

Wednesday, 9th November, 1932

**THE  
LEGISLATIVE ASSEMBLY DEBATES**

(OFFICIAL REPORT)

**VOLUME VI, 1932**

*(7th November to 28th November, 1932)*

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**FOURTH SESSION**

OF THE

**FOURTH LEGISLATIVE ASSEMBLY,**

**1932**



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1933

*est. 15/11/32*

# Legislative Assembly.

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MR. B. SITARAMARAJU, M.L.A.

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# LEGISLATIVE ASSEMBLY.

Wednesday, 9th November, 1932.

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

## MEMBER SWORN.

The Honourable Sir Frank Noyce, Kt., C.S.I., C.B.E. (Member for Industries and Labour).

## QUESTIONS AND ANSWERS.

+1020\*—1025.\*

### TERMS AND CONDITIONS FOR THE RECOGNITION OF 'BUY INDIAN LEAGUES' AS LAWFUL ASSOCIATIONS.

1026. \*Mr. S. O. Mitra (on behalf of Rao Bahadur B. L. Patil):  
(a) With reference to the reply given by the Honourable the Home Member on the 15th September, 1932, to my supplementary question when replying to starred question No. 279, will Government state what are the exact circumstances under which a 'Buy Indian League' becomes an unlawful body or association?

(b) Will Government further state under what terms or conditions they are prepared to recognize 'Buy Indian Leagues' as lawful?

(c) Are Government aware that Indian mill-owners have petitioned the Government of India to take immediate steps to remedy the Japanese dumping of textiles and piece-goods?

(d) If so, are Government prepared to instruct the provincial departments of industries to work in co-ordination with such of the 'Buy Indian Leagues' and 'Swadeshi Leagues' that are ready to co-operate?

(e) Do Government propose to instruct Local Governments not to interfere with the work of the said Leagues unless and until there is positive proof that any League as a body is definitely associating itself with unlawful associations?

The Honourable Mr. H. G. Haig: (a), (b) and (e). I would invite the Honourable Member's attention to the letter dated the 11th April, 1932, addressed by the Private Secretary to His Excellency the Viceroy to the Western India National Liberal Association, Bombay, which deals with these questions in some detail.

(c) Yes.

(d) The question is one for Local Governments.

† These questions have already been answered; see pages 1486—88 of L. A. Debates, dated 28th September, 1932.

**LOWEST SELECTION GRADE EXAMINATION IN THE POST OFFICES.**

1027. \***Mr. S. C. Mitra** (on behalf of Rao Bahadur B. L. Patil):  
(a) Is it a fact that the Director-General of Posts and Telegraphs had prescribed an examination called the lowest selection grade examination for promotion to the posts of Head Clerks to the Superintendents of Post Offices and Inspectors of Post Offices and Railway Mail Service in the grade of Rs. 160—10—250?

(b) If the answer to part (a) above be in the affirmative, will Government be pleased to state the percentage of passes in the said examination?

(c) Is it a fact that the Director-General of Posts and Telegraphs has since stopped the lowest selection grade examination and ordered that the promotion to the posts of Head Clerks to the Superintendents of Post Offices and Inspectors of Post Offices and Railway Mail Service should be made from the ordinary time-scale officials according to their seniority combined with fitness?

**Mr. T. Ryan:** (a) Yes, a qualifying examination was prescribed for promotion to all posts in the lowest selection grade of Rs. 160—10—250 including those mentioned by the Honourable Member.

(b) The examination was abolished in February, 1932, and, according to the conditions of the examination, candidates were allowed more than one chance of appearing. Up to the time of the abolition of the examination, no candidate had finally failed to pass.

(c) The reply to the first part is in the affirmative and, to the second part, in the negative.

**Dr. Ziauddin Ahmad:** With reference to part (b) of the question, will Government be pleased to state the percentage of passes in the said examination? I did not follow the answer to this question.

