

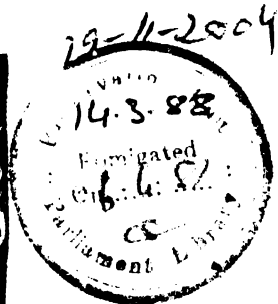
Thursday, 7th March, 1935

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1935

(11th February to 17th April, 1935)

NINTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1935



PUBLISHED BY MANAGER OF PUBLICATIONS, DELHI.
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, NEW DELHI.
1935.

	PAGES.
Monday, 18th February 1935—<i>contd.</i>	
Indian Naturalization (Amendment) Bill—Considered and passed	221—23
Cinematograph (Amendment) Bill—Considered and passed	223—32
Thursday, 21st February, 1935—	
Questions and Answers	233—35
Election of four non-official Members to the Standing Committee on Emi- gration	235
Nominations for election to the Central Advisory Council for Railways .	235
General discussion of the Railway Budget for 1935-36	236—81
Monday, 25th February, 1935—	
Questions and Answers	283—88
Resolution <i>re</i> reduction of British soldiers in India—Negatived	288—311
Resolution <i>re</i> Government of India and State Railway Presses—With- drawn	311—25
Resolution <i>re</i> advancement of loans on the security of postal insurance policies—Withdrawn	325—28
Resolution <i>re</i> inquiry into conditions of horse-breeding colonists—With- drawn	328—33
Resolution <i>re</i> import of foreign rice—Moved	333
Wednesday, 27th February, 1935—	
Member Sworn	335
Questions and Answers	335—36
Short Notice Questions and Answers	336—37
Statement laid on the table	337—38
Election of six non-official Members to the Central Advisory Council for Railways	338
Resolution <i>re</i> import of foreign rice—Adopted	339—57
Resolution <i>re</i> education of the electorate and preparation of electoral rolls, etc.—Withdrawn	357—67
Resolution <i>re</i> accommodation in the Western Court for Members of the Legislature—Withdrawn	368—72
Resolution <i>re</i> legislation for the compulsory mixing of alcohol in motor spirit—Negatived	372—80
Parsi Marriage and Divorce Bill—Motion for reference to Joint Select Committee, adopted	381—82
Thursday, 28th February, 1935—	
Presentation of the General Budget for 1935-36	383—89
Saturday, 2nd March, 1935—	
Questions and Answers	391—93
Short Notice Question and Answer	393—94
General discussion of the General Budget for 1935-36	394—463
Thursday, 7th March, 1935—	
Questions and Answers	465—68
Statement laid on the table	468
Resolution <i>re</i> continued protection to wheat growers in India—Part (a) —Adopted; Part (b)—Negatived	469—82
Resolution <i>re</i> building up of an Indian Mercantile Marine—Adopted .	482—501
Madras City Hindu Temples Bill—Motion to introduce, adopted	501—02
Resolution <i>re</i> establishment of an Industrial Council—Negatived	503—12
Statement of Business	512

Wednesday, 13th March, 1935—

Member Sworn	513
Questions and Answers	513—18
Statement laid on the table	518—21
Resolution re unemployment—Negatived	521—41
Resolution re recruitment of all classes to the Indian Army—Negatived	541—68
Resolution re establishment of a ministry of communications—Adopted	568—71
Resolution re damage caused by the Salt Range and Khewra Salt Mines to culturable lands—Moved	571—72

Thursday, 14th March, 1935—

Aligarh Muslim University (Amendment) Bill—Motion to introduce, adopted	573
Resolution re enlistment of the Sayyid community in the Indian Army—Withdrawn	574—85
Ballot for the election of three non-official Members to the Standing Committee for Roads	585
Ballot for the election of two non-official Members to the Standing Advisory Committee for the Indian Posts and Telegraphs Department	585
Election of two non-official Members to the Standing Committee for the Department of Commerce	586

Monday, 18th March, 1935—

Questions and Answers	587—88
Result of election to the Standing Committee for Roads	588
Result of election to the Standing Advisory Committee for the Indian Posts and Telegraphs Department	588
Resolution re damage caused by the Salt Range and Khewra Salt Mines to agricultural lands—Negatived	589—600
Resolution re steps to check the increase in population—Negatived	601—29
Resolution re recruitment of Indian Medical Service officers by open competitive examination in India—Negatived	630—38
Indian Milch Cattle Protection Bill—Motion to introduce, adopted	638—39
Resolution re financial condition of Assam—Withdrawn	639—40
Madras City Hindu Temples Bill—Motion to circulate, adopted	640—41

Thursday, 21st March, 1935—

Questions and Answers	643—44
Short Notice Questions and Answers	644—48
Aligarh Muslim University (Amendment) Bill—Considered and passed	649—50
Resolution re non-ratification of the Draft Convention for the regulation of hours of work in automatic sheet-glass works—Adopte	650—54
Resolution re non-ratification of the Draft Convention ensuring benefit or allowances to the involuntarily unemployed, etc.—Adopted	654—65
Statement of Business	663

Friday, 29th March, 1935—

Member Sworn	667
Questions and Answers	667—79
Valedictory speeches in connection with the retirement of the Honourable Khan Bahadur Mian Sir Fasl-i-Husain	679—88

Monday, 8th April, 1935—

Members Sworn	689
Questions and Answers	689—92
Bills passed by the Legislative Assembly laid on the table	692—98
Message from His Excellency the Governor General	693
Indian Finance Bill laid on the table	693
Message from the Legislative Assembly	693
Motion <i>re</i> Nomination of Members to serve on the Joint Committee to consider and report on the Parai Marriage and Divorce Bill—Adopted	694
Statement by the Honourable the President on the future course of business	694—700

Wednesday, 10th April, 1935—

Questions and Answers	701—0
Motion for Adjournment <i>re</i> refusal of the Government of India to hold a public enquiry into the Karachi disturbances—Leave to move, granted	702—03
Statements laid on the table	703—09
Bills passed by the Legislative Assembly laid on the table	710
Indian Tariff (Amendment) Bill—Considered and passed	710—38
Indian Tea Cess Amendment Bill—Considered and passed	738—43
Motion for Adjournment <i>re</i> refusal of the Government of India to hold a public enquiry into the Karachi disturbances—Terminated under time limit	743—66

Thursday, 11th April, 1935—

Members Sworn	767
Indian Finance Bill, 1935—Motion to consider, <i>not concluded</i>	767—826

Tuesday, 16th April, 1935—

Questions and Answers	827—32
Motion for Adjournment <i>re</i> inquiry by tribunals into the conduct of Government officials—Leave to move, disallowed	832—34
Indian Finance Bill, 1935—Considered and passed	835—90

Wednesday, 17th April, 1935—

Short Notice Questions and Answers	891—97
Motion for Adjournment <i>re</i> communal riots during Mohurrum—Disallowed	897—98
Salt Additional Import Duty (Extending) Bill—Considered and passed	899—903
Indian Mines (Amendment) Bill—Considered and passed	903—06
Motion <i>re</i> expression of loyalty and devotion to His Majesty the King-Emperor on his Silver Jubilee—Adopted	906—09

COUNCIL OF STATE.

Thursday, 7th March, 1935.

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

QUESTIONS AND ANSWERS.

COMPANY-MANAGED RAILWAYS WHICH THE GOVERNMENT OF INDIA HAVE AN OPTION OF PURCHASING.

63. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table a statement giving the following information about the worked lines and other Company-owned Railways, Classes I and II, which the Government of India have an option to purchase:

- (a) Share capital?
- (b) Purchase terms, if any?
- (c) The earliest date when an option will arise?
- (d) The last date when an option arose and was not exercised?
- (e) The dividend paid during the last four years by these companies?

THE HONOURABLE SIR GUTHRIE RUSSELL: (a), (b), (c) and (d). The information required by the Honourable Member will be found in the History of Indian Railways, a copy of which is in the Library.

(e) Government have no precise information on this point, and as the number of companies for which the Honourable Member requires information is large, it will involve a considerable amount of labour to collect it and Government do not consider that it will be justified by results.

BATHROOMS IN DUFFRIES' QUARTERS, MINTO ROAD.

64. THE HONOURABLE MR. P. N. SAPRU: (a) Is it a fact that proper bathrooms have been provided in the duffries' quarters near Raja Bazar in New Delhi?

(b) Is it a fact that in the new quarters recently constructed on the Minto Road area of New Delhi for the duffries of the Government of India Offices there is no bathroom but only a cemented floor without an enclosure?

(c) If the answer to (b) is in the affirmative have Government considered the desirability of providing suitable bathrooms in those quarters?

(d) Is it also a fact that in quarters for duffries on the Minto Road no door has been provided for the kitchen, that there are no shelves in the kitchen and that there is no window in the sleeping rooms to admit of any air inside the rooms and that the small opening in the roof (6" x 6") is quite insufficient?

(e) If the reply to (d) is in the affirmative, do Government propose to remove these defects ?

(f) Have Government issued orders that the defects mentioned above should not be reproduced in the quarters which may have to be constructed in future ?

THE HONOURABLE MR. D. G. MITCHELL : (a) and (b). Yes.

(c) Yes, but the arrangement made is regarded as adequate.

(d) and (e). There is no separate kitchen, part of the verandah having been enclosed to serve as a kitchen. Doors and shelves are not essential in the circumstances. Ventilators are provided in the bed rooms, there being no room for windows.

(f) No.

THE HONOURABLE MR. HOSSAIN IMAM : Did these duffries present any application to the department before these quarters were built ?

THE HONOURABLE MR. D. G. MITCHELL : I must ask for notice of that question, Sir.

GRANT OF MONETARY ASSISTANCE TO MR. SUBASH CHANDRA BOSE.

65. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Is it a fact that Mr. Subash Chandra Bose who came to India from Europe to attend the *Shradh* ceremony of his father was allowed passage money by Government when he came by air ?

(b) If so, was he given the passage money back from India to Europe ? If not, why not ?

THE HONOURABLE MR. M. G. HALLETT : (a) No.

(b) Does not arise.

MARTIAL AND NON-MARTIAL CLASSES.

66. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Will Government be pleased to state what castes and communities in India are classed as " martial " and " non-martial " respectively for the purposes of recruitment to the army in India ?

THE HONOURABLE MR. M. G. HALLETT : None, Sir. This is a phrase coined largely by politicians. The classes enlisted in the army at present are shown in the Indian Army List at the heading of each unit, and they are those which in the opinion of the military authorities, produce the most efficient soldiers.

THE HONOURABLE MR. HOSSAIN IMAM : Who, according to the Honourable Member, are the politicians ?

THE HONOURABLE MR. M. G. HALLETT : I regret I can add nothing to the Honourable Member's reply.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that only certain communities are eligible for admission to the army according to the list of eligible members who can be recruited ?

THE HONOURABLE MR. M. G. HALLETT : Sir, I must ask for notice of that question, in the absence of His Excellency the Commander-in-Chief.

REPRESENTATION OF VAISHYAS IN THE INDIAN CIVIL SERVICE.

67. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Will Government be pleased to state :

(a) The total number of Vaishyas in the cadre of the Indian Civil Service ?

(b) The number of such Vaishyas in the Indian Civil Service as are residents of the United Provinces ? and

(c) The number of Vaishyas, if any, that have been successful in the last competitive examination held in London for the Indian Civil Service ?

THE HONOURABLE MR. M. G. HALLETT : (a), (b) and (c). I regret that the information the Honourable Member desires is not readily available. As the labour involved in collecting it would hardly be commensurate with the value of the results obtained, I regret I am unable to undertake to collect it.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Can the Honourable Member undertake to supply information as regards (c) which is a small item ?

THE HONOURABLE MR. M. G. HALLETT : I will try and get the information with regard to (c).

LOSS OF REVENUE IF THE HALF TOLA WEIGHT FOR LETTERS IS INCREASED TO A TOLA.

68. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Will Government be pleased to state what will be the loss of revenue, if any, if the half tola unit of weight for letters is increased to one tola ?

THE HONOURABLE MR. D. G. MITCHELL : An accurate estimate of the loss involved by this or any other proposal to change the letter tariff is difficult to prepare because a separate account is not maintained either of the revenue from the postage on letters or of the number of the ordinary paid letters. A statistical count of the letter traffic is taken twice each year and the total traffic is estimated therefrom. Based on this, an estimate of the loss or gain can be prepared after making certain assumptions as to the effect of the changes in the tariff on the total volume of the traffic and on its distribution between the different weight categories. Assuming that 70 per cent. of the total traffic will consist of letters not exceeding one tola in weight it is estimated that the loss will amount to Rs. 16 lakhs in one year.

INTRODUCTION OF NEW CONDITIONS OF SERVICE FOR ARMY HEADQUARTERS OFFICES.

69. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: With reference to my question No. 145 asked on the 27th August, 1934, will Government be pleased to state what action they have taken on the representation of the clerks concerned?

THE HONOURABLE MR. M. G. HALLETT: It has been decided that those of the clerks referred to who are unwilling to accept permanent appointments on the new terms of service in the Army Headquarters Offices, will as opportunity offers, be absorbed in vacancies in civil offices.

GRANT OF OPTION TO REFUSE APPOINTMENTS IN ARMY HEADQUARTERS AND WAIT FOR APPOINTMENTS IN CIVIL OFFICES TO CIVILIAN CLERKS, ETC.

70. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD:
(a) Is it a fact that those candidates who came out successful in the Ministerial Service Competitive Examination held by the Public Service Commission in November, 1933 and who were offered appointments in Army Headquarters Offices have been allowed the option to refuse those appointments and wait for appointments in civil offices, notwithstanding the fact that they were warned in their appointment offers of the new conditions of service?

(b) Do Government contemplate extending the same privilege to candidates who came out successful in the last examination held in December, 1934?

(c) If the answers to (a) and (b) be in the affirmative, do Government propose to extend a similar privilege to those civilian clerks who entered service in Army Headquarters Offices as a result of the competitive examination held in 1932 and who had not been warned of the new conditions of service at the time of their appointments? If not, why not?

THE HONOURABLE MR. M. G. HALLETT: (a) and (b). Yes.

(c) As the men are already in service the question of allowing them to wait for appointments in civil offices does not arise. It has, however, been decided that those who are unwilling to accept permanent appointments in the Army and Royal Air Force Headquarters Offices on the new terms should, as opportunity offers, be absorbed in vacancies in civil offices.

STATEMENT LAID ON THE TABLE.

EXCISE DUTY ON SUGAR.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I lay on the table information promised in reply to part (b) of question No. 35 asked by the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra on the 16th February, 1935.

(b) The amount of excise duty realised up to 31st January, 1935 from the co-operative sugar factories working on the vacuum-pan systems is Rs. 5,279-15-9 and from those working on the open-pan systems Rs. 766-6-2.

RESOLUTION ~~BE~~ CONTINUED PROTECTION TO WHEAT GROWERS IN INDIA.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN (United Provinces:
Nominated Non-Official): Sir, I move :

"That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by—

- (a) extending the period of import duty on foreign wheat,
- (b) reducing the railway freight on wheat when it is sent from the United Provinces and the Punjab to the port towns of Karachi, Bombay or Calcutta "

This Resolution, Sir, is divided into two portions and, as the Honourable Members are aware, as far as the first part is concerned, it is already in operation. The only thing that I want is that when the period is going to expire this protection may continue to be given. It was several years ago that all the Members from the Punjab and the United Provinces and probably a few other Members along with them waited in a deputation on Sir George Rainy, the then Commerce Member. And they pressed this point that unless protection was given to the wheat growers India is sure to get into such a calamitous position in regard to financial matters that it will not be possible to have any commerce in India at all, because the purchasing power of the people will go down and down until it becomes unbearable. Wheat is a commodity in relation to which all prices in India are in reality determined. If the wheat grower can sell his wheat at the standard price of Rs. 3 per maund, then all commodity prices rise. If wheat sells below 13 seers to the rupee, then it is beneficial neither to the wheat grower nor other commodity growers. Commerce has been going down and down simply because people have no power of purchasing left in them on account of the price of wheat having gone down to a very great extent. After the deputation convinced Sir George Rainy, he introduced a Bill and gave this protection, which is still going on, and will continue up to the 31st March this year. I need not dilate on the arguments at present. They have been repeated year after year in the other House and I believe all Honourable Members have gone through them. Those arguments have led the Government in the past to support this measure. We are standing on the same ground today also. We do not see any fluctuation in the market. The time has not come when this protection can be taken away. I will only say this to those of my Honourable friends who have the interests of the rice growers at heart that they must realise that unless the price of wheat goes high, the price of rice can never go high. The United Provinces and the Punjab, which are great purchasers of rice, can never afford to purchase rice at a higher price when their own commodity, which is their staple food, is selling at so low a price as Rs. 1-6-0 per maund. When wheat was selling in the United Provinces and the Punjab at five seers to a rupee, and for a short time at four seers to a rupee, people were rich. Although it was the staple food and was so costly, yet people had so much money in their pockets that they could purchase anything and everything. For the last two or three years, wheat has been selling at Rs. 1-6-0 per maund and sometimes even below that. That is the price at which villagers carted their wheat to Lyallpur and sold it there. So, they must actually have sold it at Rs. 1-2-0 per maund, if we take four annas as the cost of cartage from the village to the market. In one *bigha* of land, Sir,—I will take the *bigha* and not the acre,—in a *kucha bigha*, at the highest and in the best soil, we cannot produce more than four maunds to a *bigha*.

