illiterate do not sometimes understand that these difficulties will be removed. It is on account of this that you find in some places in the opinions received that even the workers do not like this fortnightly system of payment. If the workers are properly explained, as I have done on several occasions, they would like the introduction of the weekly or fortnightly system of payment. In Ahmedabad the payment is fortnightly. No difficulty is created there at all. So there are really no arguments against the reforms I am suggesting. I, therefore, hope that the House will accept my amendment and if

[Mr. N. M. Joshi.]

the amendment is accepted I am quite sure that it will introduce a great reform in the system of payment of wages to the workers of this country.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

“That in sub-clause (2) of clause 4 of the Bill, for the words ‘one month’ the words ‘a fortnight’ be substituted.”

Mr. V. V. Giri: I desire to make a few observations with regard to this amendment. The Royal Commission on Labour came to India and published its report about the year 1929. It consisted of Honourable Members of great wisdom, great sagacity and forethought like Mr. Clow and Mr. Joshi. That Commission was of opinion that the weekly system of payment might be introduced with profit, and I would only like to refer to a few observations of the Royal Commission on Labour. Speaking about the mines, they have stated:

“We believe it to be a fact that the coal miner who is paid weekly or daily is much less in debt in proportion to his income than the railway worker who is paid monthly, and they made further observations about the utility of payment by the week or fortnight: A shorter period of payment should also improve the workers’ financial position in other ways. The illiterate worker tends to take a short view; the longer view of life is largely a matter of education.”

I consider that the Government who appointed the Royal Commission should, after the report was published, have educated public opinion in this matter, whether it be the employer or the worker, and I fear that in this matter the Government of India have not done their duty to the fullest extent. While I support Mr. Joshi on the matter of the fortnightly payment, I would like to make a suggestion to the Government. Even if they are not able to accept this suggestion at the present time, I suggest that they should, at the earliest possible opportunity, bring in legislation for at least fortnightly payment of wages. That is my suggestion.

Mr. A. G. Clow: I am afraid I must oppose this amendment. I regard it in fact as one of the most devastating amendments made against the Bill. My Honourable friend, Mr. Joshi, said this morning that the Bill has in essence two objects. One is to secure that the workers get their wages promptly and the other is that they should be protected from certain deductions. Sir, the clause which my Honourable friend seeks to amend was one inserted not for the purpose of regulating the period of payment of wages, it was inserted in order to close a loophole, because it occurred to someone that, without a clause of this kind, an employer might circumvent nearly all the provisions of the Bill by saying: “Oh, well, my period of payment of wages is six months or a year and I shall give advances when I choose”. But my Honourable friend, Mr. Joshi, with that ingenuity which characterizes so many of his amendments, has discovered a way of perverting, if I may say so, the Bill for another purpose.

Mr. N. M. Joshi: Oh, no, no.

Mr. A. G. Clow: . . . and introducing a revolution in the system of the payment of wages throughout the factories and railways of India.

Now there is a long history behind this question. There was a Bill sponsored a number of years ago by a private Member to try and enforce the weekly payment of wages, and, after circulation, it failed to find any support of importance in the country. Thereafter the matter was examined by the Royal Commission. Mr. Giri did not spare my blushes in alluding to the wisdom of that body, but I must point out that it did not make the recommendation attributed to it by my Honourable friend, Mr. Joshi. What it suggested was that wages should be paid at periods not exceeding sixteen days in only certain classes of factories. Those were the textile factories, where at present the majority of the workmen do get their wages at periods of sixteen days or less, the railway workshops, the engineering workshops and the iron and steel works. No proposal was ever made by the Labour Commission that we should legislate to provide, as Mr. Joshi's amendment would provide, for all factories in India and for all railway workers for fortnightly wages. Now that proposal was circulated for opinion; I think my Honourable friend, Mr. Giri, had evidently forgotten that fact; and the opinions that we received to it were, I must admit, adverse. The opinions of employers were almost unanimously against it, and Mr. Joshi will probably say that that was not surprising. The opinions of independent bodies and persons were also, I think, fairly unanimous against it. But when we come to labour, not even labour was by any means generally in favour of it. I think even among the trade unions, speaking from memory—and after all, trade unions are generally managed by leaders who are a little ahead of the times and who nearly always tell us not what the worker wants but what they think the worker ought to want—even they were not agreed in respect of this measure.

Now I share with Mr. Joshi the view which I expressed as a Member of the Labour Commission and which I still hold that, on the whole, a shorter period of payment is in the interests of workers, and I believe this Bill will have some effect gradually—particularly clause 9 of the Bill—in converting the employers to rather shorter periods of payment in some cases. But between a gradual shortening of the period of payment in this way and endeavouring to enforce by a stroke of the pen a reform which will upset a system that has been customary from time immemorial with large sections in this country, there is a deep gulf fixed. Sir, I believe, if we attempted it, we should then be turning a measure, which I hope will be regarded as a boon by the workers—into one which, if it was enforceable at all, they would strenuously resist in many centres. (Applause.)

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That in sub-clause (2) of clause 4 of the Bill, for the words ‘one month’ the words ‘a fortnight’ be substituted.”

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That clause 4 stand part of the Bill.”

The motion was adopted.

Clause 4 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That clause 5 stand part of the Bill."

Mr. N. M. Joshi: Sir, I move:

"That in sub-clause (1) (a) of clause 5 of the Bill, the words 'upon or in which less than one thousand persons are employed' be omitted."