**Mr. T. Ryan:** The position is that this examination, after being introduced, had to be made progressively easier to enable the older members of the staff to pass it. One concession made was that the examination might be taken in instalments, subject by subject, and each candidate, above a certain age, was allowed four chances of appearing. The result was that no candidate finally succeeded in failing to pass this examination and we decided that the examination was of no real use and we abolished it.

**Dr. Ziauddin Ahmad:** Is it the opinion of the Honourable Member that an examination is of no use if everybody passes it?

**Mr. T. Ryan:** An examination is, I think, of no use if the administration holding it finds it compelled to make it so easy that everybody can in effect pass it.

**EXAMINATION IN ACCOUNTS WORK IN THE POST OFFICES AND PROMOTION TO THE POST OF HEAD POSTMASTERS.**

1028. \***Mr. S. C. Mitra** (on behalf of Rao Bahadur B. L. Patil):  
(a) Is it a fact that the Director-General of Posts and Telegraphs has introduced an examination for the accounts work in the post office and had promised the qualified officials the posts of Head Postmasters?

(b) If the answer to part (a) above be in the affirmative, will Government be pleased to state the percentage of passes in the said examination and the number of such officials promoted to the posts of Head Postmasters?

**Mr. T. Ryan:** (a) The Honourable Member's attention is invited to the reply given by Sir H. A. Sams to Mr. B. P. Naidu's starred question No. 29 in this House on the 18th August, 1927, which fully explains the position.

(b) Five such examinations have been held. The average percentage of passes in the first four was about 15 and in the last, 22. As regards the last part of the question, Government have no information, as such promotions are made by Heads of Circles.

PROMOTION TO THE POSTS OF HEAD POSTMASTERS AND INSPECTORS OF  
POST OFFICES, ETC.

1029. **\*Mr. S. O. Mitra** (on behalf of Rao Bahadur B. L. Patil): (a) Is it a fact that the posts of Head Postmasters are more responsible than the appointments of Head Clerks to the Superintendents of Post Offices and Railway Mail Service?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether the passed accountants are eligible for promotion to the posts of Head Clerks to the Superintendents of Post Offices and Inspectors of Post Offices and Railway Mail Service in preference to ordinary time-scale officials? If not, why not? Is it a fact that the latter are not as well versed in accounts work in the post office as the qualified accountants?

(c) Is it a fact that the accounts examination is more difficult than the lowest selection grade examination? If so, are Government prepared to carry out their pledge in respect of their promotions to the appointments of Head Postmasters or, at least, all these qualified officials now in the ordinary time-scale to the posts of Inspectors of Post Offices and Railway Mail Service and Head Clerks to the Superintendents of Post Offices and redress their long-standing grievance?

**Mr. T. Ryan:** (a) The duties of the posts in question are of widely different kinds and Government are not prepared to make any pronouncement as to their comparative responsibilities.

(b) Only such ordinary time-scale officials, as have passed a departmental examination, are eligible for promotion to the posts in question and passed accountants, who have also passed this examination, are equally eligible for such promotion. As regards the last part of the question, the position is generally as stated by the Honourable Member.

(c) As regards the first part of the question, the two examinations were entirely different and no comparison of their relative stiffness is possible. As regards the second part, the Honourable Member's attention is invited to the reply just given to part (a) of his question No. 1028.

The reply to the last part is in the negative: I am not aware of the pledge to which the Honourable Member refers.

#### CONFIRMATION OF LEAVE RESERVE CLERKS IN THE POST OFFICES.

1030. \***Mr. S. C. Mitra** (on behalf of Rao Bahadur B. L. Patil): Is it a fact that due to the introduction of lower division clerks as a measure of retrenchment in the Postal Department, the members of the present leave reserve in Rs. 40—5—140 scale are made to wait longer for their turn for confirmation as permanent clerks? If so, are Government prepared to convert the lower division appointments by giving alternate vacancies to these officials?