THE HONOURABLE MR. HOSSAIN IMAM : Which *bigha*—standard or Bengali.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I am taking the *kucha bigha* which is one-third of the standard *bigha*. In a *kucha bigha*, the highest we can get is about three maunds to a *bigha*, and if three maunds are sold for Rs. 4-2-0 (at the rate of Rs. 1-6-0 per maund), this means that the cultivator gets for all his labour, the capital which he has invested, canal dues which he has paid and the rent which he has to pay to the landlord only Rs. 4-2-0 per *bigha*.

THE HONOURABLE MR. HOSSAIN IMAM : On a point of information, Sir. Will the Honourable Member say what is the proportion of a *bigha* to an acre ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : One acre is equal to one *bigha* and 12 *biswas pucca*, i.e., 32 *biswas* make one acre, and one *bigha pucca* makes 3 *bighas kucha*. If it is sold for Rs. 4-2-0, the rent which he has to pay to the landlord is about Rs. 3 per *bigha*; he has to pay Re. 1 towards canal dues. For the seed which he has put in there by getting it through the money-lender, he has always to pay one and a half times what he has purchased. Thus, supposing we take five seers as the seed which he has to put in one *bigha*, then he has to pay back seven and a half seers to the money-lender. Its cost also has to be met from the produce. Then there are the bullocks which he has to keep for the cultivation. He must keep at least a pair of bullocks for which he has to pay and he has to feed them also. His whole family has to labour in the field for 10 months because wheat growers know fully well that in the fields where wheat is grown, no other crops can be raised in the same year. It means that the whole family, which is working for one year as labourers in the field, get nothing. The result of this has been that in the Punjab and the United Provinces, there have been remissions of rent, and yet the cultivator cannot see his way to make both ends meet. The poor labourer is so hard hit that there is a tendency to leave the villages. If the sugar factories did not come to their rescue, probably we would have found a lot of people leaving the villages and migrating to the towns asking for some kind of work. They cannot live in the villages nowadays. The poor people are starving, because the value of their produce has gone down so much. They have kept up for such a long time only because of this import duty at Rs. 2 per cwt. It is very small. We have pressed year after year that this duty is too small and that it should be raised, so as to give enough protection to the cultivator that the price at least comes up to Rs. 3 per maund. At that price, the cultivator can just manage to live. It will not give him any benefit; it will give him only the remuneration for his labour in the land for one year. Unless wheat sells at 13 seers to the rupee, it will be a losing concern to the cultivator and his migrating to the towns will be a great menace and the economic stability is bound to be disturbed in the near future. Government was very wise in the past to give this protection, and I hope that they will come forward now to give the same protection to day again until prices go up and until the competition from Australia has ceased. In 1930—I think the Honourable Mr. Stewart will bear out my figures—all the wheat growing countries produced a very large surplus of wheat. Australia probably produced double its usual amount, and Canada, the Argentine, Russia and India all produced about two million tons each more than normal, with the result that the large surplus stock of that year continued to affect the markets in

this country, because the foreign wheat, as it became old, was dumped in this country at very low rates, and naturally people preferred to buy this cheaper wheat rather than the costlier Indian wheat. There are also mills at Calcutta, Bombay and Karachi which import wheat for the purpose of grinding it into flour for re-export to Egypt and other places, and they buy this imported wheat because it is cheaper than Indian wheat, and the second part of my Resolution is for their benefit. We have therefore two conflicting interests, that of the wheat growers and that of the dealers and consumers, and it is necessary to meet both.

At Hapur, which is only about 30 miles from Delhi, wheat was sold at 23 seers for the rupee at the time of the harvest, as compared with 10 seers for the rupee five or six years ago. That hits the producers very hard in the western United Provinces and the whole of the Punjab. And the protection given must be so adjusted, in regard to the railway freights, that the merchants in Bombay, Karachi and Calcutta may be able to purchase northern India wheat at a cheaper rate than the wheat imported from Australia after it has paid the protective duty. The duty at present is Rs. 2 per cwt., but Australia can land its wheat at the ports at such a low rate that the Punjab and the United Provinces wheat cannot compete with it. The prices are determined by the prices prevailing in Bombay and Calcutta. My Honourable friend Mr. Stewart knows the Kaisergunje very well in Meerut, because he was there for several years. Well, I wanted to know why prices were so low and they said the *desawar* was like that, by which they mean that the Bombay and Calcutta markets are the determining factor in the price of wheat, and when prices there are low they are low everywhere. I want, Sir, in the interests of the merchants who buy foreign wheat to grind into flour and in the interests of the consumers in Bombay and Calcutta, that railway freights may be so adjusted that they can purchase Indian wheat in preference to foreign wheat. Our wheat exports have been considerably reduced. Where we used to export 300,000 tons annually, it has now come down to 60,000 tons only, and in some years it has been less than that because the prices are not favourable, foreign countries being able to sell cheaper. But however that may be, our produce is sufficient for our own needs and we do not require any imports or exports. The only way of helping the agricultural population, in regard to which my Honourable friends have always shown great concern, is to help them to dispose of their wheat at a reasonable rate and put something into their pockets to jingle, at present they have not even *cowries* to jingle. This can only be done by accepting both parts of my Resolution, which helps both interests which I have mentioned. In the past only one side has been considered, and if the other side is also now helped I feel that no one will be opposed to this. I need not go into all the arguments I have given in the past. I hope the House will unanimously accept this Resolution and that the Honourable the Chief Commissioner will also find it easy to accept my second suggestion. He may feel that it will diminish his revenue, but I can assure him it will have the opposite and will promote the flow of wheat which is at present locked up in corners of the country and is bringing no money to the coffers of the railways. I am sure the Government will have no difficulty in accepting the first part of my Resolution and I hope the second part will also be accepted. I commend my Resolution to the House.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : May I, Sir, intervene at this stage with reference to part (a) of the Resolution moved by the Honourable Mr. Yamin Khan to say that all the facts relevant to the wheat situation within India and outside are well known to the Government

[Mr. T. A. Stewart.]

of India, who hope to be in a position to arrive at a decision on this matter at an early date. In these circumstances, they feel that it would be inappropriate at this stage to offer any opinion for or against the proposals of the Honourable Mr. Yamin Khan. This refers to part (a) of the Resolution. The second part will be dealt with in due course by my Honourable colleague the Chief Commissioner of Railways.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal : Non-Muhammadan) : Sir, I congratulate the wheat growers of the Punjab in having new protagonists year after year. Last year it was the stalwarts of the Punjab; this year it is the new Government recruit,—my gallant friend from Meerut. Though I must tell the Honourable Mr. Yamin Khan straight off, that much as I admire his special pleading for the wheat growers of Northern India, I am bound to say that sitting here in the central Legislature I had expected a wider outlook from him. I charge Mr. Yamin Khan for having turned a blind eye to the Bengal consumers. Get as much protection as you like, put as much prohibitive import duty on foreign wheat as you like, but please see that we get wheat, either Punjab or Australian or from anywhere, at a cheap cost, at a cost which the poor Bengal consumer can afford to pay. On principle I am against any tariff duty on any foodstuffs, because, be they home grown or imported, they are necessities of life which should be within the reach of the poorest among us. But I also recognise the fact, that home grown foodstuffs are preferable to the consumer because incidentally the money spent on them remains in the country for the advantage of the children of the soil. But if that means any increase of the price to the consumer, I am afraid my patriotism will not go so far as to support a measure which will have that effect. The wheat growers have enjoyed the protection of this import duty for the last four or five years. But what have they achieved? Have they been able to bring down the prices to the same level as the Australian wheat *minus* the import duty at Calcutta? Believe me that I am in no way an antagonist of the prosperity of the Punjab or any other province of India—

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Is my Honourable friend in favour of giving no protection to any Indian industry, including the cloth mill industry?

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : I have said that I am not in favour of imposing any protective duty on foodstuffs. But you will pardon me, I am sure, when I feel it my duty to raise my voice against the prosperity of the other provinces at the cost of my own province, inspired as I am just now by the example of provincial patriotism of my Honourable friend Mr. Yamin Khan.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, is it refreshing when we find that people tell us principles without substantiating them? It is very easy to do that. My Honourable colleague from Meerut has just now said that wheat prices are a sort of barometer for the price of other agricultural foodstuffs and with the rise of wheat prices other food prices rise and with its fall, others fall. It was such a good principle that I wanted to verify the correctness of it by getting a book from the Library, and this is what I find in the report of the Provincial Economic Conference, 1934, held by the Government of India,—the constituency

which the Honourable Member represents! This is the diotum of that constituency. Sir, on the basis of 1913 figures as 100, the index number of wheat price in 1931 was 83, while in 1933 it rose up to 109, a rise of 27 points. In the same period the price of rice went down from 79·5 to 52·5, a fall of 27 points. This is in refutation of the general theory which he enunciated just now!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: What was the price of rice in 1921 and 1922 when wheat was selling at five seers for the rupee?

THE HONOURABLE MR. HOSSAIN IMAM: I will present him with that too. Sir, the price of rice between the period 1920 and 1929 was 133 and the price of wheat was 169. It was then higher unfortunately for the rice growers of the eastern provinces. Then he enunciated another principle, that with the rise of wheat prices, the pockets of the peasantry will jingle and when they have more money it will be possible for them to buy more rice. That would have come better if rice growers had said, that, because the area in which rice is cultivated is two and a half times more than the area in which wheat is grown. The area was 84 million acres, whereas the area of wheat was less than 40 million acres.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: What maundage?

THE HONOURABLE MR. HOSSAIN IMAM: I have not got the figure. You can look it up in the report.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN—

THE HONOURABLE THE PRESIDENT: Order, order. Let the Honourable Member have his say.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, the rise in the price of wheat has a distinct bad effect on the pockets of the Bengal consumers. Bengal, as is well known, does not grow wheat; it grows only rice and jute; both of these have fallen very much. The price of raw jute is only 41·5 per cent. of what it used to command in 1913. That will show that the price is very low and if the price of the commodity by which they get money is reduced how can they purchase more wheat from the Punjab? I suppose the present price of wheat is high enough in ratio to the rice as we have added further to the difficulties by having a duty of Rs. 2 per cwt., the result is that they are not able to buy as much wheat as they can consume. This has a bad effect for the wheat growers as well because by reducing purchasing power and consumption, you have established a positive surplus supply, which has the direct effect of reducing prices. That is one reason why in spite of this duty of Rs. 2 per cwt. wheat prices have fallen again.

THE HONOURABLE THE PRESIDENT: The Honourable Member will have another opportunity of discussing this matter in view of the statement made by the Honourable Mr. Stewart.

THE HONOURABLE MR. HOSSAIN IMAM: I have to represent the interests of the rice growers and on this occasion I want to say why we do not find ourselves in agreement in treating this as the favourite wife of the Commerce Department. As the Honourable Member happens to represent the Treasury benches, I thought it as good an opportunity to discuss it now as when it is moved by one of the gentlemen on the Treasury benches—

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Why ?

THE HONOURABLE MR. HOSSAIN IMAM : You represent them !

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I do not.

THE HONOURABLE MR. HOSSAIN IMAM : You are here to represent the views of the Treasury benches ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : I repudiate that very strongly. I am not here to represent the views of the Treasury benches. I am here to represent the views of my province.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, it is well known——

THE HONOURABLE MR. T. A. STEWART : May I, Sir, as a matter of personal explanation, say that the Honourable Mr. Yamin Khan was not expressing my views this morning ?

THE HONOURABLE MR. HOSSAIN IMAM : Then he is false to his own constituency ; that is all I can say. Sir, the position of the eastern provinces is that while they have every sympathy with the wheat growers of the Punjab and the United Provinces, they wish that justice should be done to them too. In this connection I very much regret that no mention was made in the budget proposals to impose a duty on the importation of rice. May I hope that the Honourable the Commerce Secretary when he informs this House of the decision of the Government he will also inform this House of what they are going to do about the rice position ?

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways) : Sir, my Honourable friend Mr. Stewart has already dealt with part (a) of the Resolution and it only remains for me to explain to the Council the attitude of Government towards part (b) of the Resolution. I would say rightaway that Government realise as well as anybody else how important cheap rates on wheat and other food products are to the agriculturist and also to the country at large ; but the Resolution as it stands suggests that cheap rates should be used as a method of giving additional protection to the agriculturist, in this particular case the wheat grower. This is a position that Government cannot accept. Government have consistently deprecated the giving of veiled protection to any industry or any particular class of industry by the manipulation of railway rates. They have always said that if protection is necessary it must be given openly. I do not think I can explain the position better than by quoting from a speech by the Honourable the Commerce Member made in February, 1934 during the debate on the railway budget. He said :

“ Then suggestions have been made that the railways should reduce their rates in order to give assistance to agriculture and industries. Now, the position of the Railway Department has always been this : if we are expected to operate as a commercial concern, then obviously we must charge rates which are fully economic, that if Governments decide that assistance should be given to agriculture and industries, that assistance should not be indirect, concealed and vicarious as it would be if railway rates were reduced for the carriage of their products, but that it should be given directly and openly, so that the principle of giving assistance and the measure of assistance to be given may from time to time be capable of being examined and controlled by the Governments and the Legislatures concerned. From that position the Railway Department has never resiled. Yet,

notwithstanding that they have, during this period of stress and strain, come to the assistance of agriculture in the peculiar circumstances of the day. Many railways have, as Honourable Members are aware, reduced their freights for the carriage of rice and wheat. I can also say that in certain cases railways do, as a matter of fact, quote special rates for the products of certain industries, but that, of course, is for the purpose of increasing and stimulating traffic."

I should also like to quote section 42, sub-section (2) of the Indian Railways Act :

"(2) A railway administration shall not make or give any undue or unreasonable preference or advantage to or in favour of any particular person or railway administration, or any particular description of traffic, in any respect whatsoever, or subject any particular person or railway administration or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever".

Now having said that, I do not wish to imply that railways are always against giving reductions in freight. I can assure you that railways are always prepared to consider a reduction in freight so long as it is based on economic principles. But I think I might tell the House that any reduction in freight requires a considerable increase in traffic if the railways are to get the same earnings. For example, if we reduce our freight by 25 per cent. we have got to increase our traffic by 33 per cent. to get the same gross earnings. To get the same net earning the increase has of course to be considerably more. I should now tell the House of certain reductions we have made in wheat rates during the past two years from the United Provinces and the Punjab. The rates from Lyallpur and Khanewal to Calcutta have been reduced by 16 per cent. and 18 per cent., respectively, the rates from Aligarh and Chandausi to Calcutta have been reduced by 10 per cent., and the rates from Lyallpur and Khanewal to Bombay have been reduced by 28 per cent., these reductions have been made on purely commercial considerations.

THE HONOURABLE MR. HOSSAIN IMAM : What was the increase in traffic ?