Sir, the Bill, as amended by the Select Committee, provides that employees of railways, factories and other industrial establishments employing less than one thousand persons should be paid before the expiry of the seventh day. My proposal is that employees of all factories, and railway and other industrial establishments covered by this Bill, should be paid before the expiry of the seventh day. The Select Committee provides that in the case of the larger factories which employ more than a thousand persons the payment may be made before the expiry of the tenth day. Sir, the original Bill, introduced by the Government of India, had made no distinction between the larger and the smaller factories, and at that time the Government of India thought that a period of seven days for the calculation of wages was good enough. Unfortunately, Sir, the Government of India changed their attitude in the Select Committee, and now they have given a longer period for the owners of the larger factories. I feel, Sir, that even the period of seven days for the calculation of wages in large factories is a very long period. Sir, it does not take such a long time to calculate wages. The largest factories and the largest industrial establishments in Great Britain pay the wages on a Saturday morning for the work done up to Thursday evening. They only require one day's period intervening in order to calculate wages and make the payment. There are factories employing not only one thousand but five thousand persons in Great Britain, but the payments of wages are made only after one day's interval. This is the practice going on in Great Britain over a number of years. Sir, if the British industries can make the calculation of the wages of their employees in one day's time, I think it will be regarded as a libel on the intelligence and capacity of the Indian employers that they cannot do a similar thing, but supposing our Indian employers are a little bit less able, still they should not take one week in place of one day. I, therefore, feel that this period of even seven days is a long one. But I thought it was much better to keep to the original period of seven days but strenuously to oppose the extension of that period to ten days. I really feel, Mr. President, that the calculation of wages should not create any difficulty. After all, the calculations are not so difficult; it is not that these industrial establishments do not have a sufficient number of clerks; it is true that if they expect one clerk to calculate what wages they will have to pay, they will find it difficult, but if they employ the whole establishment or a large part of the establishment, I am quite sure they will be able to calculate the wages within a period of seven days. I, therefore, feel that, in the interests of the working classes of this country, my amendment should be accepted.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (1) (a) of clause 5 of the Bill, the words 'upon or in which less than one thousand persons are employed' be omitted."

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan): Sir, I have not been able to discover any reason for drawing a distinction between factories which employ one thousand persons and those which employ a smaller number in regard to the date of payment of wages. To me it appears that the larger factories are in a better position to calculate wages than the smaller factories because the larger factories have expert accountants and other persons who can find out what is payable at the end of the month. I believe that this distinction will prove an obstacle in regard to the demands of the wage-earners. Many of them will not know whether a factory employs one thousand persons or not. So a confusion is likely to be created in the minds of the wage-earners. For these reasons and also for the reason that seven days is a fairly long period, I support the amendment of Mr. Joshi.

Sir Hormasji Peroshaw Mody: Sir, my Honourable friend, Mr. Joshi, I am glad to find, has expressed his appreciation of the conditions of employment in western countries. On a suitable occasion I shall ask him to translate into actual practice the admiration which he appears to have all of a sudden conceived for the system of employment in Great Britain. I should like to remind the House that the conditions are vastly different in both countries. In the first place, my Honourable friend's remarks tended, unconsciously I am sure, to mislead the House by suggesting that we require seven days and more for making the same kind of payment which in England requires no more than a day. He omitted to mention that there is a system of weekly payment in Great Britain whereas we have a system of monthly payment. He also should have pointed out in fairness that the number of people employed in India bears no relation whatsoever to that which is employed upon similar amount of work and under similar condition in Great Britain. I think it is perfectly true to say that we employ for the same amount of work probably four or five times the number of people who are thought necessary under western conditions. Then there is another difference and that is in the habits of our work-people. There is a great deal of absenteeism in this country and elaborate calculations have to be made, particularly in the case of time workers, as to the number of days they have absented themselves, and in the case of a large establishment where four or five or six thousand people are employed, it is almost physically impossible to make payments inside of the ten days which have been laid down in the report of the Select Committee. It is not an unreasonable period, and when we take into consideration the fact that today all sorts of methods of payment prevail, and that anything from two to three weeks are wasted in payment to the operatives, I hope my Honourable friend, Mr. Joshi, will realise that a very substantial reform has been achieved for the work-people by the imposition of a definite period.

Mr. V. V. Giri: My Honourable friend, Sir Hormasji Mody, made an observation that it is rather difficult to pay employees in large establishments within seven days. I am sure that large establishments which are controlled by my Honourable friend can easily pay on the seventh day, because they can easily engage two or more accountants than what they have at the present time and get the wages paid on the seventh day. I am sure, the Government of India also should not have any objection to agree to this proposal, because, in the draft Bill,

[Mr. V. V. Giri.]

which was circulated, the proposal of the Government was for the payment on the seventh day, and I do hope that a reasonable amendment of this character will not be opposed by the Government. I support the amendment of my Honourable friend, Mr. Joshi.

Mr. J. A. Milligan: I should like to draw the attention of the House to what appears to me to be the most important point in this connection and that is that this Bill provides the greatest boon to the workers in the regular payment of wages. The question of the amount of time that may elapse between the completion of the wage period and the payment is only of material importance in the case of the first payment. The real thing is that after the first payment, the wages can be counted on to be paid regularly on a particular day, month after month, and that is the real boon to the workers.

The Honourable Sir Frank Noyce: I should like to remind the House when it is considering Mr. Joshi's amendment that the Select Committee altered the Bill in two directions. They endeavoured to keep the balance even between the payers of wages on the one hand and the payees on the other. I should like to read to the House the Select Committee report relating to clause 5. It says:

"Sub-clause (1) formerly provided for the payment of wages within seven days but allowed an extension, where the seventh day was not a working day, to the first working day thereafter. We consider that extension undesirable and have not only deleted the reference to it, but have, by providing for payment on a working day, further reduced the period that will be available in some cases. At the same time, we have, by a majority, allowed three additional days for large establishments."

The Select Committee, therefore, endeavoured to keep the balance even and I had hoped that when my Honourable friend, Mr. Morgan, withdrew his amendment, Mr. Joshi also would have withdrawn his. But that hope has not been fulfilled. Mr. Joshi's amendment and the following amendments Nos. 16, 17 and 18 all seek to alter the periods of payment of wages in various ways. All I can say is that this question which is a very technical one was thrashed out most carefully in the Select Committee where we spent a great deal of time over it. The conclusions to which we came have been embodied in the Bill. I would, therefore, ask the House to support the Select Committee's report and to reject Mr. Joshi's amendment. If you once start to alter the period in one direction, it is difficult to resist attempts to alter it in another and if we try to do it here in the House, we shall only get hopelessly entangled. I, therefore, oppose Mr. Joshi's amendment and I would emphasize what my Honourable friend, Mr. Milligan, has just said, namely, that what matters most is not the period after which payment of wages must be made but the fact that if this Bill is passed into law, the wage-earner will in future be assured of prompt and regular payment every month or rather after every wage period.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (1) (a) of clause 5 of the Bill, the words 'upon or in which
4 P.M. less than one thousand persons are employed' be omitted."