**Mr. T. Ryan:** Government have no information; the case is possibly as suggested but it is not proposed to institute enquiries since even if the fact were established it would not affect the decision to create Lower Division posts. The meaning of the Honourable Member's concluding suggestion is not understood.

#### ABOLITION OF THE POST OF ASSISTANT SECRETARY, PUBLIC WORKS BRANCH, DEPARTMENT OF INDUSTRIES AND LABOUR.

1031. \***Dr. Ziauddin Ahmad** (on behalf of Lieut. Nawab Muhammad Ibrahim Ali Khan): (a) Is it a fact that in the Department of Industries and Labour, owing to the transfer of a great deal of work of the Public Works Branch to the Industries side, the Assistant Secretary, Public Works Branch, has nothing to do?

(b) If the answer to part (a) be in the affirmative, do Government propose to abolish his post?

**The Honourable Sir Frank Noyce:** (a) The Honourable Member's supposition is entirely incorrect.

(b) Does not arise.

+1032\*—1036.\*

#### DUTIES AND ALLOWANCES, ETC., OF THE LIBRARIAN OF THE ARCHÆOLOGICAL DEPARTMENT.

1037. \***Maulvi Muhammad Shafee Daoodi** (on behalf of Maulvi Sayyid Murtuza Sahab Bahadur): (a) Will Government be pleased to state if the library of the Archæological Department also moves to Delhi along with the main office?

(b) If so, what is the amount of expenditure annually incurred in this connection?

(c) Will Government be pleased to state what the duties of the Librarian of the Archæological Department are?

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† These questions have already been answered; see [pages 1488—90 of L. A. Debates, dated 28th September, 1932.]



(d) Is it a fact that the Librarian gets an allowance of Rs. 50 per mensem for six months during the winter season?

(e) Is it a fact that he pays a visit to Delhi every year during the winter season and stays there for a couple of months?

(f) If the reply to part (e) be in the affirmative, will Government be pleased to state:

- (i) the object of the Librarian's stay in Delhi,
- (ii) who performs the duties of the Librarian in Simla during the latter's absence, and
- (iii) whether the substitute gets any allowance; if not, why not?

**Mr. G. S. Bajpai:** (a) No.

(b) Does not arise.

(c) The duties of the Librarian in the office of the Director General of Archæology in India are the same as those of any other Librarian.

(d) Yes.

(e) Yes.

(f) (i) The main object of his moving to Delhi is to assist the Director General of Archæology at Delhi in the reading of the proofs of the Annual Departmental Report. (ii) and (iii). There is not much demand for books during the winter months, which is the period of field work, so the Librarian can move to Delhi without detriment to his duty of issuing books.

**PURCHASE OF PUBLICATIONS FOR THE LIBRARY OF THE ARCHÆOLOGICAL DEPARTMENT.**

1988. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Will Government be pleased to place on the table two statements showing the subject, language and price of each publication purchased for the Archæological Library in 1929-30 and 1981-82, respectively?

(b) Is it a fact that since the last two or three years most of the books required for the Archæological Department Library are purchased from Lahore booksellers?

(c) What percentage of discount is given by the Lahore booksellers and has the amount so received been credited to Government?

(d) What amount of discount was given by Messrs. Thacker, Spink & Company when they supplied the books?

**Mr. G. S. Bajpai:** (a) The statements asked for are placed on the table.

(b) No.

(c) No discount was given as all the books were not bought from one and the same bookseller.

(d) Ten per cent.

Statement showing the subject, language and price of each of the publications purchased for Archaeological Library during the years 1929-30 and 1930-31.

1929-30.