THE HONOURABLE SIR GUTHRIE RUSSELL : I could not tell you just now : I have not yet got statistics. These reductions have been made purely on commercial considerations and to prevent diversion to the sea route of this traffic which has normally been carried by the rail route. Further, from the 1st of September, 1934 the North Western Railway have been allowing a rebate of 25 per cent. on all wheat railed to Karachi, and thence exported to countries west of Aden *via* Karachi. This is being done with a view to encouraging export traffic. But Government would very strongly deprecate a general reduction in wheat rates to Karachi. The only effect of such action would be to divert wheat which is going to Calcutta by rail to the sea and would mean a loss of railway earnings. They would also deprecate a general reduction of wheat rates to Calcutta because of the fact that at present rates Indian wheat can compete in the Calcutta market and can meet all the needs of the Calcutta market. There is one other thing. I think people do not realise how an arbitrary reduction in freight rates for some particular commodity or industry may entirely upset the economic balance of another industry. Now take the case of wheat. If we made a large reduction in wheat rates to Calcutta it would entirely upset the flour mills in the Punjab. It would put them entirely out of the Calcutta market.

THE HONOURABLE MR. HOSSAIN IMAM : May I ask one question ? At present what is the difference in rates between wheat and flour ?

THE HONOURABLE SIR GUTHRIE RUSSELL: There is a very small difference.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: But my Motion only refers to one-way traffic. Two-ways traffic only comes in when wheat is sent from the Punjab.

THE HONOURABLE SIR GUTHRIE RUSSELL: All the rates I have quoted have been from up-country to the ports. I have not dealt with the rates from Calcutta to the interior. What I said was that it would entirely upset the flour mills in the Punjab who at present send a certain portion of their output to Calcutta.

If we reduce the wheat rates, the Calcutta flour mills would be able to produce their flour so much cheaper that they would entirely cut out the flour mills in the Punjab. But as I have already said if we are asked for reductions which the railways think will be remunerative we will be only too pleased to consider them. But we are not prepared to consider a proposal to reduce railway rates which has as its object the giving of veiled protection. Having made this explanation regarding the attitude of Government, I trust my Honourable friend Mr. Yamin Khan will see his way to withdraw his Resolution. Failing this, I regret that I must oppose it.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, I had no intention of participating in the debate on this Resolution but the speech of the Honourable Mr. Ghosh Maulik has prompted me to say a few words in connection with the Resolution. The speech of my Honourable friend has led me to think that he is not in favour of the Resolution. If that be so, Sir, I may inform him that a number of bodies and associations have sent representations to the Government of India supporting the extension of the Wheat Import Duty Act and among such associations is the Indian Produce Association of Calcutta in Bengal from which province my Honourable friend Mr. Ghosh Maulik comes.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK: What about the other Associations in Calcutta?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: In addition to this Association I find that the following Associations—

THE HONOURABLE NAWAB KEWAJA HABIBULLAH OF DACCA (Bengal: Nominated Non-Official): May we know who are the members of that Association and whether they represent Bengal or not?

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: In addition to this Association the following Associations have sent representations to the Government of India: The Indian Merchants' Chamber, Bombay; the Merchants' Chamber of the United Provinces, Cawnpore; the Maharashtra Chamber of Commerce, Bombay; the Mysore Chamber of Commerce, Bangalore; the Northern India Chamber of Commerce, Lahore; the Indian Chamber of Commerce, Lahore; the United Provinces Chamber of Commerce, Cawnpore; the Gwalior Chamber of Commerce, Karachi and the Indian Merchants' Association. So, Sir, the demand for the extension of the Wheat Import Duty Act is not confined to the United Provinces or the Punjab alone

but people of other places like Bombay, Bengal, Bangalore and Karachi are also in favour of the continuance of the import duty on wheat.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : So far as that Association is concerned I should not be surprised if they are an association of up-country people in Calcutta.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : I think, Sir, it is for my Honourable friend from Bengal to find out whether this association is a genuine Bengali one. In view of that, Sir, I hope that the proposition of my Honourable friend Mr. Yamin Khen will receive the support of this House and of the Government.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : Sir, the reason for my taking part in this debate is just to assure my Honourable friend Mr. Hossain Imam that the Honourable mover of this Resolution, as was pointed out by the Honourable Mr. Stewart, is not voicing the sentiments of the Treasury benches today but is really voicing the sentiments of the elected representatives of the Punjab and the United Provinces. I am in the fullest sympathy with the object of this Resolution, and I see no reason why it should be opposed by anybody. I very much regret the absence of the Leader of the Progressive Party this morning, because, if he had been here, I would have left the question to be settled between the Leader and the Deputy Leader. I am sure that the Leader of the Opposition, coming as he does from the Punjab, would have supported us.

THE HONOURABLE MR. HOSSAIN IMAM : I never opposed this measure. I only said that we wanted no discrimination between the rice and wheat grower.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : It was surely to be expected from such a progressive politician as Mr. Hossain Imam that he will support the Resolution if it is put to the vote, and if he did not create the same impression upon my mind before, it was due to the fact that he had taken strong exception to the personality of the mover of the Resolution. He can say anything he likes with regard to the personality of the mover, but I assure him that the object of the Resolution is such that it should be supported by every Member of this House. It is not really a contest between rice and wheat. I am in the fullest sympathy with all those who come from constituencies which grow rice and I can assure them that they will have my fullest support whenever there is any question regarding protection of the rice grower. We should all work in that spirit. I see no reason why the mover of this Resolution should withdraw it or why any of the non-official Members should oppose it.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Sir, I should like to support my Honourable friend Mr. Yamin Khan in his Resolution asking that the period of import duty on foreign wheat be extended. Though I come from a rice-producing province, I do not grudge my friends from the Punjab and the United Provinces getting the benefit they desire. At the same time I appeal to the Government of India to take early steps to treat the people of Southern India in the same way as they treat the people of the Punjab and the United Provinces. Only the other day, the Resolution regarding the import duty on rice

[Diwan Bahadur G. Narayanaswami Chetty.]

was thoroughly discussed on the floor of this House and I therefore do not want to take up the time of the House any further except to say that while sympathising with the mover for the extension of the period of the import duty on wheat, I would appeal to the Government of India to come to a very early decision regarding the import duty on rice also.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Sir, before expressing my opinion as to what I am going to do with my Resolution, I feel bound to reply to a few of the observations which have been made on the floor of the House by some Honourable Members. I repudiated then, and I repudiate again very strongly any insinuations which have been made in the most commonplace manner against Members who come here to serve their own provinces and the country by accepting a nomination, insinuations that they have anything to do with the Treasury benches. If this insinuation were correct, then my Resolution would have at once been accepted by the Treasury benches. But as it has not been accepted, this will convince my Honourable friend that he was most unjustified and that it was wrong of him to say this or to make any insinuation in this easy manner in a House which has got dignity and prestige behind it.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask what is the constituency which the Honourable Member represents?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My Honourable friend does not represent his constituency often.

THE HONOURABLE THE PRESIDENT: Will you proceed with your speech?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: If the elections come this time——

THE HONOURABLE MR. HOSSAIN IMAM: What is the constituency?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: My friend knows that I represented the constituency which the Honourable Hafiz Halim represents and if he had been present here, he would have told the Honourable Member what influence I have there.

THE HONOURABLE MR. HOSSAIN IMAM: What we want to know is what your constituency is? You have no constituency but the Government!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: As far as that goes, he can go on talking like a child! That kind of remark only takes away the prestige which this House has enjoyed for a very long time.

As far as my Resolution is concerned, I deprecate that Members who do not represent a particular interest should oppose the interests of those who do represent that particular interest. Will it be right, whenever people who represent the rice growers come up with a proposition, for those people who do not grow rice to jump up and say that they are not going to give them protection? That will not be right. As the House is constituted, we all do not represent the same interests. There are some people who represent the rice growers; some represent the wheat growers; some represent the millowners;

some are interested in imports, some are interested in exports. So, all people are not of the same interest, and therefore we have all got to support whatever is good for the Indian public, irrespective of whether it is going to affect us or not. If the tendency is otherwise, those who come up for the advancement of the country will find that by their disunion they will never be able to make any progress, whether they call themselves progressive or by any other attractive name.

THE HONOURABLE MR. HOSSAIN IMAM: Or United India!

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: United India has seen its time. It has shown to the world what United India was. In view of the Government position, I do not know what to do with the first part of my Resolution. The Honourable the Commerce Secretary has not given to us the views of the Government. He has reserved them. In the absence of that, I do not know whether I should press that part of the Resolution or not. If the Government are going to make an announcement very soon, then it is not right for me to press this at once. (*An Honourable Member*: "Why not?") Unless I know the Government attitude, I cannot say whether I accept or reject the Government views. Government have not said whether they accept my arguments or not. It is not therefore easy for me to express an opinion on their views on this subject.

THE HONOURABLE THE PRESIDENT: But you have to make your decision now.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I cannot press it to a division, because Government have not yet decided. That is what I am saying.

As regards the second portion of my Resolution, that is only a corollary to the first, and therefore I cannot press to a vote the second portion, unless I know the position about the first. But I do not agree with the remarks of the Honourable the Chief Commissioner of Railways when he says that the Government cannot give any protection to any interest or any industry. That is not a correct proposition, because Government have been giving protection.

THE HONOURABLE THE PRESIDENT: I am afraid you have misunderstood what the Honourable Sir Guthrie Russell said. When he was referring to preference, he was referring to undue preference. He quoted from the Railways Act the law on the subject and said that the Government were not prepared to give protection.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: I am not referring to the quotations. Just before the quotation he made a remark—

THE HONOURABLE THE PRESIDENT: He referred to the Act itself.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN:—and he said that Government cannot give protection to any industry or any interest or any class of interests.

THE HONOURABLE SIR GUTHRIE RUSSELL: What I said was that Government cannot agree to give protection to any industry by the manipulation of railway rates.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: That is true. But I found in his own speech the other day, when introducing the railway budget, he mentioned that the Government had given facilities to grains and other commodities in the matter of transport.

THE HONOURABLE SIR GUTHRIE RUSSELL: On purely commercial principles.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN: Quite right. I am talking of commercial principles. What is commerce? If seven-

12 Noon.

Provinces are engaged in wheat growing, is that not commerce? If that is not commerce, I do not know what he would call commerce? Does he mean by commerce only manufacture in mills of particular kinds of goods? Sir, I do not know how he can put the flour millowners in the Punjab in the same category as the wheat growers of the Punjab? The former are a handful of capitalists from whose existence India does not gain anything. But the existence of the peasantry is essential and their interests are essential. I do not know how he can put the two classes into the same balance. They are absolutely different. If his intention is to protect the interests of the flour millowners in the Punjab as against the wheat growers, I think he is wrong. That ought not to be the policy of the Government. The policy ought to be to benefit the masses of the people, and the wheat growers constitute the masses, not the flour millowners. Therefore, if the interests of the one conflict with the interests of the other class, I think protection should be given to the weaker class, the majority of the people and not to the few millowner capitalists.

But as I have said, the operative part of my Resolution was the first part, and about this the Government has given no decision and therefore I cannot press both parts. I know that all Honourable Members with the exception of a few support my view. The few appeared to be labouring under some misunderstanding, probably that this Resolution has been inspired by the Government, merely because a nominated Member to them is like a red flag to a bull. That is what probably made them jump up to oppose me. Anyhow I am not concerned with the trend of their minds. I should however like to await the Government's decision on this subject and therefore I beg leave of the House to withdraw the Resolution.

THE HONOURABLE THE PRESIDENT: Is it your pleasure that leave be given to the Honourable Member to withdraw the Resolution?

(Several Honourable Members expressed dissent.)

THE HONOURABLE THE PRESIDENT: Resolution moved:

“That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by—

(a) extending the period of import duty on foreign wheat,

(b) reducing the railway freight on wheat when it is sent from the United Provinces and the Punjab to the port towns of Karachi, Bombay, or Calcutta.”

The Question is :

“That that Resolution be adopted”.

(A division was claimed and the division bell was rung.)

THE HONOURABLE THE PRESIDENT : As this Resolution consists of two parts I propose to exercise my discretion in the matter and put part (a) and part (b) separately.

THE HONOURABLE MR. HOSSAIN IMAM : As the Chair has already put the two parts jointly, may I request the Resolution be put as a whole ?

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : The Chair has absolute right to put it as it thinks fit.

THE HONOURABLE THE PRESIDENT : Order, order. In this matter the President is guided entirely by his views and it is a matter for his discretion.

Resolution moved :

“That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by extending the period of import duty on foreign wheat”.

The Question is :

“That that Resolution be adopted.”

The Council divided :

AYES—34.

Askaran, The Honourable Mr. Shantidas.	Johnson, The Honourable Mr. J. N. G.
Buta Singh, The Honourable Sardar.	Menon, The Honourable Diwan Bahadur Sir
Charanjit Singh, The Honourable Raja.	Ramunni.
Chari, The Honourable Mr. P. C. D.	Miller, The Honourable Mr. E.
Chetty, The Honourable Diwan Bahadur	Mitchell, The Honourable Mr. D. G.
G. Narayanaswami.	Muhammad Hussain, The Honourable Khan
Choksy, The Honourable Khan Bahadur Dr.	Bahadur Mian Ali Baksh.
Sir Nasarvanji.	Naidu, The Honourable Mr. Y.
Devadoss, The Honourable Sir David.	Ranganayakalu.
Fazli-Husain, The Honourable Khan	Padshah Sahib Bahadur, The Honourable
Bahadur Mian Sir.	Saiyed Mohamed.
Ghazanfar Ali Khan, The Honourable Raja.	Philip, The Honourable Mr. C. L.
Ghosal, The Honourable Mr. Jyotananath.	Russell, The Honourable Sir Guthrie.
Glass, The Honourable Mr. J. B.	Sapru, The Honourable Mr. P. N.
Glaney, The Honourable Sir Bertrand.	Spence, The Honourable Mr. G. H.
Habibullah of Dacca, The Honourable	Stewart, The Honourable Mr. F. W.
Nawab Khwaja.	Stewart, The Honourable Mr. T. A.
Hafeez, The Honourable Khan Bahadur	Suhrawardy, The Honourable Mr. Mahmood.
Syed Abdul.	Tallents, The Honourable Mr. P. C.
Hallett, The Honourable Mr. M. G.	Ugra, The Honourable Rai Sahib Pandit
Hossain Imam, The Honourable Mr.	Gokaran Nath.
Jagdish Prasad, The Honourable Rai	Yamin Khan, The Honourable Mr.
Bahadur Lala.	Mohammad.

NOES—0.

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : Resolution moved :

“That this Council recommends to the Governor General in Council to continue to give protection to the wheat growers in India by reducing the railway freight on wheat when it is sent from the United Provinces and the Punjab to the port towns of Karachi, Bombay or Calcutta”.

The Question is :

“That this Resolution be adopted.”

The Council divided :

AYES—8.

Buta Singh, The Honourable Sardar.
Chari, The Honourable Mr. P. C. D.
Ghazanfar Ali Khan, The Honourable Raja.
Hossain Imam, The Honourable Mr.
Jagdish Prasad, The Honourable Rai Bahadur Lala.

Naidu, The Honourable Mr. Y. Ranganayakalu.
Sapru, The Honourable Mr. P. N.
Yamin Khan, The Honourable Mr. Mohammad.

NOES—21.

Chetty, The Honourable Diwan Bahadur G. Narayanaswami.
Chokey, The Honourable Khan Bahadur Dr. Sir Nasarvanji.
Devadoss, The Honourable Sir David.
Fazl-i-Hussain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotananath.
Glass, The Honourable Mr. J. B.
Glancy, The Honourable Sir Bertrand.
Habibullah of Dacca, The Honourable Nawab Khwaja.
Hafeez, The Honourable Khan Bahadur Syed Abdul.

Hallett, The Honourable Mr. M. G.
Johnson, The Honourable Mr. J. N. G.
Meenon, The Honourable Diwan Bahadur Sir Ramunni.
Mitchell, The Honourable Mr. D. G.
Muhammad Hussain, The Honourable Khata Bahadur Mian Ali Baksh.
Philip, The Honourable Mr. C. L.
Russell, The Honourable Sir Guthrie.
Spence, The Honourable Mr. G. H.
Stewart, The Honourable Mr. F. W.
Stewart, The Honourable Mr. T. A.
Tallents, The Honourable Mr. P. C.
Ugra, The Honourable Rai Sahib -Pandit Gokaran Nath.