The Assembly divided:

AYES 38.

Aney, Mr. M. S.
 Ayyangar, Mr. M. Ananthasayanam.
 Banerjea, Dr. P. N.
 Chattopadhyaya, Mr. Amarendra Nath.
 Chettiar, Mr. T. S. Avinashilingam.
 Das, Pandit Nilakantha.
 Daṭṭa, Mr. Akhil Chandra.
 Desai, Mr. Bhulabhai J.
 Deshmukh Dr. G. V.
 Gadgil, Mr. N. V.
 Ghasiuddin, Mr. M.
 Giri, Mr. V. V.
 Govind Das, Seth.
 Hans Raj, Raizada.
 Jedhe, Mr. K. M.
 Jogendra Singh, Sardar.
 Joshi, Mr. N. M.
 Kailash Behari Lal, Babu.
 Khare, Dr. N. B.

Maitra, Pandit Lakshmi Kanta.
 Mangal Singh, Sardar.
 Mudaliar, Mr. C. N. Muthuranga.
 Paliwal, Pandit Sri Krishna Dutta.
 Pant, Pandit Govind Ballabh.
 Raghurib Narayan Singh, Choudhri.
 Rajan, Dr. T. S. S.
 Raju, Mr. P. S. Kumaraswami.
 Saksena, Mr. Mohan Lal.
 Sant Singh, Sardar.
 Sham Lal, Mr.
 Sheodass Daga, Seth.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Anugrah Narayan.
 Sinha, Mr. Satya Narayan.
 Sinha, Mr. Shri Krishna.
 Som, Mr. Suryya Kumar.
 Sri Prakasa, Mr.
 Varma, Mr. B. B.

NOES 59.

Abdullah, Mr. H. M.
 Acott, Mr. A. S. V.
 Ahmad Nawaz Khan, Major Nawab.
 Allah Bakhsh Khan Tiwana, Khan
 Bahadur Nawab Malik.
 Aminuddin, Mr. Saiyid.
 Ayyar, Diwan Bahadur R. V. Krishna.
 Ayyar, Rao Bahadur A. A.
 Venkatarama.
 Bajpai, Sir Girja Shankar.
 Bhagchand Soni, Rai Bahadur Seth.
 Buss, Mr. L. C.
 Chetty, Mr. Sami Vencatachelam.
 Clow, Mr. A. G.
 Craik, The Honourable Sir Henry.
 Dalal, Dr. R. D.
 Das-Gupta, Mr. S. K.
 Dash, Mr. A. J.
 DeSouza, Dr. F. X.
 Dow, Mr. H.
 Fazl-i-Haq Piracha, Khan Bahadur
 Shaikh.
 Gajapatiraj, Maharaj Kumar Vijaya
 Ananda.
 Ghulam Bhik Nairang, Syed.
 Ghuznavi, Sir Abdul Halim.
 Grigg, The Honourable Sir James.
 Hands, Mr. A. S.
 Hudson, Sir Leslie.
 Hutton, Dr. J. H.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir.
 Jehangir, Sir Cowasji.
 Khurshaid Muhammad, Khan Bahadur
 Shaikh.

Lal Chand, Captain Rao Bahadur
 Chaudhri.
 Leach, Mr. F. B.
 Lindsay, Sir Darcy.
 Lloyd, Mr. A. H.
 MacDougall, Mr. R. M.
 Mehr Shah, Nawab Sahibzada Sir
 Sayad Muhammad.
 Metcalfe, Sir Aubrey.
 Milligan, Mr. J. A.
 Mody, Sir Hormasji Peroshaw.
 Morgan, Mr. G.
 Muhammad Nauman, Mr.
 Mukherjee, Rai Bahadur Sir Satya
 Charan.
 Noyce, The Honourable Sir Frank.
 Rajah, Rao Bahadur M. C.
 Rau, Mr. P. R.
 Sale, Mr. J. F.
 Sarma, Mr. R. S.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan, Captain
 Sardar.
 Singh, Rai Bahadur Shyam Narayan.
 Sinha, Raja Bahadur Harihar Prosad
 Narayan.
 Sircar, The Honourable Sir Nripendra.
 Spence, Mr. G. H.
 Tottenham, Mr. G. R. F.
 Vissanji, Mr. Mathuradas.
 Witherington, Mr. C. H.
 Yakub, Sir Muhammad.
 Yamin Khan, Sir Muhammad.
 Zafullah Khan, The Honourable Sir
 Muhammad.

The motion was negatived.

Mr. N. M. Joshi: Sir, I move:

“That in sub-clause (2) of clause 5 of the Bill, for the words ‘before the expiry of the second working day from’ the word ‘on’ be substituted.”

[Mr. N. M. Joshi.]