Subject.	Language.	Prices.
Photography	English	£ 0 3 0
Religion, Japanese	Do.	£ 0 1 0
Art, Indian	Do.	Rs. 20 0 0
Pre-History	Do.	£ 1 5 0
History, Asia	Do.	£ 0 15 0
Religion, Buddhism	Do.	£ 0 5 0
Art, Siamese	Do.	£ 0 3 0
Reference (Directory)	Do.	Rs. 32 0 0
Arts, Indian	Do.	£ 0 1 0
History, Sumer	Do.	£ 0 3 0
Reference, English	Do.	Rs. 5 8 0
Egyptology	Do.	£ 3 1 0
Archæology, Western Asia	Do.	£ 1 0 0
Anthropology	Do.	£ 0 18 0
Bibliography	Do.	£ 1 15 0
Arts, Persian	Do.	£ 0 15 0
History, Southern India	Do.	Rs. 10 0 0
Archæology, Persian	French	£ 1 0 0
Ditto	Do.	£ 0 5 0
Ditto	Do.	£ 1 0 0
Epigraphy, Sumer	Do.	£ 2 0 0
Ditto, Persian	Do.	£ 0 10 0
Epics, Indian	Sanskrit	Rs. 14 0 0
Archæology, Central Asia	English	Rs. 2 0 0
Topography, N.-W. F. Province	Do.	£ 0 18 0
Technical Arts	Do.	Rs. 30 0 0
Archæology	Do.	Rs. 10 0 0
Ethnology, China	Do.	£ 0 7 0
Ditto India	Do.	Rs. 15 0 0
Philology	Do.	£ 1 8 0
History, Asia	Do.	£ 0 15 0
Ditto	Do.	£ 0 10 0
Reference	Do. and French	Rs. 6 9 0
Ditto	English	Rs. 7 0 0
Ditto	Do.	Rs. 5 10 0
Ditto	Do.	Rs. 5 8 0
Ditto	Do.	Rs. 5 10 0
Epigraphy	Sanskrit	Rs. 14 0 0
Reference	English	£ 2 0 0
Archæology, Asia Minor	Do.	£ 0 18 0
Ditto French Indo-China	French	Francs 330
Technical Arts	English	£ 0 5 0
Ditto	Do.	Rs. 25 0 0
Reference	Sanskrit	£ 3 0 0
Archæology, Central Asia	German	£ 21 0 0
Topography, Sind	English	Rs. 120 0 0
Ditto Afghanistan	Do.	Rs. 75 0 0
Numismatics, India	Do.	£ 0 15 0
Archæology, Mesopotamia	Do.	£ 0 5 0
Topography, India	Do.	Rs. 20 0 0
Reference	Do.	Rs. 18 0 0
Technical Arts	Do.	Rs. 20 0 0
History, India	Do.	Rs. 21 0 0
Ditto Sumer	Do.	Rs. 10 0 0
Reference (Dictionary)	Prakrit	Rs. 40 0 0
Archæology, Indian	English	£ 3 0 0
Reference	Do.	Rs. 7 0 0
Religion, Buddhism	Do.	Rs. 25 0 0
Biography, Muslim	German	£ 0 15 0
Archæology, Greek	English	£ 0 7 0
Arts, Indian	Do.	£ 0 17 0

1929-30—Contd.