The Motion was negatived.

RESOLUTION *RE* BUILDING UP OF AN INDIAN MERCANTILE MARINE.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Mr. President, I beg to move the following Resolution :

“ This Council recommends to the Governor General in Council to take suitable steps to build up an Indian mercantile marine at an early date with a view to an adequate participation of Indian shipping in the coastal and overseas trade of India ”.

Sir, Indian shipping is one of our greatest national industries and India with one voice and with remarkable unanimity has demanded for years past that Indian shipping should have its legitimate share in the coastal and overseas trade of the country and should build up an Indian mercantile marine worthy of India's ancient position in the maritime world. The Government of India have declared in unmistakable language that

“ they are in full sympathy with the widespread desire that India should possess a merchant fleet of its own ”,

and Lord Irwin as the Viceroy of India observed in 1928 that it was an ambition worthy of India

“ that India should have its mercantile marine and that the ships of that mercantile marine should be officered as well as manned by Indians ”.

The policy of Government further found expression in the Indian Legislature when it was made clear that their objective was to provide for

“ an adequate participation of Indian shipping in the coastal and overseas trade of India ” and “ that Government are particularly anxious to facilitate the growth and the expansion of the coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital ”.

Even after the failure of the Shipping Conference convened by the then Viceroy, Lord Irwin, in 1930, the Government communiqué issued on the 6th January, 1930 clearly stated that

“ the responsibility will rest with the Government of India ”.

of deciding what action should now be taken for the development of an Indian mercantile marine. I have referred to these authoritative pronouncements to make it clear beyond any doubt that both the people of this country and the Government of India are in agreement as to the necessity and desirability of building up an Indian merchant navy.

Now the question arises : What have the Government of India so far done to implement their accepted policy in this matter ? All that the Government have so far done seems to be that the Training Ship “ Dufferin ” was established at Bombay some time ago and a few scholarships have been granted to Indian boys tenable in the United Kingdom for training in mercantile engineering. Whether the Government have taken any other steps in the desired direction, I have yet to know. Now as to whether the mere establishment of a training ship would create an Indian mercantile marine I can do no better than quote the opinion of the Mercantile Marine Committee that was appointed by the Government themselves as an enquiry committee and which included two such competent British authorities as Sir John Biles and Captain Headlam. The Committee wrote :

“ . . . It is our considered opinion that the provision of facilities for the training of Indian officers and engineers alone is not sufficient to meet the requirements of the case and that some further steps are required to achieve the object in view ”.

These further steps, they observed,

“ should be in the form of the eventual reservation of the Indian coasting trade for ships the ownership and controlling interests in which are predominantly Indian ”.

This important recommendation by the Committee was made as far back as 1924 but the Government took no action on it. And when a Bill which was based on the recommendations of that Committee was introduced in the Legislative Assembly by Mr. Haji in 1928, it was opposed by the Government.

Moreover, there is one point in connection with the Training Ship “ Dufferin. ” The Training Ship “ Dufferin, ” I understand, turns out nearly 30 cadets every year and will turn out about 50 cadets from next year. Unless Indian shipping grows and develops, the problem of their employment will also be very acute in the near future. Similarly the employment of Indian marine engineers, wireless operators, etc., would also demand the development of Indian shipping.

Sir, there are in my opinion two recognised ways of developing the national shipping of a country. The most important and the universally recognised policy is to reserve the coastal trade for national shipping. According to the enquiry of the League of Nations, the result of which was published in 1931, 27 out of 32 maritime countries have reserved their coastal trade to their own nationals and the English Conservative Party recently stated that when it got into power, it would reserve their coasting trade to British ships. And I understand that there is also a proposal under the consideration of the British Government to reserve the imperial coasting trade to vessels under the British flag. But the Government of India have so far fought shy of accepting the principle of reservation of the Indian coastal trade for Indian shipping.

Another important manner in which the national shipping industry is developed in all maritime countries is the grant of subsidies. It is understood

[Rai Bahadur Lala Jagdish Prasad.]

that Japan which began the development of her shipping industry as late as 1870 enjoys a position today as regards tonnage which is third in the world. And the Japanese mercantile marine has been brought about by preferential treatment, by the grant of bounties and subsidies. Persia did not have a navy worth the name, indeed, even two years ago, but she has built a navy whose personnel is entirely Persian within so short a period. Governments of all civilised countries, such as France, Italy, Germany, Holland, Belgium, the United States of America and England, have done all they could to promote the development of strong mercantile marines and to protect their shipping which has prospered greatly as a result of it. According to Mr. Walter Runciman, the President of the Board of Trade, the French and United States shipping subsidies amount to £5,000,000 each; the Italian subsidy amounts to £3,000,000 and the Japanese subsidy amounts to £1,000,000, while the Dominions have a shipping policy which is nationalistic in character. Then about the United States of America I read only yesterday the news that a maintenance of adequate merchant marine under direct Government subsidy is proposed by Mr. Roosevelt in a special message to the Congress. But the Government of India have not yet adopted even the policy of giving subsidies to the Indian shipping companies in order to help the development of the Indian mercantile marine. The proportion of Indian shipping in the coastal trade of India is about 23 per cent. of the total tonnage operating in the Indian coastal trade which should be India's domestic concern by every canon of international law, maritime practice and imperial legislation. The share of Indian shipping in overseas trade is nil so that all the profit on cargo carried between foreign countries and India is earned by non-Indian shipping concerns. And if India had her own mercantile marine the huge sum of about Rs. 40 crores a year which represents India's annual rate bill would be retained in the country.

Now, Sir, will it not be pertinent to enquire how, having refused to follow either of these two recognised methods of protecting the national shipping, the Government of India are going to discharge their responsibility which they have publicly undertaken to promote the development of an Indian mercantile marine with a view to an adequate participation of Indian shipping in the coastal and overseas trade of the country? Sir, India's anxiety in the matter of development of her national shipping is enhanced by the commercial safeguards that have been provided in the new constitution. Because under the safeguards provided in the Government of India Bill, even if at any time in the future the Government were willing to reserve the Indian coastal trade in the manner suggested by the Mercantile Marine Committee, they have been deprived of the power to introduce such legislation; and if the Indian Legislature decides to grant a subsidy to an Indian company to enable it to fight against the unfair competition of the vested shipping companies, the British shipping companies against whose unfair competition such protection by way of subsidy is given will be equally eligible to participate in the grant with the Indian companies. I would like to know how the Government propose to carry out their accepted policy and repeated declarations to develop an Indian mercantile marine in the face of the severe handicaps sought to be imposed in the shape of commercial safeguards in the new constitution.

I wonder why the Government of India should not take immediate steps to increase the share of Indian-owned and Indian-managed shipping from 23 per cent., at which figure it stands today, to 51 per cent. in the course of, say the next five years by means of the licensing system, bounties, mail subsidies,

etc., and why Government should as a first step not promote the entry of Indian shipping in the overseas trade, especially in routes adjacent to India such as Karachi to Persian Gulf ports and Madras to the Straits by means of a subsidy which need not exceed Rs. 5 lakhs in the case of each of these routes.

In conclusion, Sir, I submit that the Government owe a duty to the public and the Legislature to declare their future plan of action in an unequivocal manner on this vital question of building up an Indian mercantile marine with a view to an adequate participation of Indian shipping in the coastal and overseas trade of India.

Sir, I move,

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal : Non-Muhammadan) : Sir, I move :

“That for the original Resolution the following be substituted, namely :

‘This Council recommends to the Governor General in Council to take immediate steps to give the contract for carrying coastal mails between India, Burma and Singapore to Indian steamship companies for the purpose of helping in the growth of a sufficiently large Indian mercantile marine to participate in the Indian overseas trade’.

Sir, in moving my amendment I beg to state that I am in perfect agreement with the Honourable mover of the Resolution in his object, namely, the development of merchant shipping in the coastal and overseas trade of India.

Coming as I do from Bengal I recall with pride the past glories of shipping in Bengal.

The reason for my moving this amendment is that I want to suggest a specific, definite and constructive method of developing Indian shipping in order to achieve the object underlying the Resolution of my friend the Honourable Rai Bahadur Lala Jagdish Prasad.

Sir, mail subsidies and contracts are important forms of State aid to shipping and have been resorted to by all important maritime States in order to develop their national shipping. I would, while on this subject, recall a very striking example of a subsidy which helped the development of British shipping in the coastal waters of India. I refer to the subsidy granted by Sir Bartley Frere to Mr. William Mackinnon, the founder of Mackinnon, Mackenzie and Co., and the pioneer of British shipping in India ; this subsidy given in 1863 enabled Mr. Mackinnon to establish a line of coasting steamers calling at various ports from Karachi to Calcutta as well as steamers to the Persian Gulf, Africa, England and Australia. The incident of the meeting of Mr. Mackinnon with Sir Bartley Frere has been recorded in the life of Frere and the biographer notes that

“the great (British India Steam Navigation) company took its first impulse”, so said Sir William Mackinnon, “from the encouragement given by Frere to a young and unknown man at his breakfast table in Chowringhee”.

This will show the House how State assistance at a critical moment led to the establishment of the British shipping services on the Indian coast. Sir, I regret to have to say that Indian shipping has not been so fortunate in receiving State aid. On the contrary, nearly 20 Indian shipping companies have been wiped out during the last 30 years by powerful vested interests and Government have not until very recently come to the rescue of Indian shipping enterprises.

[Mr. Jagadish Chandra Banerjee.]

I might mention that, so far as I am aware, a subsidy of about Rs. 15 lakhs per annum is being granted to the British India Steam Navigation Company and the Peninsula and Oriental Company which are both British concerns since 1923. Government entered into a contract of 10 years with these companies for the carriage of mails on the Indian coast as well as from Madras to the Straits and Bombay to Marseilles. So far as I am aware no tenders were invited at the time nor was any preference shown to Indian shipping companies.

I would incidentally refer here to the recommendation of the Indian Mercantile Marine Committee that

“It will be necessary to enter in all future mail contracts in which the whole amount of subsidy is to be paid by India, a stipulation to the effect that all suitable ships owned by such companies must take on board a number of Indian apprentices”.

I would like to know whether this recommendation has been acted upon by the Government in giving mails subsidies and, if not, what are the reasons for not doing so? I would point out in this connection that the Training Ship “Dufferin” is turning out 30 cadets every year and will turn out about 50 cadets from next year; so that unless Government insist on shipping companies which ply on the Indian coast employing Indian officers, engineers and wireless operators, the problem of their employment will become acute in the near future.

When the last mail contract with British shipping companies was about to expire, various Indian commercial bodies demanded with one voice that tenders should be invited and that preference regarding contracts should be given to companies whose controlling interests are Indian. I should like to know from the Government whether any tenders were invited and how many, if any, Indian shipping companies are receiving any mail subsidy and, if so, what is the total amount? I would also like to know what is the total subsidy which is now being received by British companies out of Indian revenues and on which routes they are carrying these mails? Have Government enquired whether any Indian shipping companies were willing or likely to carry mails on these routes under the conditions laid down by them? If I am not mistaken, the Bengal Burma Steam Navigation Company which is an entirely Indian concern has been carrying mails between Chittagong and Rangoon for over a year and has been doing this work quite satisfactorily and efficiently. I would therefore request the Government to give further opportunities to Indian shipping companies to prove their worth. I might mention that it is possible to give immediately mail subsidy and contract to an Indian company for carriage of mails between Bombay and Karachi.

I might here refer also to the fact that while a British shipping company was getting a pretty large subsidy of about Rs. 2,000 for the carriage of mail between Chittagong and Cox's Bazar, no such subsidy is paid to the Bengal Burma Steam Navigation Company, although they have applied for it and in spite of the fact that they are regularly running three good passenger steamers on that route.

Apart from the mail subsidy which is strictly a return for services performed, other countries are giving large subsidies to assist the development of shipping. For instance, Japan is giving 9 million yen, Great Britain nearly £3 million, France 271 million francs, Italy 254 million lire and the United States over 28 million dollars. Indian shipping, on the other hand, is not receiving any subsidy at all. It should be given subsidies in order to enable it to build up

services between Madras and the Straits, Rangoon and Madras or Calcutta, Rangoon and Mergui and Tavoy. Shipping is a key industry but an infant industry in India and therefore deserves State aid for both reasons.

With these few observations, Sir, I commend my amendment to the acceptance of the House.

THE HONOURABLE THE PRESIDENT: Not an amendment. Yours is a substituted proposition.

Motion made :

“That for the original Resolution, the following be substituted, namely

‘This Council recommends to the Governor General in Council to take immediate steps to give the contract for carrying coastal mails between India, Burma and Singapore to Indian steamship companies for the purpose of helping in the growth of a sufficiently large Indian mercantile marine to participate in the Indian overseas trade.’”

The debate will now proceed simultaneously both on the original Resolution and on the substituted Motion.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, it is always gratifying to find non-vested interests championing a cause, and when my Honourable friend who hails from a non-maritime province takes such a keen interest in this matter of the Indian mercantile marine, the House can rest assured that the subject affects general and not specific Indian interests. That this is an all-India question is evident from the history of the last twelve years. The Indian Mercantile Marine Committee was appointed in February, 1923, with the then Director of the Royal Indian Marine as President. After recording a vast amount of evidence, both written and oral, and visiting various shipyards, the Committee recommended that the ideal Indian marine should consist of ships registered in India, the crews of which are to be Indians, the owners to be joint stock companies with a predominantly Indian directorate or should be individual Indians, the major share capital should be Indian, the management predominantly Indian, and that the ships should be built in Indian shipyards.

It was also recommended that in the first instance the Royal Indian Marine should be converted into the Indian Navy, and that a training ship should train Indian cadets.

I am glad to say, Sir, that these two preliminary conditions have been fulfilled but much remains to be done.

Dealing with the recommendation regarding an ideal Indian mercantile marine, appearing in paragraph 42 of the report, sub-paragraphs (a), (c), (d) and (e) are easy to tackle as they deal mostly with legislation.

As regards (b), a beginning has been made and the “Dufferin” has been provided to train cadets. As regards the crew, I may say that for a thousand years or more, Cutch and Konkan have provided material for good seamanship.

Now we come to sub-paragraph (f), I say it without fear of contradiction that much could have been accomplished during the last eleven years since the Report of the Committee was available. It seems to me that the ideal starting point of any mercantile marine, is the development of the capacity of a country to produce its own tonnage whether in times of peace or war. Great Britain has been building its own tonnage for centuries, and America, Italy and Japan are likewise building their own tonnage.

[Mr. Shantidas Askuran.]

Such being the case, it grieves me to find that no effort has been made to take measures for the encouragement of shipbuilding in India, because apart from the condition in sub-paragraph (b) of the report the rest of the conditions obtain in India and the last one is the central pivot round which the whole thing revolves. The measures that the Government can adopt can be divided into two categories.

Firstly, there is the question of training promising brains into the intricacies of naval architecture. I would be the last person to suggest the establishment of a school of naval architecture at this stage. But I maintain that Government would be well advised till such an institution is available to train up promising material in England and to ask for the necessary co-operation from His Majesty's Government. I am not aware of any steps taken in this direction, but I should welcome enlightenment on this point.

Secondly, there is the question of providing work for the shipyards to prevent them from being idle once they are established. It is not beyond the Government's power to enact legislation by which these shipyards shall be compulsorily supported by all the tonnage licensed to ply in Indian waters. I suggest, Sir, that these shipyards should be given all the protection that infant industries need.