Sir, when the employment of a person is terminated by the employer himself by giving notice to him, the Bill provides that payment should be made before the expiry of the second working day from the day on which his employment is terminated: that is to say, the employer can pay the wages of a man whose employment is terminated two days after his employment is terminated. I feel, Mr. President, that if an employer gives, say, a month's notice to his employee and the employee leaves at the end of the notice, the employer should be bound to pay his wages before the worker leaves the factory. The employer has given one month's or a fortnight's notice that he himself is going to terminate the services of the employee. I cannot understand, therefore, Sir, why two days' period should be given to the employer to pay his employee when he himself terminates his service. This period of two days given to the employer to make payment is a loss to the workman. Not only that: he may even lose the chance of getting a second job if he has to wait doing nothing for two days. If he has to go to the factory in order to receive his wages on the second day, he loses his two days, because he cannot take any other employment. I cannot understand, Sir, why the Government should make this concession for the employer who dismisses or discharges his employee after notice. Therefore, I feel that the House should accept my amendment. It may be said that if the employer gives notice or discharges a large number of people, it will be difficult for him to make payment to say a thousand people if the employer dismisses them. It is said that in the case of a few employees there is no difficulty in payment, because the employer himself has terminated their services, but when the employer shuts his whole factory and he has to make payment, he may find it difficult to do so. Now, Sir, I ask you and I ask the whole House to consider how many cases and how many occasions there will be when the employers shut their factories and have to make payment, or when the employers discharge 500 or 1,000 or 2,000 people, and why we should legislate to provide for these, say, one or two cases which may happen and cause inconvenience to hundreds of thousands of employees. When the employer himself gives notice of a month or a fortnight, he has an opportunity to make his calculations and he is bound to pay the man on the day on which that man leaves his service and not get two days more and penalize the workman for two days. In those two days the employee may lose his chances of securing any job.

Sir Cowasji Jehangir: What about piece-work? How is calculation to be made?

Mr. N. M. Joshi: A man may be doing piece-work, but if you give notice, you can calculate his wages. If you are going to shut your works, you should go on making calculations and then pay the wages on the last day. It is wrong, Sir, to keep a man waiting for his payment after he is discharged.

Mr. President (The Honourable Sir Abdur. Rahim): Amendment moved:

"That in sub-clause (2) of clause 5 of the Bill, for the words 'before the expiry of the second working day from' the word 'on' be substituted."

Mr. J. A. Milligan: Sir, I find Mr. Joshi somewhat inconsistent. At an earlier stage in the discussion, he held up to us as a model the English system, whereby wages are paid on the second working day after they had been earned, and he now wants India to go a step further and in this case to pay the wages on the very day on which the wages have been earned.

Mr. N. M. Joshi: The employment is terminated; you discharge a man and refuse to pay him.

Sir Hormasji Peroshaw Mody: There is no question of refusal.

Sir Cowasji Jehangir: How is it to be worked out in practice?

The Honourable Sir Frank Noyce: I regret I must oppose Mr. Joshi's amendment. I think in this case, as in so many other cases, we should accept the Report of the Select Committee which, as I have repeatedly said, went into the question very thoroughly. I would, therefore, suggest that the House should reject the amendment.

Mr. V. V. Giri: Sir, I do not see any reason why the Government should oppose the amendment of the Honourable Mr. Joshi. If a worker desires to leave employment on a particular date and gives notice of his leaving, I do not see any reason why the employer should not pay on the day he leaves the service. I would like to quote the opinions of two or three inspectors of factories quoted at page 10 of the opinions on this Bill—they have been circulated. One is the Inspector of Factories, Assam:

"I see no reason why a worker on discharge should not be able to collect his wages before he leaves the premises."

I do not see any reason why the poor worker should hang about expecting his wages during which time he can go about and try to get service elsewhere. Similarly, the Director of Industries, Punjab, has stated as his view:

"If an employer feels that the period of two days is not sufficient to settle accounts he need not give notice until he feels himself in a position to be able to settle the account immediately on the termination of service."

I, therefore, support the amendment of Mr. Joshi.

Mr. A. G. Clow: Sir, my Honourable friend, Mr. Giri, paid a very warm tribute to the Whitley Commission recently, and I would only like to remind him that the two-days idea came from them.

Sir Cowasji Jehangir: Sir, there is a practical difficulty here that my Honourable friends do not seem to realise. There are pieceworkers and their wages depend upon the work they have done on the last day naturally. Everything will depend on the amount of work done on the last day, which takes some time to ascertain. Therefore, how is it possible immediately to ascertain what is due to a man who has finished his work? Mr. Giri seems to imagine that within a quarter of an hour of his finishing work you can ascertain for one, or ten, or a thousand men what is due to him or to them immediately on the spot. It is not a practical proposition.

Mr. N. M. Joshi: How many times, you dismiss a thousand people at one time?

Sir Cowasji Jehangir: It is not a question of dismissing 1,000 people. It may be only ten: may I put it to Mr. Joshi in this way? Suppose, Mr. Joshi was paid for the number of speeches he made in this Honourable House, or for the number of words he uttered which was recorded by a machine; and then at the end of the day he demanded his month's wages. The Secretary would take at least a day to find out how many words he had uttered during the month. How is it possible to find out immediately on the spur of the moment how many words he had uttered during the month? The next day, perhaps, the Secretarial Department will be able to ascertain the number of words or the number of hours he had spoken, and calculate what was due to him and pay him. Surely you must give the Secretarial Department sufficient time to calculate. In the same way, surely you must give the management sufficient time to calculate the amount of work done during that month. It is not possible to be done in five minutes. Mr. President, I think, that is the simple point that is before the Honourable House and it does not require much discussion. Two days are required to make these calculations and then the man is paid.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Mr. President, I did not intend to make any speech, but it seems to me that there is some little confusion about the exact nature of the amendment that is before the House. The services of a wage-earner may come to an end in two ways: either he may himself give up the service or he may be turned out by the employer. This sub-clause 2 relates to those cases only in which the employer puts an end to the services of the employee. So far as voluntary severance of connection by the employee is concerned, I think, that case would be covered by sub-clause (1) and the employer would have a week's time even after the termination of his service. So there he would have ample time and much more than two days. Sub-clause (2) relates only to those cases where the termination is brought about by or on behalf of the employer. So the question is: should an employer who chooses to terminate the services of an employee be allowed to withhold the labourer's wages for two days? It seems to me unfair to the employee that he should be turned out on the one hand, and, on the other, he should not get even the wages due to him. I am prepared to concede that, where the wage-earner voluntarily abandons the service, he must take the risk of being paid at the usual time in accordance with sub-clause (1) and may have to wait even for a full week. But the arguments that have been advanced by some of the Honourable Members here do not seem to me to apply to a case where the employee does not want to sever his connection but is forced or coerced. . . .