Subject.	Language.	Prices.
Chronology, Muslim	German	£ 0 15 0
Archæology, Assyria	English	£ 0 5 0
Archæology, Asia Minor	German	£ 0 5 0
Reference (Dictionary)	Pali-English	£ 0 7 0
Archæology, English	English	£ 0 9 0
Statistics	Do.	Rs. 3 0 0
Bibliography	Do.	£ 0 5 0
Archæology, Asia	French	£ 1 8 6
History	Do.	£ 1 19 0
History, Asia	English	£ 0 15 0
History, Afghanistan	Do.	£ 3 0 0
Topography, India	Do.	Rs. 12 0 0
History, Greek	Do.	£ 0 7 0
History, India	Do.	Rs. 40 0 0
Ditto	Do.	Rs. 35 0 0
Ditto	Do.	£ 1 10 0
Travels	Do.	Rs. 20 0 0
Ditto	Do.	Rs. 30 0 0
Bibliography	Do.	Rs. 40 0 0
Topography, India	Do.	Rs. 100 0 0
Archæology, Mesopotamia	Do.	£ 1 6 0
Art, Muslim	Do.	£ 3 6 0
History, Egypt	Do.	£ 1 12 0
Archæology, Greek and Roman	Do.	£ 3 8 0
Art, Persian	Do.	£ 0 12 0
History, India	Do.	Rs. 12 0 0
Ditto	Do.	Rs. 7 6 0
Pre-History	Do.	Rs. 30 0 0
History, India	Do.	Rs. 30 0 0
Archæology, Mesopotamia	Do.	£ 1 10 0
History, America	Do.	£ 0 15 0
Religion (Islam)	Do.	£ 0 3 0
Religion, Chinese	Do.	£ 0 7 0
History, Europe	Do.	£ 1 15 0
Ditto	Do.	£ 0 15 0
Pre-History, Europe	Do.	£ 0 7 0
Archæology, Asia Minor	Do.	£ 0 17 0
Ditto	Do.	£ 0 12 6
Archæology, Syrian	Do.	£ 0 12 6
Archæology, Egypt	Do.	£ 0 4 6
Archæology, Syria	Do.	£ 0 7 0
Archæology, Egypt	Do.	£ 0 17 0
Numismatics	Do.	£ 5 7 0

1931-32.

History, Babylon	German	£ 1 12 5
Philology	Do.	£ 6 11 5
Archæology, Cambodia	French	Francs 860
Archæology	English	Rs. 6 0 0
Philology, Sanskrit	Do.	£ 1 3 8
Art, Persian	Do.	£ 0 9 6
Art	German	£ 2 17 6
History, India	English	Rs. 31 4 0
Art, Persian	Do.	£ 0 3 2
Reference (Nepali English)	Do.	£ 3 15 8
Archæology, Greek	Do.	£ 1 0 3
Topography, England	Do.	Rs. 3 0 0
Art, Persian	Do.	£ 0 5 11
History, Persia	Do.	£ 1 7 0
Palæography, India	Do.	£ 0 5 0
Topography, India	Do.	Rs. 8 0 0
Statistics	Do.	(4 copies.) Rs. 1 6 0
Epics, India	Do.	Rs. 0 5 0
	Sanskrit	Rs. 6 0 0