Time and again Government have told us that they are sympathetic towards our aspirations. Lord Halifax when he was Viceroy repeatedly assured us of his keen interest in the matter. The Commerce Member has always lent a sympathetic ear to our representations. But what is needed is a little more action rather than mere sympathy. I may in conclusion say, Sir, that eleven years have elapsed since the report was published and only nine years remain to run out of the 20-year period advocated by the Committee. I therefore, Sir, whole-heartedly support this Resolution and hope that it will be acceptable to the Government.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I rise to support the Resolution of my friend the Honourable Lala Jagdish Prasad. Sir, there was a time when India was a great maritime power. She had a large overseas trade and her vessels used to be the envy of western powers. You may read of those vessels in Marco Polo's travels and in Beal's Gujerat. I am not going to tire the House by reading quotations from Marco Polo's travels. But the position changed when the East India Company came here, and with the industrial revolution and the changes which that industrial revolution brought about Indian shipping went down. Now, Sir, coming to more recent times, what is the position ? During the last 30 years very nearly 20 shipping companies have had to go under on account of the competition of the British shipping companies. I believe in 1922 Sir Sivaswamy Aiyer moved a Resolution recommending that Government should take steps to appoint a committee to consider the question of the development of an Indian mercantile marine. As a result of that Resolution a Mercantile Marine Committee was appointed, and that Committee recommended that the coastal trade of India should be reserved for vessels the controlling interests of which are Indian. Now, Sir, no action was taken on that report and therefore Mr. Haji had to introduce a Bill in the other House. The Bill roused a great deal of controversy but it was able to pass its second reading in the Assembly ; it was referred to a Select Committee and the report of the Select Committee was submitted to the Assembly in 1929. In 1930 Lord Irwin convened a Shipping Conference, out of which nothing resulted.

Meanwhile, the term of the Assembly came to an end and the Bill had to be dropped. At the Shipping Conference Sir Phiroze Sethna made it quite clear that we did not want any expropriation. He made a proposal for compensating the British interests, so that there was no question whatever of expropriation at any time. After that we had the Round Table Conferences, the results of which are embodied in the Joint Select Committee's Report. And with the commercial discrimination clauses of the new Government of India Bill the position will be even worse, because those clauses proceed on the basis of reciprocity and the initiative in this matter of reciprocity will rest with Britain. So far as British coastal trade is concerned, 98 per cent. of that coastal trade is in British hands. How can there be any reciprocity between a giant and a dwarf? It is therefore not wrong to say that all this talk of reciprocity is sheer humbug, is downright hypocrisy, as Sir Phiroze Sethna said the other day in this House. Sir, the total British tonnage is 19 millions and our tonnage is only about two lakhs. How can there be reciprocity in these circumstances? But, Sir, the commercial discrimination clauses go even further in this respect. We cannot give any subsidy to any Indian concern in the case of those industries in which there are existing British industrial concerns without giving subsidy to the British industrial concerns also. Now, we know, Sir, that the greater part of our export trade is in the hands of British shipping companies and therefore the result of these commercial discrimination clauses will be that it will not be possible for us to subsidise our industry without subsidising the British industries. Sir, other countries are subsidising their shipping industries. Take, for example, America. We read, I think only yesterday or this morning, that President Roosevelt had suggested that the Congress should vote a very large sum as subsidy for the shipping industry in America. England itself is subsidising the shipping industry. There are proposals to that effect by Mr. Walter Runciman. Italy, Germany, France, all these countries are subsidising their shipping industry. Why should we not, Sir, also follow in the wake of these countries, particularly when we remember that we are much less advanced than these Western countries are? I come to another point now. The position in regard to shipping legislation was considered by the Conference on the operation of Dominion Legislation and Merchant Shipping Legislation in 1929, and at that Conference which ultimately led to the passing of the Statute of Westminster, the position in regard to the Dominions was stated in this form :

"The new position will be that each Dominion will, amongst its other powers, have full and complete legislative authority over all ships while within its territorial waters or engaged in its coasting trade; and also over its own registered ships both intra-territorially and extra-territorially".

So far as India is concerned, at page 40 you find this Conference saying :

"At the same time, as the position of India in these matters has always been to all intents and purposes identical with that of the Dominions, it is not anticipated that there would be any serious difficulty in applying the principles of our recommendations to India and we suggest that the question of the proper method of so doing should be considered by His Majesty's Government in the United Kingdom and the Government of India".

Now, Sir, what is the action that you have taken on this report? The action that has been taken is embodied in the commercial discrimination clauses of the new Government of India Bill and they are contrary to the letter and the spirit of the recommendations of this Conference on Dominion Legislation and Merchant Shipping Legislation in 1929. Sir, it is not an unreasonable demand on the part of Indian shipping interests that they should have a good share in the coastal traffic of their own country. At present they have hardly 20 per cent. of the coastal trade in their hands and they have had as a

[Mr. P. N. Saprū.]

result of the policy, of the step-motherly policy, which has been pursued by the Government to enter into arrangements with British commercial concerns. Now, Sir, we are not interested as Indian taxpayers, as representatives of the people here, in those arrangements. What we want to know is what is the Government which professes to act as a national Government in regard to national matters doing to promote the shipping industry of India? Sir, we cannot be accused of impatience. The matter has been under consideration for the last 13 or 14 years. The agitation started in 1922 with the Resolution of Sir Sivaswamy Aiyer. Some of the commercial discrimination clauses are due to this agitation; at any rate this is what we are told, and yet during all this time the Government of India has not been able to make up its mind as to the proper policy to be pursued in regard to the coastal trade of India. Our own view is that the coastal trade should be reserved for Indian ships; our own view is that you ought to find some money from the Indian exchequer to subsidise the shipping industry. You can find money when you want to for the restoration of salary cuts. You ought to find some money from Indian revenues for the purpose of subsidising an industry, which is, as my Honourable friend Mr. Banerjee pointed out, a key industry. It is an industry vital for the economic progress and development of this country. If you hesitate to take action in this matter, if you do not act as you ought to act in this matter, then you must not blame Indian politicians for telling you very straightforwardly and candidly that you are not doing your duty by the country and that their fear is that when the new constitution is introduced with the commercial discrimination clauses also a part of it, the position from the Indian point of view will become much worse. We are blamed, Sir, for criticising the Government in season and out of season, but we would like to know whether in this case at any rate our criticism is not a right criticism, is not a just criticism. We should like to know what is it that you have done during recent years to help to build up this industry, in which none of us is personally interested here, but in which my friend Mr. Shantidas is interested, and we speak therefore not as representatives of any vested interests, but as men who have the economic interests of the country at heart and who want to see our industries and our trade developed.

Sir, with these few words, I support the Resolution moved by my Honourable friend Lala Jagdish Prasad as also the amendment of my Honourable friend Mr. Banerjee.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : The Resolution which our colleague the Honourable Lala Jagdish Prasad has moved is a wide Resolution, inasmuch as it does not confine the attention of the House and the Government to the coastal traffic only but to the wider, bigger and greater issue of our overseas trade. I am one of those people who dream of having Indian bottoms to carry Indian trade. The reason why I wish to see that happy day come is that we find that at the present moment our export trade is greatly hampered for want of Indian bottoms to take them out. I will give you some instances of hampering later on.

(At this stage the Honourable the President vacated the Chair which was taken by the Honourable Mr. Bijay Kumar Basu.)

Sir, the Government has been not only irresponsible but irresponsible. In the first place, with the ending of the East India Company, Indian shipping as such ceased to operate, and with the creation of the steamship it gradually but surely disappeared. It was only

during recent years that an Indian marine worth the name has started coming into operation. When it came into being the Government of the day instead of being sympathetic placed all sorts of impediment a in its way. I may give you some instances. Government has the option of giving the contract for the carriage of mails to any shipping company they like to but all the same these contracts were given to British companies. Up to now, Sir, as far as my information goes, there is only one Indian company operating in Indian waters which has a contract for carrying mails from one port to another. It was in the hands of the Member for Industries and Labour to give the contract to an Indian shipping company, but that has not been done.

Then, Sir, we know that almost all countries who have got a mercantile marine have created it by means of subsidies and help. Some countries did it early and some late. For instance, England which never did anything in the beginning has now started supporting the small shipping as well as the big shipping. We know how the ship named "Queen Mary" was built because of the generosity of the Board of Trade. Well, in India the Government never thought of doing anything in that way. We know, Sir, that in the United States of America, in order to create a mercantile marine they spent a lot of money ; which led to disastrous financial results, because they embarked on it, as they always do, on a gigantic scale. Our Government would not do even small things, even a little bit to help.

Then, Sir, I am sorry to say that Indians have always been reasonable. They have always wanted to look at the other man's point of view. They always say that there should be justice. This is a defect in the Indian character. I admit ; because in the present world there is no justice. Sir Phiroze Sethna said there should be compensation to the British companies, and what was the result ? It simply increased the insatiable desire of the British mercantile marine to have everything for itself. We wish to live and let live ; but they say, "No, I will live alone and you shall not live"! Because, as has been very ably pointed out, to say that there will be a mutual exchange between England and India and that England is not going to bar Indian shipping from English waters, is like saying that a man with a low handicap should play with a man with a high handicap on equal terms. You do not allow it in play, why do you allow it in commerce ?

Secondly, Sir, the Government have accepted the principle that Indian industries have a right to discriminate, to ask for protection even from British industries. That is the first principle of protection in India. It may be that there is this condition that there need not be the same amount of protection against British goods as against others. If this principle can be applied to the manufactured goods, why not apply it to the mercantile marine as well ? If it is found that a smaller amount of protection is required from British competition, give less subsidy for the ships that are working against British competitors, than for lines that are served by foreign competitors. But whatever you do the action of the Government in allowing the thing to drift is indefensible. Now, Sir, may I say one word as to why we are so anxious to have an Indian mercantile marine of our own ? Is it simply because we are swayed by a sentimental idea of having a company of our own, or is there any reason for this madness of ours ? I will say, Sir, that there is some reason in it. We are anxious to have a mercantile marine not so much for having something to have to boast about, but because it is a dire necessity. The necessity arises from the fact, Sir, that a national mercantile marine which is subsidised by the State, which is helped by the State, will be under the control of the State to a certain extent in the matter of freight rates. *I challenge the Government, Sir, to refute the statement that within the last few years the freight*

[Mr. Hossain Imam.]

from England to India in British bottoms has come down by about 15 per cent. whereas the return freight rates for goods going from India to England have increased by 10 per cent. This is one of the reasons, Sir, why we want to have a mercantile marine of our own so that we may increase our export trade and not be swamped by foreign goods coming and competing with us. At the present moment there is no safety for Indian industry from this sort of unfair competition by means of which the manipulations of freight to and from the country either make it a commercial proposition or make it a dead loss. It is because of that, Sir, that we are anxious to have an Indian mercantile marine of our own. Sir, I will give a concrete instance. The freight from the Australian growing centres to Liverpool for Australian wheat is much lower than the combined freight which our friend Sir Guthrie Russell and the British shipping companies demand for carrying Punjab wheat to the British markets. If the Government is foolish enough to allow the present drift to continue the result will be that in a very few years with the increased production of food-stuffs by other countries who will have national bottoms to carry the goods, we will be completely out of the market. As we have been wiped out of some industries we will be wiped out of all foodcrops which we have. Sir, the fact that such leaders of commerce as France, Germany, Italy and the Union of the Soviet Republic and United States have reserved their coastal traffic to their own countries is sufficient to justify our demand. When such advanced nations find it necessary to do this it is all the more necessary for India, which is just entering this field, to have reservations of its coastal traffic. May I suggest, Sir, that the least the Government can do is to make it possible for Indian companies even at slightly higher rates to carry mails from one port to the other. The Government do not in all cases follow the example of the British Government in these respects. For instance, the British Government is charging 6d. on air mail, but we have to pay 7½ annas. That shows that we have to pay higher. Even if we have to pay a little higher for this accommodation, as long as our mails are carried in our own bottoms, it will not matter. This Resolution is really a sort of insurance premium for the safety of Indian commerce and trade. If we do not have an Indian mercantile marine, we will in the end have no trade left to boast about.

Sir, I support this Resolution.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General) : Sir, on such an important Resolution as this, I do not want to give a silent vote. Eleven years have passed since the admirable report of the Indian Mercantile Marine Committee presided over by the Chief of the Indian Mercantile Marine, now retired, was presented. That report, among other things, recommended the reservation of the coastal trade of India to Indian shipping. The Government suddenly discovered that though the Committee was composed of businessmen, who could look at the proposition from a business point of view, the economic reactions of reserving the coastal trade of India were lost sight of in making the report, and subsequently, in opposing Mr. Haji's Bill for reserving the coastal trade of India, other things also were discovered, e.g., the expropriation of vested interests and so forth. The Resolution, I find, is a very modest one. It does not ask for steps to be taken for reserving the coastal trade to Indians. In fact, the reservation of the coastal trade to Indians has lost much of its significance in view of the impending separation of Burma from India. The bulk of the coastal trade was from Burma to India and from India to Burma, and in view of the separation, even if there is reservation, it will not operate with reference to the bulk of the coastal trade. There will

be only a small portion of the coastal trade left, and it is high time that, without prejudice to the rights of the existing shipping companies which have got a vested interest, Government take courage in both hands and come forward with a scheme to give Indian companies a greater share of the coastal trade of India. Various remedies were suggested for stimulating the building up of an Indian mercantile marine, and they are as good today as when the report was made, 11 years back. Subsidies are one of the means of assisting and developing the Indian mercantile marine, and a subsidy of the type recommended in the amendment proposed by my Honourable friend Mr. Banerjee is quite welcome, and it would greatly stimulate the Indian coastal trade. In this connection, I would be failing in my duty if I did not refer to one aspect of the question which has cropped up with reference to Burma. As a result of the Shipping Conference, the British India Steam Navigation Company was obliged to come to some agreement with the Scindia Steam Navigation Company. As a result of that, it was agreed that the Scindia Steam Navigation Company should have a share in the passenger traffic between Burma and the Coromandal Coasts.

THE HONOURABLE MR. SHANTIDAS ASKURAN : Only one line.

THE HONOURABLE MR. P. C. D. CHARI : I am only referring to that one line which has been conceded. As a result of all this agitation for reservation of the coastal trade of India, the Scindia Steam Navigation Company has been able to secure a portion of the coastal trade in one line—and that, at what cost ? Before the agreement was concluded, the deck rates which have been prevailing for a very large number of years had settled down at Rs. 10 per trip from Rangoon to the Coromandal Coasts and *vice versa*. Now, as a stipulation for giving a share of this coastal trade in passenger traffic to the Scindia Steam Navigation Company, it was insisted that they should enhance the rates from Rs. 10 to Rs. 14 and that they should run at the same level. As a result of the Scindia Steam Navigation Company being allowed to share in the passenger traffic, the deck fares from Rangoon to the Coromandal Coasts was raised from Rs. 10 to Rs. 12, and within one year, they again raised it from Rs. 12 to Rs. 14. We have been carrying on ceaseless agitation in Burma in the interests of the large Indian labour which is employed there, but in the face of this agreement, even the Scindia Steam Navigation Company cannot help us, and they have now increased the rates from Rs. 12 to Rs. 14 within the space of one year, and the Scindia Steam Navigation Company, which is one of the participants in the profits, would not reduce rates nor would the British India Steam Navigation Company reduce rates. As a result of this monopolistic position of the Scindia Steam Navigation Company, and on account of our not having—

THE HONOURABLE MR. SHANTIDAS ASKURAN : May I correct you on one point ? The Scindia Steam Navigation Company are only the Agents of the other Company, which we only run.

THE HONOURABLE MR. P. C. D. CHARI : That does not make any difference at all.

THE HONOURABLE MR. SHANTIDAS ASKURAN : The shareholders are of the other, not of the Scindia.

THE HONOURABLE MR. P. C. D. CHARI : The Managing Agents, who carry out the policy, are the Scindia Steam Navigation Company. I cannot blame the Scindia Steam Navigation Company. I am only pointing out that

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

on account of the monopolistic attitude of the British India Steam Navigation Company, on account of the absence of any other concern—

THE HONOURABLE MR. SHANTIDAS ASKURAN : No company is in a position to have a freight war or a passenger war.

THE HONOURABLE MR. P. C. D. CHARI : I am referring to it. On account of the position that the Scindia Steam Navigation Company is not in a position to carry on a freight war, or a rate war, with the British India Steam Navigation Company, the two companies were obliged to raise the fares by about 40 per cent. at a time of depression. This is enough to show that the interests of the people of India are allowed to deteriorate from day to day, and the main consideration which controls the policy of the steamers plying in the coastal trade is their own profit at the expense of the poorest classes of people in India.