Sir Cowasji Jehangir: What about the practical difficulty?

Pandit Govind Ballabh Pant: The practical difficulty is, I think, much greater in the case of the employee than in the case of the employer. If he finds that he cannot conveniently get rid of that man forthwith, he had better put up with him for a few days more and not hustle through or be impatient to such an extent as to precipitate the crisis for himself.

as well as for the other fellow: he should wait till he has made up his accounts. So, I would suggest to the Government as well as to the other Honourable Members interested in the question that if what I have submitted is correct and if this clause applies only to those cases where the termination of the service is brought about by or on behalf of the employer, then the employee should be given the wages due to him on the day on which he is turned out. He should not be asked to wait further. . . .

Sir Cowasji Jehangir: How are you going to calculate?

Pandit Govind Ballabh Pant: Do not turn him out until you have calculated:

Sir Cowasji Jehangir: Give him an extra day's wage, you mean?

Pandit Govind Ballabh Pant: Keep him on.

Sir Cowasji Jehangir: He is on piecework; he is paid for the work he has done; and that can be calculated only by a certain mathematical process, and only after seeing the work done, can you know what is due to him; how can you do that within five or ten minutes of his ceasing work? It requires a few hours. Where there are hundreds of men, it requires a longer time. That is the practical difficulty. We are perfectly aware of the fact that in this case the employer gives notice: but it makes no difference whether the employee gives notice or the employer.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot make a second speech.

Pandit Govind Ballabh Pant: The difficulty that has been urged by Sir Cowasji Jehangir does not appeal to me at all. I feel that when I take it into my head to turn out a labourer whose source of livelihood depends on my indulgence, then I should not at least be so cruel to him as to retain his wages with me and yet turn him out. If the wage-earner were to give up my service, then I could certainly say: "You are not consulting my convenience: wait until I am able to make all these intricate and subtle mathematical calculations, and it is only after I have gone through all these operations that you will be entitled to your pay". But when I myself turn out a man from my service, I see no reason why I should tell him—'come to me tomorrow or the day after, you must adjust yourself to my convenience in order that you may get your wages'. Sub-clause (1) gives a week's period to the employer to pay the wages where the employee, of his own accord, gives up his service, but where the employee is expelled against his wishes, it is certainly unfair and unjust to tell him "You will not be allowed to work and you will not have your wages for another two days"!

Sir Hormasji Peroshaw Mody: Sir, I should not have thought it necessary to intervene in this debate but for the fact that a certain amount of prejudice seems to have been created. It seems to have been assumed by some of my friends who have supported the amendment that it contemplates a wanton termination of services on the part of an employer and therefore the employee is entitled to a certain amount of sympathy and should not have his wages withheld for any longer period than is strictly

[Sir Hormasji Peroshaw Mody.]

necessary, and that on the very same day his services are terminated he should be paid. An employer does not often wantonly turn out an employee. An employee may be turned out for a variety of reasons; he may have been guilty of insubordination or misconduct, which made it necessary for the employer to terminate his services on the spot. As a matter of fact, if it were not for such reasons, the employer would be bound to give notice; he could not possibly turn a man out suddenly without paying him wages for a fortnight or whatever other period is laid down in the contract of employment. In brief, Sir, the words "where the employment of any person is terminated by or on behalf of the employer" must not be held to mean, what has been sought to be conveyed by the speeches of some of my friends, that they apply only to cases of wanton termination of the services of an employee.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (2) of clause 5 of the Bill, for the words 'before the expiry of the second working day from' the word 'on' be substituted."

The motion was negatived.

Mr. N. M. Joshi: Sir, I move:

"That after sub-clause (2) of clause 5 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly:

'(3) Where the employment of any person is terminated by the employer with due notice or where he goes on leave with the permission of his employer, his wages shall be paid on the day on which he terminates his service or on the last working day before his leave begins.'

Sir, the present amendment deals with the case of an employee who gives sufficient notice to his employer of his intention to leave on a particular day. The object of my amendment is this, when an employee has given notice of his intention to leave service on a particular day, he should be paid on that very day. Secondly, my amendment also provides when a man goes on leave with the permission of his employer, he should get the wages earned by him up to the time he was working on the day on which his leave began. When a man gives sufficient notice to his employer that he is going to leave on a particular day, I think he is entitled to get his pay on the very day on which his service terminates. I cannot understand the morality of detaining a man, who gives notice and terminates his service, to receive payment. It is said that an employer will not be able to make proper calculations, and, therefore, he can make the worker suffer two days' wages, but the employer is not willing to pay two days' wages without taking work from the employee. Now, I want to ask any Honourable Member of this House as to who is in a better position to make a sacrifice of two days' wages, whether the employer can afford to pay two days' wages without taking any work so that he can make calculations or the employee. The employer's difficulty is he cannot make calculations. My suggestion to him is that he should pay his employee two days' wages without taking work from him,—but the employer says: "No, I must take work from the man till the last moment but I shall not pay him immediately because I find it difficult to calculate",—and, therefore, what follows? The poor employee suffers a loss by waiting for two days or for whatever period it may be. I want to ask what is the morality in this? If there is any sacrifice to be made, I ask whether it should be made by the employer or by the employee. I am quite willing

to accept that in certain cases calculation of wages may cause a difficulty, but if on account of that difficulty any sacrifice is to be made by any of the parties, I want to know which party should make that sacrifice, the employer or the employee? You compel the employee to make that sacrifice even when he has given you notice and has done everything necessary in accordance with the law, but simply because there is some difficulty in calculating wages you make the poor employee suffer. Sir, I feel there is no morality in this.