1931-32—contd.		
Subject.	Language.	Prices.
Bibliography . . . . .	English . . . . .	£ 0 15 0
History, Sind . . . . .	Do. . . . .	Rs. 4 5 0
Literature, Persian . . . . .	Do. . . . .	£ 3 15 0
Religion, Buddhism . . . . .	Do. . . . .	£ 0 11 3
Religion, Palestine . . . . .	Do. . . . .	£ 0 11 3
Archæology, Palestine . . . . .	Do. . . . .	£ 0 11 3
History, Mesopotamia . . . . .	Do. . . . .	£ 0 11 3
Palaography, Greek . . . . .	Do. . . . .	£ 0 9 6
Persian literature . . . . .	Persian . . . . .	Rs. 24 0 0
		(8 books.)
Reference . . . . .	English . . . . .	Rs. 7 8 0
Archæology, Indian . . . . .	French . . . . .	£ 1 4 0
Art, Egypt . . . . .	English . . . . .	£ 1 19 9
History, Europe . . . . .	Do. . . . .	Rs. 7 8 0
Literature, Persian . . . . .	Persian . . . . .	Rs. 3 0 0
Ditto . . . . .	Do. . . . .	Rs. 2 0 0
Ditto . . . . .	Do. . . . .	Rs. 2 8 0
Archæology, Greek and Roman . . . . .	English . . . . .	£ 0 18 0
History, Mesopotamia . . . . .	Do. . . . .	£ 1 18 0
Bibliography . . . . .	Do. . . . .	Rs. 2 0 0
Literature, Egypt and Western Asia . . . . .	Do. . . . .	£ 0 5 11
Archæology (Europe) . . . . .	Do. . . . .	£ 4 1 0
Religion, India . . . . .	Sanskrit . . . . .	Rs. 14 0 0
Pre-History . . . . .	English . . . . .	£ 0 17 0
History, Orissa . . . . .	Do. . . . .	Rs. 20 0 0
Archæology (British) . . . . .	Do. . . . .	£ 0 3 10
Archæology (Europe) . . . . .	Do. . . . .	£ 0 14 6
Topography, India . . . . .	Do. . . . .	£ 0 8 0
Ditto . . . . .	Do. . . . .	£ 0 10 6
Ditto . . . . .	Do. . . . .	Rs. 6 0 0
Reference (Pali-English) . . . . .	Pali-English . . . . .	£ 0 7 6
Archæology, Greek . . . . .	English . . . . .	£ 1 1 6
History, India . . . . .	Do. . . . .	Rs. 5 0 0
Literature, Indian . . . . .	Do. . . . .	£ 0 2 6
Arts, Indian . . . . .	Do. . . . .	£ 0 14 0
Ditto . . . . .	Do. . . . .	£ 0 3 9
Religion, Roman . . . . .	Do. . . . .	£ 0 5 0
Religion, Greek and Roman . . . . .	Do. . . . .	£ 0 5 0
Religion, Buddhism . . . . .	Do. . . . .	£ 0 9 6
Literature, Indian . . . . .	Do. . . . .	£ 0 5 0
Archæology, Syria . . . . .	Do. . . . .	£ 0 12 6
Palaography, Semitic . . . . .	French . . . . .	£ 0 4 0
Reference, English . . . . .	English . . . . .	Rs. 5 8 0
Ceramics, Greek, Roman and Etrusean . . . . .	Do. . . . .	£ 3 19 0
History, Roman . . . . .	Do. . . . .	£ 2 0 6
Archæology, Mesopotamia . . . . .	Gorman . . . . .	£ 14 0 0
Art, Persian . . . . .	Do. . . . .	£ 0 16 0
Archæology, Egypt . . . . .	French . . . . .	£ 7 11 0
Religion, Persian . . . . .	English . . . . .	£ 0 3 6

**Dr. Ziauddin Ahmad:** Why is this differentiation made between Messrs. Thacker Spink and other booksellers?

**Mr. G. S. Bajpai:** Well, I have explained in my answer that the booksellers in Lahore are asked to supply only one or two books whereas Messrs. Thacker Spink supply books in quantity.

#### FILLING UP OF THE POSTS OF DRAUGHTSMEN IN THE AGRA CIRCLE OF THE ARCHAEOLOGICAL DEPARTMENT.

1959. \*Maulvi Muhammad Shateo Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Will Government please state if the six newly created posts of draughtsmen in the Agra Circle of the Archaeological Department have been filled?

(b) If the reply to part (a) be in the affirmative, will Government please state:

- (i) what the names, qualifications and the nationality of the candidates selected are,
- (ii) whether the posts were duly advertised and, if so, in what newspapers,
- (iii) whether the candidates selected are among those who applied for these in response to advertisements,
- (iv) if the reply to part (iii) be in the negative, what other procedure was adopted for selecting candidates and why, and
- (v) whether the retrenched men were given an opportunity to accept these posts?

**Mr. G. S. Bajpai:** (a) Five of these posts have so far been filled.

(b) (i) A statement giving the names, qualifications and nationality of the candidates selected is laid on the table.

(ii) No.

(iii) Does not arise.

(iv) The posts were not advertised because a large number of applications from qualified draughtsmen including retrenched men were already available from which a selection was made of those considered most suitable.

(v) Yes.