Sir, I support both the Resolution and the amendment.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, as the Honourable mover of the Resolution has said, Government spokesmen have on many occasions expressed their fullest sympathy with the object which the Honourable mover has at heart. I do not therefore propose to oppose this Resolution, and it is perhaps in the circumstances not necessary for me to follow certain Honourable Members through their historical and economic justifications of the creation of an Indian mercantile marine. Let me say only that though Government are prepared to accept the Resolution in the form in which it has been moved, that acceptance of itself must not be taken to imply recognition or approval of any of the particular steps that have been mentioned, or necessarily an acceptance of the time programme that appears to be behind those suggestions. What, Sir, are the steps that have been proposed as those which might most suitably develop an Indian mercantile marine? The first suggestion is that very important one, the reservation of the coastal trade of India for an Indian mercantile marine. Now, that step has been debated at very great length in another place and outside of it, and I do not propose to go through all those arguments again. I have only to say that Government still is unrepentant. They think that as a policy it is unwise and they think moreover that an administrative scheme it is not a workable one. The existence on the coast of India of ports like Marmagao and of ports in the Indian States would render it one of the easiest processes in the world to circumvent any scheme of coastal reservation. I am indebted to the Honourable Mr. Chari for suggesting that after all nowadays insistence on coastal reservation is somewhat like flogging a dead horse. If, as we all believe, the separation of Burma is imminent, by far and away the greatest and most valuable part of the coastal trade will no longer be coastal trade and would no longer be subject to any coastal reservation.

The next suggestion that was made was that the Indian mercantile marine should be encouraged by the payment of subsidies. Now, that is a method of encouragement that has never been entirely ruled out of the question. It is however one that presents very serious practical implications for India at the present moment. You have to ask yourselves can we afford to pay subsidies? Is it necessary that they should be paid? I think Honourable Members will agree with me that if an industry is developing at a reasonable rate without the payment of subsidies, it is not a justifiable tax upon the general

tax payer to pay subsidies in order to give an unnatural stimulus to the development of that industry, whether it be the mercantile marine or any industry on land. What is the measure of the subsidy which would have to be given? Now, Honourable Members have referred to the subsidies that have been given by other countries, by Japan, by Italy, by the United States. I think if Honourable Members would consider what have been the amounts of money paid by those countries, they would probably find that the figures were rather astronomical in their size. Let me quote only the figures that were given in respect of the American subsidy. I gather that in America it was considered necessary in order to subsidise the mercantile marine that they should pay for services at something like ten times their economic value. I ask you, Gentlemen, whether it is considered a reasonable proposition that the taxpayers in India should be asked to contribute ten times the economic value of services received?

THE HONOURABLE MR. P. C. D. CHARI : Some reasonable subsidy may be given.

THE HONOURABLE MR. T. A. STEWART : Mr. Chari suggests some reasonable subsidy. Can he assure me that twice the economic value, or four times the economic value, would be a reasonable subsidy? Has he any measure of what is a reasonable subsidy? I am afraid he has not, but I can say this, that if the American standards were applied to the Indian mercantile marine at the present moment the payment of a subsidy on mails at that rate would be equivalent roughly to a contribution of twice the paid-up capital of the largest Indian company every year. That would be the contribution from the man who posts his letters, on whose behalf we have such eloquent appeals from time to time. It would also mean a very considerable debit to that commercial department, the Posts and Telegraphs. It would not be a true commercial debit; it would be a wholly unreasonable and uneconomic one, and it would no doubt be accompanied by protests that the Posts and Telegraphs Department was not paying its way.

THE HONOURABLE MR. HOSSAIN IMAM : Would it be more unreasonable than the political debit which is made for carrying on post offices in the Indian States? Rs. 46 lakhs is paid for that.

THE HONOURABLE MR. T. A. STEWART : I am afraid that I am quite unable to give you any information as regards the arrangements that are made for postal agreements with the States.

THE HONOURABLE MR. SHANTIDAS ASKURAN : Have you considered how much the taxpayers have to suffer if you were to give a reasonable subsidy equal to a 5 per cent. dividend on the capital engaged in shipping companies? According to my information, the total Indian shipping capital at present in India is not more than Rs. 2 crores, and if a subsidy amounting to a dividend of 4 or 5 per cent. were given would that be burdensome to the taxpayer?

THE HONOURABLE MR. T. A. STEWART : I, Sir, have no fault to find with the Honourable Member's arithmetic, but I merely said that if subsidies were to be paid to Indian lines on something like the same scale as apparently they were paid in America the result would be what I stated a few moments ago.

[Mr. T. A. Stewart.]

It has also been said, though less emphasis has been placed upon this point, that perhaps we are not doing enough in the training of the personnel who will ultimately man the Indian mercantile marine. To that I would refer later. Meanwhile let me mention the proposals that the Honourable Mr. Shantidas Askuran put forward. He said, "You are paying no attention to naval architecture". What he suggests is that we send people to the United Kingdom, to the ship-building yards and to naval colleges, to be trained as naval architects. May I ask the Honourable Mr. Shantidas why? No doubt it is a very interesting career. No doubt it is a very interesting training. But may I ask the Honourable Member who made the suggestion what they are going to do when they return to India?

THE HONOURABLE MR. SHANTIDAS ASKURAN : If you put that proposal along with the general scheme, of course they will be useful.

THE HONOURABLE MR. T. A. STEWART : I still do not understand how they would be useful. The ship-building industry in India is I think confined to a few small vessels of the nature of tugs, for which the services of highly trained naval architects are hardly necessary. But in any case he went on to say, "Why not protect the ship-building industry?" I do not know whether he is aware—he may have forgotten—that the protection to the Indian ship-building industry was the subject of a Tariff Board enquiry some years ago?

THE HONOURABLE MR. SHANTIDAS ASKURAN : I know that.

THE HONOURABLE MR. T. A. STEWART : Now you may—

THE HONOURABLE THE CHAIRMAN : I think this will be a convenient time to adjourn for lunch. The debate can be resumed afterwards.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House) : Is not the last speaker on his feet?

THE HONOURABLE THE CHAIRMAN : He can continue his speech after lunch.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZAL-I-HUSAIN : I thought he was about to conclude.

THE HONOURABLE MR. P. C. D. CHARI : There may be other speakers after he sits down.

THE HONOURABLE THE CHAIRMAN : The Council will now adjourn till Half Past Two.

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

The Council reassembled after Lunch at Half Past Two of the Clock, the Honourable the Chairman (the Honourable Mr. Bijay Kumar Basu) in the Chair.

THE HONOURABLE THE CHAIRMAN : The debate will now be resumed.

THE HONOURABLE MR. T. A. STEWART : When the House adjourned, Sir, I was proceeding to consider what had been the policy of the Government of India and what had been achieved under that policy. Now, the conception of the Government of India—and I think that Honourable Members will agree that it is a right one—the conception of the Government of India of an Indian mercantile marine is not that merely of a money-making machine whereby certain capitalists receive returns on their money. The Government of India's conception of a mercantile marine is of an organisation which will carry Indian goods in ships owned by Indians, manned by Indians, and officered by Indians. Now, as far as the manning is concerned, I should like to add my tribute to what has been said by the Honourable Mr. Shantidas Askuran regarding the Indian crews of ships. Of their efficiency, of their record in peace and in war, we can have no doubts at all, but when it comes to the question of officering the ships, a somewhat more difficult problem presents itself, and in order to solve that problem the Government of India established the Training Ship "Dufferin." Now, the record of what has been done by the "Dufferin" is by no means insignificant. Since it was established in 1927, 149 cadets have been trained for subsequent employment on ships as deck officers, as executive officers. Of these, 116 have already been employed by shipping companies, British and Indian, seven have entered the Bengal Pilot Service, and six have been admitted into the Royal Indian Navy. That, Sir, is a very respectable record for a training ship. It was also part of the original scheme that a certain number of Indian boys should be sent to the United Kingdom to receive a training in marine engineering so that ultimately they might qualify as engineers in ships in the mercantile marine. During the period 1929—1931 nine boys have been sent for such training but it has been realised that something more is wanted. The Honourable mover of the Resolution has enquired whether any advance has been made? I am in a position to tell him that with effect from the 1st of January a new scheme for the training of marine engineers in India has been brought into operation. Under this new scheme 25 engineering cadets will be admitted each year to the Training Ship "Dufferin" where they will undergo preliminary training for three years before passing out to engineering shops and finally into the engine rooms of the Indian mercantile marine.

Now, I have been at some trouble to explain that most of the steps that have been recommended from time to time have not been found acceptable by the Government of India and you may well ask me what alternative has the Government of India suggested? The policy to be pursued has been the subject of much thought by the Government of India and after much thought they have come to the conclusion,—they came to the conclusion some years ago,—that the best hope for the sound, economic, strong establishment of an Indian mercantile marine lay in the development of co-operation and a spirit of mutual accommodation between the various interests operating on the coasts. The Government of India have spared no pains to bring about such spirit of co-operation and mutual accommodation and the Government of India believe that the success they have achieved by their efforts are by no means inconsiderable. It is true that the Indian mercantile marine by one stroke of the pen in one instant, has not been able to acquire the whole of the coastal trade, but if the Honourable Mr. Shantidas Askuran, who knows more about it than most of us, will think back to the distressful days of 1919-20 and if he will think that last year the company in which he is interested carried 30

[Mr. T. A. Stewart.]

per cent. of the most valuable portion of the trade, namely, that between Burma and India, he will agree with me that that is far from being an unsatisfactory achievement. He is also perfectly well aware that as a result of mutual accommodation and of a spirit of co-operation, that important section of the coasting trade on the west coast of India is now carried, and is guaranteed to be carried, by the smaller Indian shipping companies to the extent of 85 per cent. That again, Sir, is no mean achievement for the policy which has been pursued by the Government of India. I have said, Sir, that I have no intention of opposing this Resolution. But when it comes to the amendment moved by the Honourable Mr. Banerjee, I am afraid I must say that it has to be opposed.

I am not quite sure that I have not got a certain cause of complaint against the Honourable Mr. Banerjee. I have never known him in the past reluctant to use the power of interpellation which is open to Members of this House, but I think that he took advantage of the fact that he had moved a Resolution to ask me a very large number of conundrums. These I presume, Sir, were what he would regard as rhetorical questions. He did not expect any answer. But as regards one of them, namely, what is the amount of subsidies that are paid to shipping companies for the carriage of mails, I would reply that the Honourable Member is referred to Appendix XI of the Annual Report of the Indian Posts and Telegraphs Department. But, coming to the merits of his amendment, it may mean that for all the other steps that have been suggested to help the Indian mercantile marine, his particular suggestion should be substituted, that is to say, he believes that the Indian mercantile marine, given an economic payment for the service of carrying mails, will thereafter be in a position to maintain itself against the worst evils of competition on the coast. To refer again to my,—if I may call him so,—technical adviser for the afternoon, I ask Mr. Shantidas whether he would be prepared to accept that as a sufficient safeguard for his company or for any company?

THE HONOURABLE MR. P. C. D. CHARI: It may be accepted as one of the safeguards.

THE HONOURABLE MR. T. A. STEWART: I quite agree with my Honourable friend Mr. Chari that it might be acceptable as one of the safeguards, but the proposition put forward by Mr. Banerjee is that it is the only safeguard. Another interpretation of the amendment is that Indian companies should be encouraged by a wholly uneconomic subsidy. Now, I am surprised that my Honourable friend should have brought forward this proposition again. It is only two years ago, to within a week, that the Honourable mover of the substantive Resolution moved another Resolution regarding the giving of mail contracts to Indian companies, and in that debate, my Honourable friend Mr. Banerjee took part. The Honourable Mr. Shillidy was at some pains to explain that though the Government of India would always be prepared, in the event of a tender from an Indian company—and these mail contracts are open to tender—to accept the lowest satisfactory tender, yet Government would in no circumstances adopt a course which would increase the cost of postage to the taxpayer or which would mean a concealed subsidy and that they were not prepared to enter up a wholly fictitious item in the accounts of a commercial department. The attitude of Government has altered in no way since Mr. Shillidy replied to that debate of two years ago. The position is that while we are prepared to accept the Resolution of the Honourable mover, we must oppose the amendment of the Honourable Mr. Banerjee unless in the circumstances I have explained, he thinks fit to withdraw it.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: (Muhammadan): Sir, while the Honourable the Commerce Secretary does not oppose the Resolution, he was at considerable pains to put forward arguments and state views which made it perfectly clear that so far as the Government of India were concerned, the early development of the Indian mercantile marine was not a practical proposition.

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

Sir, as regards the reservation of the coastal traffic, the Honourable Mr. Stewart said that to attempt to do this would be no better than trying to flog a dead horse. But may I ask, Sir, what the Government of India did while the horse was alive and kicking? What did the Government of India do for all these 11 years since the Report of the Indian Mercantile Marine Committee was published? What did they do to try and secure to Indian vessels—

THE HONOURABLE MR. T. A. STEWART: On a point of order, Sir. May I ask whether the Honourable Member's remarks are entirely relevant to the issue before the House? The Resolution refers entirely to any future action that may be taken by the Government of India, not to any action that has or has not been taken in the past.

THE HONOURABLE THE PRESIDENT: The Honourable Member would be entitled to make a reference to the past. I do not think I can stop him referring to the past.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: The future conduct is always judged by what the conduct has been in the past, because the past is the parent of the future. So, from the utter lack of interest that was betrayed by Government in this respect—

THE HONOURABLE MR. P. C. D. CHARI: Active betrayal of interests, not utter lack of interest!

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR —we are afraid that even in the future, Government would not adopt measures which would go effectively to build up the Indian mercantile marine. We find that the Government hardly did anything to secure a decent share of the coastal traffic to Indian vessels all these 11 years.

As regards the question of subsidy, the Honourable the Commerce Secretary tried to make the proposition ridiculous by taking the example of countries like America which had always done these things on a very gigantic scale. We did not want that the Government should try and spend such huge sums of money as is possible for rich countries like America to do. What we wanted was that within the compass of the resources of the Government of India early attention should be directed to try and help the Indian mercantile marine, and with a view to make a concrete suggestion with regard to this demand, it was suggested by the Honourable Mr. Banerjee that Government should try and see their way to give the contract for carriage of mails to Indian ships. If it would be possible for Government to do this without much loss of money, I would even now suggest that this should be done. But for the fact that the life of the second Assembly had expired before the Haji Bill could be enacted into law, Government would have been forced to take effective measures to develop this Indian enterprise. But, Sir, I think it is not fair that they should take advantage of an accident to treat us in the way they have been doing.

[Saiyed Mohamed Padshah Sahib Bahadur]

Now, Sir, it was said that the best thing would be to try and bring about an understanding between the various shipping companies operating in Indian waters. That is not a practical proposition because it is not possible for an infant enterprise like the Indian shipping concerns to try and get fair terms from companies which have for long established their supremacy in Indian waters. Such understandings have been come to in the past but they have not tended to conduce to the healthy growth of Indian shipping, because we find that in the 15 or 16 years that the country has been trying to develop her enterprise in this respect it has not been able to make much headway. Of the coastal trade only 23 per cent. falls to the share of Indian companies while the rest is monopolised by foreign companies. So I feel that in these agreements the Indian companies are not free agents. The foreign interests are so overwhelming, so powerful and so well-established that they can dictate their terms to the Indian industry, which, simply in order to save its existence, is more often than not driven into agreements which are not in its interest. So, though it may not be possible for the Government to adopt the suggestion made in the amendment, I hope some other and effective methods will be employed to enable the Indian mercantile marine to build itself up more effectively.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : Sir, it has been my lot during the last four years to find almost all the Resolutions moved by me being opposed by the Government. It is therefore very refreshing and gratifying to me to find that this Resolution of mine has been accepted by the Commerce Secretary, although it may be a qualified acceptance. In view of this I will not take up much of the time of the House in dilating on the various remarks the Commerce Secretary has made in the course of his speech, but will just make a few observations.

The Commerce Secretary has said that the reservation of the coastal trade of India for Indian shipping would be an unwise policy and would be administratively unworkable. It may be an unwise policy according to the Government of India, yet it is the policy which is being followed by almost all the maritime countries of the world. As regards its unworkability, I may say that it is greatly exaggerated as was shown during the debate on the Coastal Traffic Reservation Bill of Mr. Haji in another place in 1928.