Secondly, my suggestion is as regards leave. When an employer gives leave to his employee, what is the fun of his being asked to wait for days for the payment of his wages? For instance, an employer gives leave to his employee say on the 15th of January and he has to receive his pay before proceeding on leave. He will be told by the employer—"although your leave is sanctioned your wages will be paid on the 10th of February". How is the employee to go on leave without receiving the payment? In big factories the wage period is the 10th day of the month, and, therefore, if the employee's leave is sanctioned, say, from the 10th or 15th of January, how can he go on leave without receiving his wages, if his wages will be paid only on the 10th of February. Sir, so much has been made about convenience of the employer, and I want to know if any attention has been paid to the convenience of the employee. What is the use of your giving him leave if you cannot pay him for the days he has worked? This point has been very ably dealt with by the Labour Commissioner of Bombay. Unfortunately, sheer physical exertion prevents me from reading a long passage, but I can tell the House this much, that the Labour Commissioner has explained fully to what evil this practice leads. He says, if a man gets leave, but he does not get his wages, he goes to a *sowcar* and tells him: "My pay is to be received by the 10th of February, will you lend me some money, I shall give you my authority to receive my pay". Of course, the *sowcar* readily accepts this proposal, because it is his business to lend, he charges interest and the poor employee loses. This practice of not paying an employee when he goes on leave leads to what is called in Bombay the *Havala* system. The man gives a letter of authority to receive his pay to a *sowcar*. The employee takes a loan from the *sowcar* asking him to charge him whatever interest he likes. The Labour Commissioner makes it quite clear that this evil practice can be stopped by giving the pay to the man more promptly. He also points out that if the employer does not pay the employee when the latter goes on leave, the employee will court dismissal by doing something wrong, because he knows he can demand payment when he is dismissed, before two days. Instead of getting leave in a regular way, in order to get money, the employee will court dismissal and compel the employer to pay him before the second day is over. I feel, Sir, that my amendment will avoid these evils.

Sir, much has been made about the inconvenience that would be caused to the employer. Personally, I think there can be no inconvenience. He can easily pay the man on the day on which he goes on leave, and if there is a will to make calculations, I think those calculations can be made. If in Great Britain calculations of wages of 5,000 people can be made in one day, is it difficult to calculate the wages of 5 or 10 people who may be going on leave in one day? I can't understand the difficulty. You may say that it is difficult for the employer to calculate the wages of an employee when he goes on leave. But that is a position which I cannot understand and the House cannot understand, and I hope the House will support my amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That after sub-clause (2) of clause 5 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly :

'(3) Where the employment of any person is terminated by the employee with due notice or where he goes on leave with the permission of his employer, his wages shall be paid on the day on which he terminates his service or on the last working day before his leave begins.'

Dr. P. N. Banerjee: Sir, the amendment of Mr. Joshi appears to me to be a very reasonable one. If the convenience of any of the parties is to be consulted, whose convenience is it our duty first to consult? I think that the House will agree with me in saying that we should consult the convenience of the poor employee rather than the convenience of the rich employer. If we look at the question from that standpoint, we should all support the amendment.

The Honourable Sir Frank Noyce: I regret that I must oppose Mr. Joshi's amendment. There are two separate cases included in it. There is first the case of an employee who leaves his employment after due notice, and there is secondly the case of the employee who goes on leave. As regards the first of these, I find it somewhat difficult to understand why a man who leaves his employment should get preferential treatment over the man who is willing to continue in it. As my Honourable friend, Mr. Govind Ballabh Pant, has admitted, there is no hardship in asking that a man who leaves his employment should wait for his wages to be paid along with the others. As for the employees who take leave, I think in this regard, as is so often the case with Mr. Joshi, he overlooks the fact that this suggestion of his might work very definitely against the interests of the employee himself. After all, the workman goes on leave to suit his own convenience, and it seems to me somewhat unreasonable to suggest that in such a case the employer should be obliged to pay him with special promptitude. The result of the acceptance of Mr. Joshi's amendment might be either that the employer would refuse leave altogether, or else he might very well say: "If I have to pay you before you go on leave, you must wait and take your leave at the time stipulated by me and not that stipulated by you".

Mr. N. M. Joshi: Does that happen in Government service?

The Honourable Sir Frank Noyce: Leave is very frequently refused in Government service. It is not granted as a matter of right. Government servants are not ordinarily paid before they go on leave,

Mr. N. M. Joshi: When are you paid?

The Honourable Sir Frank Noyce: On the first of the month.

Mr. N. M. Joshi: You take advances, not only pay.

The Honourable Sir Frank Noyce: For these reasons, I must oppose the amendment.

Mr. V. V. Giri: I would like to make one observation on this amendment. Mr. Joshi's amendment says, "Where the employment of any person is terminated by the employee with due notice....."—the

Honourable Member in charge did not give sufficient reasons why this should be opposed. As regards the second part of the amendment, there may be some opposition, but there is no reason why the first part should be opposed because the employee gives due notice of the termination of his service. I do feel that there ought not to be any difficulty for the Government in accepting at least the first part of the amendment of Mr. Joshi.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That after sub-clause (2) of clause 5 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly:

'(3) Where the employment of any person is terminated by the employee with due notice or where he goes on leave with the permission of his employer, his wages shall be paid on the day on which he terminates his service or on the last working day before his leave begins'."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): Mr. Joshi. No. 21*.

The Honourable Sir Frank Noyce: May I take a point of order? I submit that this amendment of Mr. Joshi is out of order as it is inconsistent with the preamble of the Bill. The preamble says, "Whereas it is expedient to regulate the payment of wages to certain classes of persons employed in industry . . ." This amendment deals with the payment of wages to the heirs of a deceased employee, and those heirs cannot be held to be employed in industry.

Mr. N. M. Joshi: I did not quite follow what the point of order was. "Regulate the payment of wages to certain classes of persons employed in industry". My amendment is as regards the payment of wages to the heirs. This is a point which I can understand a lawyer take, but I do not understand a member of the Indian Civil Service taking such a point.

The Honourable Sir Frank Noyce: If I may rise to a point of personal explanation, it is not a member of the Indian Civil Service who is taking the point of order. It is my Honourable Colleague, the Law Member, who took it in the Select Committee and objected to the amendment then as I am doing now.