*Statement giving the names, qualifications and the nationality of the candidates selected for the posts of draughtsmen in the Northern Circle of the Archaeological Department.*

Names.	Qualifications.	Nationality.
Mr. Gulab Chand .	Formerly temporary draughtsman in the office of the Superintendent, Archaeological Survey, Northern Circle, Agra, from 1929 until his retrenchment in September, 1931	Sikh.
Mr. Madan Mohan .	Possesses 8 years' experience as draughtsman in the Central Public Works Department, New Delhi, and the office of the Divisional Superintendent, North Western Railway. Held a permanent post in the Drawing Branch of Railway Board of the Government of India until 15th June, 1932 when he was retrenched	Hindu.
Mr. Qamruddin .	Worked for some time as a draughtsman in the office of the District Engineer, Agra, and then held a temporary post of draughtsman in the office of the Superintendent, Archaeological Survey, Northern Circle, Agra, from 1928 until his retrenchment in September, 1931.	Muhammadan.
Mr. Agha Mohd. Sadiq .	Retrenched from the office of the Superintendent, Archaeological Survey, Northern Circle, Agra	Do.
Mr. Gauri Shankar	His specimen drawings were examined and were found superior to those of other applicants	Hindu.

**LOSS IN THE WORKING OF THE SURVEY PRINTING OFFICE, DEHRA DUN.**

1040. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Are Government aware that the Printing Office attached to the Survey of India at Dehra Dun is working at a loss to the State? If the answer be in the affirmative, have Government taken any steps to avoid this? If not, why not?

(b) Is it a fact that there is no check of quantity of work by workmen or the output of the Survey Printing Office at Dehra Dun as is done in other Government Presses?

(c) Have Government considered the desirability of getting the accounts of the said printing office checked by the Government auditor every year with a view to knowing exactly how the press in question is working?

(d) Is it a fact that in the said press printing work of certain persons of the Survey Department is done free and private work of outsiders is also undertaken and charged for? Is it credited to Government? If not, who gets it?

(e) Is it a fact that experienced men taken from outside the presses to check the irregularities prevalent in the Survey Printing Office were retrenched? If so, why?

**Mr. G. S. Bajpai:** (a) The Survey of India Printing Office at Dehra Dun is employed on departmental work only and its cost is therefore directly charged to Government, there is no question of profit or loss in this.

(b) No. Daily check is maintained on individual outturn.

(c) The Printing Office is a section of the Geodetic Branch and the accounts of this Branch are audited every year by the Accountant General of the United Provinces. Separate accounts are not maintained for the Printing Office.

(d) The answer to the first part is in the negative. Other portions do not arise.

(e) Some men, who could not be usefully employed, were retrenched as a measure of economy, and not because of their alleged corrective activities, for which no special appointments were either necessary or made.

**Dr. Ziauddin Ahmad:** In view of the great loss in the printing, is it not possible for the printing to be done by some other printing works?

**Mr. G. S. Bajpai:** This question was gone into by the Controller of Printing a few years ago and he came to the conclusion that in view of the very technical nature of the printing to be done this office had better be maintained.

**REPRESENTATIONS OF EMPLOYEES OF THE SURVEY PRINTING OFFICE,  
DEHRA DUN.**

1041. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): Is it a fact that representations of employees

of the Survey Printing Office, Dehra Dun, do not reach the officer in charge nor any employee is allowed an interview to ventilate his grievances to the officer in charge?

**Mr. G. S. Bajpai:** No, Sir.

**RETENTION OF THE POST OF ASSISTANT SUPERVISOR IN THE SURVEY PRINTING OFFICE, DEHRA DUN.**

1042. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): Have Government considered the question whether it is at all necessary to retain the post of Assistant Supervisor in the grade of Rs. 225—375 to supervise a staff of 15 men in the Survey Printing Office at Dehra Dun?

**Mr. G. S. Bajpai:** The staff of the Printing Office consists of 24 men. The post of Assistant Supervisor on a time-scale pay of Rs. 225—15—375 was created in 1929 at the suggestion of the Controller of Printing and Stationery (India) who personally inspected the Printing Office. The arrangement has had excellent results, and the retention of an Assistant Supervisor having special technical qualifications is still considered essential for the efficient working of the Office.