Then, Sir, it has been said that the importance of coastal reservation will diminish as a result of the separation of Burma from India. With regard to that I would say that it will make it still easier to reserve the coast of India proper to Indian shipping, especially as the Commerce Secretary himself thinks that the trade which would be affected would be much less.

The Honourable Mr. Stewart has observed with regard to the question of subsidies that it will not be a reasonable proposition to ask the taxpayer to pay for these subsidies. But the amount that I proposed was very insignificant. I suggested a subsidy of Rs. 5 or Rs. 10 lakhs only to start with. I am sure that, when Government can find money for so many other things—for the restoration of the salary cut, for civil aviation, for broadcasting and for increased military expenditure—they can find some money to subsidise at least the key industries of India.

Now, Sir, we have been told what the achievements of the Government of India have been in regard to the development of the mercantile marine as a result of their policy. But may I ask the Honourable Mr. Stewart if he considers that a growth to the extent of 23 per cent.

of the coastal trade acquired by Indian shipping during the last 16 years as a result of the Government of India's policy is a satisfactory rate of growth? Even if he does I would like to ask him how he proposes to expand Indian shipping in the future. I was waiting to know from my Honourable friend what the policy of the Government of India was going to be with regard to the development of the Indian mercantile marine in the face of the commercial safeguards that are going to be imposed under the new constitution, but the Honourable Mr. Stewart has chosen to remain silent on that point.

THE HONOURABLE MR. T. A. STEWART : Might I answer that at once, Sir, and say that if progress continues as it has in the past the safeguards in the Constitution Act will be absolutely of no importance at all. They will not operate.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD : I am glad to have that assurance. In view of the fact that the Commerce Secretary has accepted the Resolution in principle, I hope the Government will allow it to be passed and that the House will carry it.

Now a word, Sir, with regard to the amendment moved by my Honourable friend Mr. Banerjee. The amendment seeks to substitute his Motion for my Resolution. But his amendment does not go far enough. It restricts the scope of my Resolution. In view of this, I hope that my Honourable friend will see his way to withdraw it, and if he does not withdraw it then I hope he will excuse me if I have to vote against it.

THE HONOURABLE THE PRESIDENT : Does the Honourable Member wish to withdraw his amendment?

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : No, Sir.

THE HONOURABLE THE PRESIDENT : As the Resolution, I understand, has been practically accepted by the Government, I will first put the original Resolution and not the substituted Motion to the Council.

Resolution moved :

"That this Council recommends to the Governor General in Council to take suitable steps to build up an Indian Mercantile marine at an early date with a view to an adequate participation of Indian shipping in the coastal and overseas trade of India".

The Question is :

"That that Resolution be adopted."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : In view of the original Resolution having been accepted by the Council the substituted Resolution falls to the ground.

MADRAS CITY HINDU TEMPLES BILL.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTY (Madras : Non-Muhammadan) : Sir, I beg to move for leave to introduce :

"A Bill to provide for the better administration and governance of Hindu temples in the city of Madras and the endowments attached thereto".

[Dewan Bahadur G. Narayanaswami Chetty.]

The Bill is intended to provide for the better administration and governance and closer supervision of the large number of temples in the city of Madras and to safeguard the proper application of their income. Sir, 3 P.M. Act XX of 1863 was found to be very inoperative and was not successful. The Madras Government introduced a Bill in the year 1922—the Madras Hindu Religious Endowments Act—and the Legislative Council thought that the city of Madras ought also to be included within the jurisdiction of that Act, and the Bill as amended by the Select Committee was passed by the Council. But when the Bill went to the Governor for his formal sanction, the Governor returned it saying that the local Legislature had no power to amend the jurisdiction of the High Court in the city of Madras. Hence the city of Madras was dropped from the Bill and the Bill was then passed. The Member of Government then said that they would ask the Government of India to take early steps to include the city of Madras by amending legislation in the central Legislature. Therefore, Sir, this Bill is brought forward for that purpose and I hope there will be no objection so far as the Bill is concerned. No doubt the Hindu Religious Endowments Bill has become law 10 years ago, but unfortunately the Government of Madras have not moved in the matter in asking the Government of India to take early steps to include the city of Madras within the jurisdiction of the Religious Endowments Board.

I shall now briefly refer to the main provisions of the Bill. To Members of this House unacquainted with the state of affairs in my presidency, I may state that under the Madras Hindu Religious Endowments Act, 1926, the general supervision of all Hindu religious endowments is vested in a central board consisting of a president and four commissioners appointed by the local Government. They are full-time officers. Under the Bill now under consideration it is this board that is given the power to supervise the administration of the temples in the city, to appoint non-hereditary trustees, to remove them for breach of trust, misappropriation or other proper cause, to order the audit of temple accounts and to see that the various objects with which the endowments were made are properly carried out. Care has been taken to enforce that no lawful usage or *mamool* obtaining in the religious institutions is altered or interfered with. No provision has been made—

THE HONOURABLE THE PRESIDENT : May I point out to the Honourable Member that at this state it is not necessary nor is it the usual practice to go into the details of the Bill and refer to old history. You can only refer to the statement of objects and reasons and make a few remarks only. You will have a nother opportunity at the consideration stage.

THE HONOURABLE DWAN BAHADUR G. NARAYANASWAMI CHETTY : Sir, I shall not refer to old history. As I already mentioned, the city of Madras could not be included in the Bill on account of the jurisdiction of the High Court. Therefore the Bill was passed excluding the city of Madras on account of the Message sent by the then Governor Lord Willingdon. As I have already stated, we thought the Government of Madras would ask the Government of India to make this amendment as soon as possible, but nothing has been done. Hence I come before you to include the temples in the city of Madras under the supervision of the Religious Endowments Board.

Sir, I move for leave of the House to introduce the Bill.

The Motion was adopted.

THE HONOURABLE DWAN BAHADUR G. NARAYANASWAMI CHETTY : Sir, I introduce the Bill.

RESOLUTION *RE* ESTABLISHMENT OF AN INDUSTRIAL COUNCIL.

THE HONOURABLE MR. P. N. SAPBU (United Provinces Southern : Non-Muhammedan) : Sir, I rise to move the following Resolution :

“ This Council recommends to the Governor General in Council to take steps to establish an Industrial Council on the lines suggested by the Whitley Commission on Labour ”.

I would like first to refer to the death of Mr. Whitley, who was the President of the Royal Commission on Labour. He was a great Englishman, a great humanitarian, and he has rendered great services to Indian labour. Indian labour will always cherish his name with gratitude. Sir, one of the most useful commissions that was ever appointed by the Government was the Whitley Commission on Labour. That Commission reported in 1931 and one of the recommendations of that Commission was that steps should be taken by statute to establish an Industrial Council. Now, Sir, the question of this Council may be considered from three points of view, its need, its function and its constitution. Sir, the importance of labour in the modern world cannot be denied. India is becoming slowly industrialised and labour problems are getting more difficult and more acute. The old ideas of laissez-faire are over and the modern State is becoming increasingly interventionist. It is essential that legislative process for labour legislation should not be too slow and the constitution should be such as will make the common man, the worker, feel that he can achieve his end by working through and within the constitution. It is from this point of view that I would ask Honourable Members to approach the problem presented by my Resolution. Sir, in the course of their investigation, the Commission was much impressed with the defects of the present system of considering legislation regarding labour. We know in broad outlines the present system. After the idea of legislating on a particular matter is taken up by the Government of India the subject is first examined departmentally. If after this preliminary departmental examination the central Government considers that some legislation is necessary, then it formulates certain provisional views including a broad outline of the measure it has in mind and circulates them for opinion to the local Governments. Local Governments are asked in these circulars generally to consult labour and employer organisations and other public men and their own officers. The local Government on receiving this circular passes on this circular to district officers and other officials and non-officials and employers of labour and labour organisations. Then the officials to whom these letters are sent by the local Government in turn pass them on to their subordinates and other private individuals and public bodies for their opinion. The bodies or persons to whom these circulars are sent examine these proposals independently of each other and very often send written replies containing criticisms of the proposals. The provincial Secretariat when it receives these replies considers these replies carefully, scrutinises these replies, and in the light of opinions received it formulates its views and forwards them to the Government of India. The replies received from public bodies and individuals are often sent along with the criticisms of the provincial Governments. When all these replies have been received the Government of India considers them in detail ; sometimes they are referred to the Advisory Committee of the Legislature attached to the department concerned. If and when after all these replies have been received, it is considered desirable to have legislation, then a Bill is introduced. Then it sometimes happens that a draft Bill is referred for public opinion before it is

[Mr. P. N. Saprū.]

actually introduced in the Legislature but more often the circulation is after introduction in the Legislature. Then again local Governments are consulted, local Governments in turn consult their district officers and others interested in the questions raised by the Bill, replies come to the Government of India, the matter is placed before the Legislature, the Bill is referred sometimes to a Select Committee, and after the Select Committee has reported the matter is again taken up by the House in which the Bill originated, and if the Bill passes through the originating Chamber it comes to the other Chamber, and after both the Chambers are agreed, it is placed before His Excellency for assent, and that is the process. But even after the Bill has been assented to its operation is sometimes made dependent upon gazette notification. So there is some delay between the passing of a measure and its actual coming into operation. Now, Sir, it is right that legislative proposals in a vast country like India should be subject to careful and close scrutiny before they are actually adopted. Customs and conditions vary in different parts of the country and there is certainly need for full consideration before legislation is passed. There is certainly need to see that all the interests affected by a proposed legislation get an opportunity of considering and commenting upon the possible repercussions of the proposed measure upon their interests. But the procedure which I have just outlined and which the Whitley Commission outlined, is, as will be evident to everyone, a very slow one, and in labour matters it is essential that there should be speed in legislation. It is wasteful, as the Commission pointed out, of time and energy. But lack of speed is not the only or the principle defect of this procedure.

"The main weakness of the present system", say the Commission, "is that the only examination of proposals which most of those consulted are able to make is conducted independently in separate offices. So far as we can judge from the correspondence that has been supplied to us, much of the criticism is destructive, and many opinions are prepared without adequate material or a sufficiently wide view of the subject. It is, indeed, difficult for any one, who is unable to test his ideas in the light of the differing experience of others, to make constructive contributions to a complex proposal. Employers' representatives, workers' representatives and officials all suffer in the process by lack of contact with each other".

Now, Sir, the Commission therefore say that machinery is needed to bring the representatives of all these classes together to consider proposals in consultation with each other. Such machinery would result in the evolution in a shorter time and with a great saving of energy, of measures that would rest on a sound foundation of practical experience. Of course it is obvious that to a body like this no formal legislative powers can be assigned. The formal legislative powers must remain with the legislature and with the executive. But advisory and consultative functions can be assigned to a body like this and the Commission therefore say that the functions of this Industrial Council should be consultative and advisory. The ultimate decision in regard to any legislative matter or proposal must vest exclusively in the executive and the legislature. The advantage that they foresee is that a Council of this character would be able to focus in a clear and prominent manner the various economic forces in the country and thus be of material value in the evolution of wise and beneficent measures for the advancement of labour.

Sir, to this organisation the Commission would give the name of an Industrial Council. The organisation would have representatives of employers, it would have representatives of labour and it would have representatives of Government and some nominated members also. This is the constitution they propose. They suggest that the Council should not be unwieldy. It should be of a size which would enable individual members to make individual

contributions. They say that the Council should consist of 57 members exclusive of Burma. They suggest 13 Government members, three of whom would be representatives from the central Government, two each from Bengal and Bombay, and one from each of the other major provinces. They also suggest 17 employers' representatives, four of whom would be from Bengal, three from Bombay, two each from Madras, the United Provinces and Bihar and Orissa, one from each of the other major provinces and one from the minor provinces collectively. Then there are 17 labour representatives distributed similarly to the employers' representatives. Then there are to be two representatives of State railways, one of company-managed railways and three of railway labour, making six in all. And there are to be four nominated non-official members. They express the hope that one of the nominated non-officials will be a woman. I, Sir, would suggest that there ought to be more women in the Council. Also I would suggest that labour representatives should be elected by recognised trade unions or by labour constituencies which elect to the provincial legislatures. The employers' nominees should be nominated by recognised chambers of commerce and other employers' organisations for this purpose.

Sir, finally of course the recommendation of the Commission is that the Council should find a place within the framework of the constitution itself. Now, Sir, in addition to the representatives of the classes I have mentioned I think it is also necessary to have some representation from the Indian States. Labour conditions in Indian States, as we know, Sir, are very unsatisfactory, and one of the grievances of our industrialists is that if we force the pace in regard to labour legislation in British India industries will migrate to Indian States. Sir, some diplomatic pressure must be brought to bear on Indian States and they must be brought into this Industrial Council. Of course the Council would be, as I said, an advisory body. It would function as the International Labour Organisation functions. The representatives of Government at the Conference would find themselves to place the proposals agreed to at the Council before their respective Governments for ratification and there is therefore no danger to the Indian States in entering this Council. They would not be losing any of their sovereignty if they were to enter or take part in this Council.

Sir, so much for the constitution of the Council. How do I visualise the Council to work? The Council would meet annually. Its venue would be changed to different industrial centres annually. There would be a permanent Secretary-General and the President of the Council would be elected annually at each session. Legislative proposals would be referred to the Council by Government or would be initiated by the Council itself. It would have the power of initiating legislative proposals also. The Council would work out these proposals in detail, both in committee and in open conference. The proposals would ordinarily be considered at two successive sessions of the Council. At the first session, the Council would prepare a rough draft so that the public might be in a position to criticise the proposals and the members take their constituents into consultation. In the succeeding year, decisions would be taken by the Council. A Council of this kind would have the confidence of the Legislature, and indeed it would be desirable to have some representation of the Legislature also on the Council. So far as the budget of the Council is concerned, it should be met from central revenues and there should be a Standing Committee of the Council of two or three which might meet three or four times a year to prepare the agenda for the Council and to do all the spadework and the preliminary work for the open session of the Council. Consideration of legislative measures would not be the only function of this Council. We know,

[Mr. P. N. Saprú.]

Sir, that in the modern State, the legislative process is very complicated. We pass a measure ; we give to the executive rule-making powers under the legislation, and these rules and regulations sometimes are of very great importance. You can make or mar a measure by your rule-making power. Now, Sir, the Council would have the power of advising Government on rules made under authority given to them by measures passed by the Legislature. Sir, we know from experience that rules under the Factories Act or the Workmen's Compensation Act or the Mines Act are of vast importance both to employers and workers, and the Executive Government, before it frames rules, will have the benefit of the advice of a Council which would have representatives of all the interests on it. Then, Sir, with provincial autonomy, there will be need for greater uniformity in labour legislation in future. Labour is going to be, as we know, both a concurrent subject and a provincial subject. There will be need hereafter for greater co-ordination in regard to labour matters. There will be need, with provincial autonomy, for a co-ordinating body which would preserve that unity of purpose and that unity of method which is vital to industrial progress.

Sir, the Commission say that no legislative authority should be given to the Council. But it ought to be laid down that in respect of any proposal for the adoption of general legislation, which has the support of two-thirds of Government members, it ought to be obligatory on provincial Governments within a specified time to submit the proposals to their respective Legislatures for decision as to their adoption or not. As for the method, the Commission visualise that the voting will be in separate compartments. The employers will vote as employers, workers will vote as workers, and Government will vote as Government. The Council could also be of use in the collection of statistics regarding labour and the co-ordination and development of economic research.

Sir, I would say that the present is a suitable time for taking up this question. The new constitution is going to be an extremely conservative one. We are going to have an executive which will be responsible to both the Houses, and the Council of State will have equal powers with the lower House. In the major provinces, there will be second Chambers. Therefore, Sir, there is need that organised labour should be given an opportunity of expressing itself in a constitutional manner. There is need that organised labour should be given an opportunity of making its influence felt in the Legislatures of the country, and it will benefit both the employers and the labourers if a machinery could be devised which would bring them together. We do not want labour to develop on western lines in this country. We wish to avoid class conflict. I think a Council of this character would help in the promotion of industrial peace.