Mr. N. M. Joshi: I now know who it is. I would like you, Mr. President, although you are a lawyer, to take a common sense view of this question. Technically the point is correct, but I think from the common sense point of view it is wrong. The Bill deals with the payment of wages of the employees. Actually to whom the payment is made—either to the employee or to his heir—is not such an important point. The Bill provides that the employer shall pay the wages earned by an employee, but whether the actual payment is made to the employee himself or to the representative of the employee is not such an important matter. I would, therefore, request you to hold my amendment quite in order.

*"That after sub-clause (4) of clause 5 of the Bill, the following new sub-clause be inserted:

'(5) The payment of wages to the heirs of a deceased employee shall be made in the manner prescribed'."

Mr. President (The Honourable Sir Abdur Rahim): I must rule this amendment† as being out of order as it really enlarges the scope of the Bill. It entails, for one thing, an enquiry as to who are the heirs of a deceased employee, and that is a matter not always free from very great difficulties. I, therefore, hold that the amendment is not in order.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That clause 5 stand part of the Bill.”

The motion was adopted.

Clause 5 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That clause 6 stand part of the Bill.”

The motion was adopted.

Clause 6 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That clause 7 stand part of the Bill.”

Mr. A. G. Olow: Sir, I beg to move:

“That in sub-clause (1) of clause 7 of the Bill, for the words ‘by this Act’ the words ‘by or under this Act’ be substituted.”

This is little more than a verbal amendment. If Honourable Members will look at sub-clause (2) of clause 7, they will see that the deductions are authorised in some cases directly and in other cases can be authorised under certain orders. We have in the existing clause the words—‘deductions of any kind except those authorised by this Act’ and if the amendment is accepted, it will then read ‘authorised by or under this Act’.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That in sub-clause (1) of clause 7 of the Bill, for the words ‘by this Act’ the words ‘by or under this Act’ be substituted.”

The motion was adopted.

Mr. N. M. Joshi: Sir, I beg to move:

“That sub-clause (2) (a) of clause 7 of the Bill be omitted.

This sub-clause enables an employer to deduct some amounts by way of fines and my amendment is that the employers should not have power to deduct the wages of an employee by way of fine. If the employer has some complaint against his employee and some damage has been caused, the way to the law Court is always open to the employer. Mr. President, the system of fining is a wrong one. It does not serve any purpose. If

† That after sub-clause (4) of clause 5 of the Bill, the following new sub-clause be inserted:

“(5) The payment of wages to the heirs of a deceased employee shall be made in the manner prescribed.”

it is intended as a penalty you must make it very heavy indeed in order to make it effective, which the law will not permit you to do. Even the Bill will not permit the employer to impose a very heavy fine. This is intended to prevent heavy fines being imposed by employers. It is also not reformative. You cannot reform a man by fining him. There are some people who believe that you can reform people by fining them. That is a wrong view in my opinion. Generally a bad employer believes in it, as a bad father believes in caning his son and as a bad teacher believes in reforming his pupils by whipping them. A good teacher does not depend upon the cane for the maintenance of discipline. I think if a father or a teacher or an employer wants discipline to be maintained, he must in the first place show it by his own example. If they are indisciplined, they have no right to impose discipline upon others. I do not wish, Mr. President, to make a long speech on this amendment but I must express my view that if discipline is to be maintained in factories, it could be maintained by the proper conduct of the employer himself. Secondly, he can do it by proper supervision and guidance. If that is not available, the employer must blame himself. This question was considered by a committee called the Truck Committee and a minority of that committee held the view which I am now putting forward. I am convinced of the rightness of my view by what they have written. I shall read only one or two short passages. The report is dated 1908, but unfortunately we have advanced a great deal backwards. Mr. Cadbury was asked a question about it. He describes in detail the supervisory system substituted for the system of fines and he gives his experience of the results of the two systems. Fines were not in any way reformative. They had practically no influence upon the character of the offenders. Such influence as they had was of the moment only. The system did not lead to efficiency and did not weed out the real offenders. Asked what he would say upon the representation, frequently made to the Committee, that fines were almost a necessity in respect of late attendance, Mr. Cadbury replied:

“Our time keeping has very much improved since we abolished fines.”

In illustration of this improvement, he informed the Committee that late-time cases fell from 115 in the year 1900 to 33 in the year 1905. Substantially we have eliminated lateness. The cases of bad work fell from 129 in 1900 to 19 in 1905. In Mr. Cadbury's opinion it would have been impossible to effect this result by a system of fines. This reduction in the number of offences was accompanied by a reduction in the number of discharges. It has been pointed out by several employers that if we do not give the power of fines they would have to dismiss people or discharge them. Mr. Cadbury's opinion is that if you abolish fines, the actual number of discharges is less and not more.

Sir Cowasji Jehangir: Was Mr. Cadbury in the majority or in the minority?

Mr. N. M. Joshi: Mr. Cadbury was a witness and he was a very good employer. The minority support his view and, therefore, they have quoted the evidence given by Mr. Cadbury. This is the view of the minority which I share:

“Dismissal is too generally considered to be an alternative to fining. It is its accompaniment. Supervision, with cautioning as one of its incidents, is the true

[Mr. N. M. Joshi.]

alternative. Dismissal, as before, would be an accompanying power in reserve but one upon which it would be diminishingly necessary to call and the workers, therefore, so far from being the losers, so far from exchanging into a harsher system would, in this respect as in others, gain by the abolition of fines. We emphasize this aspect, as there are some who, on all other grounds, would advocate the abolition of fines, who hesitate to do so lest the worker should be sacrificed. This consideration receives great weight in the report."

I hope these weighty words of Mr. Cadbury and the minority of this Truck Committee will be accepted by the Legislature and my amendment will be carried.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That sub-clause (2) (a) of clause 7 of the Bill be omitted,

The Honourable Sir Frank Noyce: Sir, in view of the silence in all parts of the House, I do not think it is necessary for me to do more than to say that I oppose this amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That sub-clause (2) (a) of clause 7 of the Bill be omitted.