Another point that must be remembered is that in the provincial second Chambers, as also in the central second Chamber, there will be no representatives of labour. Labour has not been given any special representation. The depressed classes, from whom most of our workers are drawn, have not also been given any representation in the provincial and the central second Chamber. Therefore, Sir, an organisation is very necessary which would give labour an opportunity of making its influence felt in the Legislatures of the country. Sir, we are living in a dynamic world. We are having rapid economic changes in all countries. In these days of rapid economic change, the very purpose of labour legislation might be defeated by long delay. To take one example of the present defective system, the present Trade Union Act was decided upon in 1921, but it was not actually put into force until 1926.

Similar is the case with draft Conventions of International Labour Organisations. One of the functions of this Council would be to advise on the ratification of these draft Conventions. Therefore, Sir, for all these reasons, in the interests of industrial peace, I would urge on this Council to accept this Resolution. The whole of our future constitution is in the melting pot, and therefore this is a suitable time for taking up this subject, because, the labour position in the new constitution should also be assured. For these reasons, Sir, I commend this Resolution to the acceptance of the House.

THE HONOURABLE MR. P. C. D. CHARI (Burma : General): Sir, I heartily support the Resolution which has been so ably moved by my Honourable friend Mr. Sapru. He has detailed what he thinks should be the functions of this Industrial Council. We have had the Agricultural Council which has been doing very valuable work. India is steadily being industrialised and the industrial problem is coming more and more to the front and is becoming more acute. The real position is that labour in India is in a semi-organised state and there is a danger of labour playing into the hands of people who are interested in exploiting it. The creation of an Industrial Council with a proper constitution to ensure that the real representatives of labour have a voice in shaping the industrial policy ought to be welcome to the Government from this point of view. Labour being a provincial subject, as the Honourable mover has pointed out, there is a very great advantage in having co-ordination in the matter of provincial legislation relating to labour, while Government would be able to ascertain first hand from local representatives of labour and the employers their views on all questions. Thus the Council would serve a great purpose in bringing local and perhaps conflicting interests to a common centre for discussion. Also we cannot in India slavishly follow western methods in our industrial and labour policy. We have to evolve a policy of our own having regard to the needs of India, and the creation of this Council will go a long way in developing a really national labour policy.

Then another important function of this Council will be to advise in the matter of framing regulations under various enactments. As the mover pointed out, very much depends upon these regulations and the way in which they are worked, and this Council will enable those who know where the shoe pinches to give their views, and the regulations can be framed or altered according to the real needs of labour.

Then, Sir, we in Burma feel that unless there is a proper convention as regards the immigration of Indian labour into Burma, it will become a serious problem hereafter, just as it is in other countries where Indian labour is largely employed. This Industrial Council could serve a great purpose in bringing into the purview of its discussion and arriving at decisions matters relating to Indian labour overseas, and I welcome the Council on this score because it will give a great opportunity of co-ordinating efforts as between the Government of India and the representatives of labour in this country.

Sir, with these words, I heartily support this Motion.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, I rise to support this Resolution moved by my Honourable colleague Mr. Sapru. While I am in general agreement with his Resolution, I wish to safeguard ourselves from giving any total approval to the scheme as prepared by the Labour Commission. The reason for that is, that when this scheme was propounded by the Commission the present difficulties had not cropped up. Then we did not know of a Governor General acting at his

[Mr. Hossain Imam.]

discretion or of a Governor acting in his discretion. This new term has been imported by the new constitution scheme, and it is quite possible that wherever the word "Government" comes in this clause may be construed to enable him to act on his own initiative. I wish to safeguard that contingency.

With this reservation, I wish to emphasise the urgent necessity for co-ordinating efforts for the amelioration of the lot of the workers. The Government has no doubt brought forward measure after measure for the well-being of labour, but it has been a standing complaint of labour and its sympathisers that whatever has been done has been done a little too late. I would remind the House of the fact that when the hours of work was under discussion in the Simla session we entered our protest that it was too late in the day to fix 54 hours a week, when all the rest of the world had moved to 48 or 42 hours a week. Similarly, when we discussed the Trade Disputes Act, I pointedly drew the attention of the Honourable Industries and Labour Secretary to the fact that when the Bill was circulated to provincial Governments they were unanimous on two points. One was that the Act should be made permanent, and the other was that the Act should be amended, although opinions differed on the particular amendments which ought to be made. The Government acted on one of the recommendations and made the Act permanent, but without bringing forward the necessary amendments which would give life to it, with the result that the Act is very nearly a dead letter. One year has passed and no Bill has been brought forward yet. We have to see whether in the second year the Government will do anything.

Now, Sir, attention has been drawn to the tendency in labour legislation whereby enormous rule-making powers are vested in the executive Government. That is also one of our standing complaints, that the House or those who are concerned do not get an opportunity of scrutinising those rules and regulations. I would again remind the House that when the Dock Labourers Bill was on the legislative anvil we found that the letters (a) to (x) were exhausted in setting out the powers given to the executive to frame rules. As a matter of fact the Bill was not a legal enactment setting out the law on the subject, it was just a measure enabling the executive to frame laws by rules and regulations. If those rules are framed in a spirit of help towards labour, well and good; but if they are not, the Act is entirely negative.

THE HONOURABLE THE PRESIDENT: Are they not published in the Gazette of India?

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, they are published in the Gazette of India, but no opportunity is given to the central Legislature, as is given to the House of Commons in the case of similar regulations, to discuss the proposed regulations, nor is opportunity given to the industries concerned to have their say. It is very difficult to have rules and regulations framed by the Government defeated or thrown out. It is impossible to do it in this House.

THE HONOURABLE MR. D. G. MITCHELL: Honourable Sir, may I explain as regards the Dock Labourers Bill that the very elaborate rules to be made are already framed. They are part of the International Convention.

THE HONOURABLE MR. HOSSAIN IMAM : That reminds me of another thing. Whenever the Government wants not to act on an International Convention the easiest method they have found is to bring that Convention before the House and get it rejected. That shows how far International Conventions have been effective in doing anything good for labourers in India.

Now, Sir, coming to the merits of the Industrial Council, the great thing is that it brings the representatives of employers and labour together. That is a move in the right direction. As long as these interests are kept in water-tight compartments, the extremist tendency of each party will prevail. It is only when they come in contact that labour knows the difficulties of the capitalist and the capitalist are made aware of the difficulties of living of labour and a real rapprochement will be established. It is more by bringing them together that you will facilitate industrial development than by making all these rules and regulations. The great requirement at present is that these two sides which have been always at war should unite ; without unity they cannot succeed. As long as this state of affairs in which every one is out to have his pound of flesh continues, there will be no prosperity. Even England is suffering from this tendency of warring interests of labour and capital. Europe has had to go to extremes. We have Soviet Russia where there is no capitalism. Then we have a Fascist State in Italy and so on and so forth. We find that there is consciousness in the world to compose the differences between these two bodies, and one of the steps which will go a long way in establishing good relationship between labour and employer is to have a council where they will meet round the table, discuss matters and come to an agreement.

THE HONOURABLE MR. D. G. MITCHELL (Industries and Labour Secretary) : Mr. President, I wish to endorse whole-heartedly the remarks made by my Honourable friend regarding the late Right Honourable Mr. J. H. Whitley. The extent to which he won both the admiration and the affection of all with whom he came in contact during his labours in India—men of all classes, of all creeds and of all shades of opinion—was quite remarkable. I cannot do better than repeat a claim very recently made by Lord Halifax that the work Mr. Whitley did on the Commission is likely to influence, more than the work of any other single man, the future of Indian industrial development.

Sir, I was somewhat disappointed with the speech of the Honourable mover of this Resolution. After opening with a lengthy passage on the subject of legislative delays he himself delayed this House for fully 25 minutes before he got down to the gist of his own Resolution. He entertained the House with a somewhat elaborate paraphrase of the recommendations of the Whitley Commission, with which, I think, all who are at all interested are already sufficiently acquainted. One aspect of those recommendations, however, he does not appear to have realised fully, that is, though the Commission made some very definite recommendations they made them definitely and pronouncedly in regard to the future constitution, and nowhere have they made any strong recommendation that this council should be established at once. They seem to have had in their minds the danger that such control as at present exists at the centre our labour legislation and labour matters generally might under the future constitution, under a system of autonomous provincial Governments, be relaxed ; and in view of that danger, which I

[Mr. D. G. Mitchell.]

think chiefly occupied their minds, they put forward certain very definite proposals. For instance, they say in one place :

"Hitherto we have been discussing the Council with central legislation in view. If, however, labour legislation is to be decentralised to any extent, the need of some co-ordinating body will be imperative. The withdrawal of the unifying force exercised by the central Legislature and executive would give much greater urgency and importance to any machinery that can be something towards securing the same end".

I do not deny that the Commission did see the possibility of the establishment of an Industrial Council of this kind before the introduction of the new constitution. Indeed in one place they say :

"We recommend that, when the new constitution is framed, the Council, whether it has been established by that time or not, should find a place within the constitutional structure".

They therefore envisage the possibility of the establishment of this Council before the introduction of the new constitution. Nevertheless, their minds were engaged chiefly with the dangers of what might happen if central control were relaxed under the new constitution. In the event, the fears of the Commission have not been realised. As one of my Honourable friends on the other side has remarked, labour subjects will be in the concurrent field, which means that the central Legislature will still have powers of control by legislation. Further than that, they lie chiefly within Part II of the Concurrent List, which means that the central executive authority will have power by executive order to enforce legislation on these subjects. As regards the constitution of the Council, provision has been made in the Bill, which I daresay most of my Honourable friends have noticed, in clause 133, whereby when it appears to His Majesty, upon consideration of addresses presented to him through the Governor General from any Legislatures in India, that the public interests would be served by the establishment of an Inter-Provincial Council charged with certain duties (which would include the duties that would fall upon an Industrial Council), it shall be lawful for His Majesty in Council to establish such a Council, and to define the nature of the duties to be performed by it and its organisation and procedure. The danger therefore which the Whitley Commission feared has not been realised.

I am not here to dispute the desirability of the establishment of such an Industrial Council. No one would attempt to deny that a Council of some sort, whether on these or on other lines, would be of very great value indeed to India. The point that I wish chiefly to make is that there is no very great hurry about it. In view of the particular form of the recommendations of the Commission, the Government of India placed this question of the Industrial Council somewhat low down in the list of precedence. As all Honourable Members know, the Royal Commission made an enormous number of very important recommendations. These had to be dealt with more or less on a list of priority. It was impossible to undertake the whole of the work recommended by the Commission at once. Honourable Members will also admit that an enormous amount of very valuable work has been done, and, if they will peruse the blue book which was circulated recently, they will see that a very considerable amount of very important work still remains to be done. For this reason the Government of India do not propose at present to undertake this work, but will defer it until several more important subjects have been dealt with. I need refer Honourable Members only to two subjects, the primary importance of which they will certainly admit. I refer to the very important and intricate affair of the unregulated factories as one instance,

and to the question of trade disputes, which was referred to by the Honourable Mr. Hossain Imam, as another. I may add that there are many others, as Honourable Members will see if they peruse the blue pamphlet which was issued a few days ago.

Now, then, looking at this proposition calmly I can see some other reasons why there should be no particular hurry about the establishment of this Industrial Council. If we were to establish it now, it would have to be overhauled in the not very distant future on at least two occasions. The first would be on the establishment of autonomous provinces. We could not set up an Industrial Council now which we could regard with any prospect of success as being acceptable to an entirely different frame of provincial Government. Honourable Members know that these subjects are entirely within the provincial sphere of administration, and the present form of Government, split dyarchically, answerable to a legislature elected on a narrow franchise, is not likely to have the same views as an autonomous Government answerable to a legislature with a much broader franchise. The next occasion on which there will be need for revision would be upon the establishment of federation when entirely new provisions will have to be made to meet the case of the Indian States. I therefore suggest to the House that we might at least wait until the autonomous provinces have been constituted. We could then undertake the examination of this question upon the advice of Governments responsible entirely to the new legislatures.

Another reason why there is no particular hurry is that the Royal Commission itself examined, and examined in great detail and with great thoroughness, all the outstanding labour questions which came before them in the years 1930 and 1931. They made, as I have said before, a great mass of very important suggestions. These are still being considered. If we were to establish an Industrial Council now we would in effect be establishing another Commission in permanent session. I have no doubt that they would do extremely valuable work, but the Government of India itself has not the time or the staff to deal with more problems than are now engaging its attention in connection with labour.

I would therefore suggest to my friend that he should recognise Government's very practical difficulties in this matter and should realise that in the end we would probably get a better Industrial Council if we wait and consult the new Governments. And I would suggest to him that he should not press on us this very difficult and laborious work at a time when this department is already fully engaged with other matters which in my opinion are even more important.

THE HONOURABLE MR. P. N. SAPRU : Sir, the Honourable Mr. Mitchell has not opposed the idea of an Industrial Council. What he says is that this is not a suitable time for dealing with the matter
 4 P.M. and that it ought really to be taken up after the new provincial Governments have been set up. He further says that the department has got very heavy work just now in connection with the other recommendations of the Labour Commission and that this is one of those recommendations which can wait. Now, Sir, there is this difficulty, that my reading of the new constitution is not the same as the reading of my friend the Honourable Mr. Mitchell. I do not know, Sir, whether it would be possible for these new Governments to take up this question at all. Constituted as they would be, they would be very conservative. Even in the provincial Governments we are going to have second Chambers and there may be other factors, in operation and we do want, before provincial Governments are brought into

[Mr. P. N. Saprú.]

actual existence, a co-ordinating body so that the work which the central Government has done so far for labour might be preserved. In view of this consideration I am not disposed to withdraw my Resolution, though I recognise the sympathetic tone of Mr. Mitchell.

THE HONOURABLE THE PRESIDENT : Resolution moved :

“ That this Council recommends to the Governor General in Council to take steps to establish an Industrial Council on the lines suggested by the Whitley Commission on Labour ”.

The Question is :

“ That this Resolution be adopted. ”

The Council divided :

AYES—7.

Banerjee, The Honourable Mr. Jagadish Chandra.	Naidu, The Honourable Mr. Y. Ranganayakalu.
Chari, The Honourable Mr. P. C. D.	Saprú, The Honourable Mr. P. N.
Hossain Imam, The Honourable Mr.	Sinha, The Honourable Kumar Nripendra Narayan.
Jagdish Prasad, The Honourable Rai Bahadur Lala.	

NOES—22.

Basu, The Honourable Mr. Bijay Kumar.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Charanjit Singh, The Honourable Raja.	Mitchell, The Honourable Mr. D. G.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Devadoss, The Honourable Sir David.	Philip, The Honourable Mr. C. L.
Ghosal, The Honourable Mr. Jyotsnanath.	Russell, The Honourable Sir Guthrie.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.	Spence, The Honourable Mr. G. H.
Glaes, The Honourable Mr. J. B.	Stewart, The Honourable Mr. F. W.
Glancy, The Honourable Sir Bertrand.	Stewart, The Honourable Mr. T. A.
Hallett, The Honourable Mr. M. G.	Tallents, The Honourable Mr. P. C.
Johnson, The Honourable Mr. J. N. G.	Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Kameshwar Singh of Darbhanga, The Honourable Maharajadhiraja Sir.	Yamin Khan, The Honourable Mr. Moham- mad.

The Motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE MR. M. G. HALLETT (Home Secretary) : Sir, Government will have no business to place before the Council between now and Wednesday next, which as Honourable Members are aware, is a non-official day. But I take the opportunity of informing Honourable Members that there is a possibility of Government business being brought forward on Thursday, the 14th of March.

THE HONOURABLE THE PRESIDENT : With reference to the announcement that has just been made, I have to inform the House that in the event of the Council meeting on the 14th March the elections for the Standing Committee on Roads, the Standing Advisory Committee for the Indian Posts and Telegraphs and the Standing Committee of the Department of Commerce will take place on that day and will be conducted by means of the single transferable vote.

The Council then adjourned till Eleven of the Clock on Wednesday, the 13th of March, 1935.

CORRIGENDUM.

In Council of State Debates of the 2nd March, 1935, page 435, in the last line but one between the words "who" and "desire", *insert* the words "do not".