The motion was negatived.

Mr. J. A. Milligan: Sir, I beg to move the following amendment:

"That in part (e) of sub-clause (2) of clause 7 of the Bill, for the word 'other' the words 'amenities and' be substituted."

In many ways, Sir, clause 7 is the most important clause of this Bill, and in it the experimental features of this legislation come out most prominently, and, therefore, it is a clause in which great caution should be observed in the drafting. It aims at securing to the workers the payment of their wages without any illegitimate deduction, but at the same time the explanation contained in clause 7 (1), *viz.* :

"Every payment made by the employed person to the employer or his agent shall, for the purposes of this Act, be deemed to be a deduction from wages",

covers such a wide field of relationships between employers and employees in many industrial establishments that the amendment which I propose to sub-clause (e) appears to me to be essential. The words which I seek to introduce into the Bill are already used in clause 2 (v) (a), read with the amendment as accepted by this House already this morning, namely:

"The value of any house-accommodation, supply of light, water or medical attendance or other amenity or of any services excluded by general or special order of the Governor General in Council or Local Government".

The object of this amendment, Sir, is to make it possible for the Governor General in Council or the Local Government, as the case may be,

to safeguard all relationships and transactions between the employer and the employee which are deemed to be unobjectionable. The word "services" alone does not appear to cover all such transactions; for example, I do not think that it would cover the relationship of landlord and tenant which exists between the employer and the employed in plantation industries if not also in others. Payments made by the labourer to his employer on account of rent for the land which he holds should not be regarded as a deduction from his wages, as they are something entirely apart from his regular employment. For these reasons, Sir, I move the introduction of these words into part (e) of sub-clause (2) of clause 7 of the Bill.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in part (e) of sub-clause (2) of clause 7 of the Bill, for the word 'other' the words 'amenities and' be substituted."

Mr. A. G. Clow: I wish, Sir, briefly to support this amendment. It corrects an error brought to our notice: and if Mr. Milligan had not put it in, I should have put it in myself. The word 'other' in clause 7 (2) (e) is an error because it alludes to "house-accommodation" in the previous sub-clause and this is earlier described as an amenity and not as a service.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in part (e) of sub-clause (2) of clause 7 of the Bill, for the word 'other' the words 'amenities and' be substituted."

The motion was adopted.

Mr. N. M. Joshi: Sir, I move:

"That to sub-clause (2) (e) of clause 7 of the Bill, the following *Explanation* be added:

Explanation: The word 'services' in this sub-clause does not include the supply of tools and raw materials required for the purposes of employment."

These words, Sir, "tools and raw materials" did occur in the original Bill which was introduced by Government in the years before 1933. The Government of India changed their mind in 1933 and dropped those words. I think, Mr. President, if the dropping was deliberate and intentional, the fact should be brought out. As I have said, the word "services" is likely to be interpreted as meaning the supply of tools and raw materials; the word "services" should not be interpreted to mean the supply of tools and raw materials. Sir, I think my amendment carries out the original intention of the Government of India and I hope, therefore, they will accept it.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That to sub-clause (2) (e) of clause 7 of the Bill, the following *Explanation* be added:

Explanation: The word 'services' in this sub-clause does not include the supply of tools and raw materials required for the purposes of employment."

The Honourable Sir Frank Noyce: Sir, I accept the amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That to sub-clause (2) (e) of clause 7 of the Bill, the following *Explanation* be added:

Explanation: The word ‘services’ in this sub-clause does not include the supply of tools and raw materials required for the purposes of employment’.”

The motion was adopted.

Mr. J. A. Milligan: Sir, I beg to move:

“That to part (i) of sub-clause (2) of clause 7 of the Bill, the following be added:

‘or any provident fund approved in this behalf by the Local Government, during the continuance of such approval’.”

I think it is well-known to Members of the House that there exist in India very many provident funds which do not come within the scope of the Provident Funds Act and are not recognised by section 58A of the Indian Income-tax Act. Many of those funds are not only managed on the soundest lines but also give very generous terms to their members: and it seems to be a very drastic step, by a stroke of the pen in a sub-section of the Bill for the payment of wages, to wipe off the slate all such provident funds as far as participation in their benefits goes for labourers. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

“That to part (i) of sub-clause (2) of clause 7 of the Bill, the following be added:

‘or any provident fund approved in this behalf by the Local Government, during the continuance of such approval’.”

Mr. N. M. Joshi: I do not oppose this amendment, but at the same time I should like to request the Government to consider the question of framing legislation for the regulation of the General Provident Funds. It is a very important subject, and I hope the Government of India will give attention to it, so that, although we would like to have provident funds, these provident funds should be put on a sound basis.

5 P.M.

The Honourable Sir Frank Noyce: I have, Sir, great pleasure in accepting this amendment. We have had, as the House knows, a prolonged opportunity for further consideration of this Bill since the September Session and during that period it has come to our notice that there are a number of provident funds conducted entirely in the interests of poorer employees which it would be a great pity to extinguish as they would be extinguished if the Bill were to stand as it is. I have before me an interesting case which has been brought to our notice from Rangoon. There is a company there which had a provident fund for its employees drawing between Rs. 30 and Rs. 200 per month. In order to do something for the employees earning less than Rs. 30 a month, the company devised an anna provident fund which, according to information received from the Commissioner of Income-tax, Burma, is a very sound fund, is run on excellent lines and is doing good work. That, Sir, is a form of insurance for the work people which deserves all the encouragement that can be given to it and it is for that reason that I am very glad that Mr. Milligan has brought this point to our notice. I am also glad to find that there is general

agreement on all sides of the House that the provident funds mentioned in this amendment should be recognised. I accept the amendment.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That to part (i) of sub-clause (2) of clause 7 of the Bill, the following be added :

‘or any provident fund approved in this behalf by the Local Government, during the continuance of such approval.’”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

“That clause 7, as amended, stand part of the Bill.”

The motion was adopted.

Clause 7, as amended, was added to the Bill.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 6th February, 1936.