**IRREGULARITIES IN THE SURVEY PRINTING OFFICE, DEHRA DUN.**

1043. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): Is it a fact that the Controller of Printing and Stationery visited the Survey Printing Office at Dehra Dun and pointed out certain irregularities in his inspection report? Has any improvement been made in the direction as proposed by the Controller?

**Mr. G. S. Bajpai:** The answer to both parts of the question is in the affirmative.

**PROPORTION OF RETRENCHED EMPLOYEES OF EACH COMMUNITY OF THE SURVEY PRINTING OFFICE, DEHRA DUN.**

— 1044. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Are Government aware that in retrenching the Survey employees in general and Printing Office employees at Dehra Dun in particular, no consideration was given to service, efficiency, cadre and community and Government orders in that respect were overlooked when retrenching men?

(b) Will Government please lay on the table a brief statement showing the proportion of retrenched employees of each community of the Survey Printing Office at Dehra Dun?

**Mr. G. S. Bajpai:** (a) Due attention was paid to considerations of service, efficiency and community in effecting retrenchment in the Survey of India including the Printing Office at Dehra Dun.

(b) A statement giving the desired information is laid on the table of the House.

Statement showing the number and percentage of retrenched employees of each community in the Survey of India Printing Office, Dehra Dun.

	Strength before retrenchment.	Retrenched.	Strength after retrenchment.	Percentage of retrenched men of each community to their original strength.
				Per cent.
Hindu	41	30	11	73
Moslems	24	13	11	54
Indian Christians	2	..	2	..
Total	67	43	24	64

**MUSLIMS APPOINTED TO GAZETTED RANKS IN THE INCOME-TAX DEPARTMENT, PUNJAB.**

1045. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): Will Government kindly state the number of individuals appointed or promoted to the gazetted ranks of the Income-tax Department of the Punjab, etc., and the number of Muslims in those figures?

**The Honourable Sir Alan Parsons:** A statement giving the information required is laid on the table.

*Communal composition of the Gazetted staff of the Income-tax Department, Punjab, North-West Frontier Province and Delhi as it stood on 31st December, 1931.*

—	No. of posts.	Punjab, North-West Frontier Province and Delhi.				
		Number held by Muslims.				
Assistant Commissioners of Income-tax	3	Nil				
—	Punjab.		North-West Frontier Province.		Delhi.	
	Number of posts.	Number held by Muslims.	Number of posts.	Number held by Muslims.	Number of posts.	Number held by Muslims.
Income-tax Officers	30	6	4	2	3	1
Assistant Income-tax Officers	8	4	1	Nil	2	1



RENT PAID FOR BUILDINGS OCCUPIED BY THE INCOME-TAX DEPARTMENT  
AT LAHORE.

1046. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Will Government please state the total number of buildings occupied by the Income-tax Department at Lahore and the annual rent paid for them?

(b) Are Government aware that the rent generally paid for these buildings is much higher than would be paid for similar other buildings in similar localities?

(c) Is it a fact that many of the owners of the buildings in question are either the relatives of the Superintendent of the office of the Commissioner of Income-tax or belong to his place of residence?

(d) Do Government propose to consider the advisability of appointing an Investigating Officer to find out whether the rents paid by the Income-tax Department are reasonable and fair?

(e) Do Government propose to enquire whether the Superintendent referred to above receives any commission or discount for the rents paid to the owners of the buildings?

(f) If the reply to part (e) be in the affirmative, are Government prepared to take steps to have the amount so far received by the Superintendent refunded by him and credited to Government?

**The Honourable Sir Alan Parsons:** (a) Three buildings for the permanent staff at an annual rent of Rs. 10,800. One building for the temporary staff on a monthly rental of Rs. 175.

(b) No.

(c) No.

(d) No.

(e) Certainly not.

(f) Does not arise.

† 1047\*—1049.\*

NUMBER OF MUSLIMS AND NON-MUSLIMS EMPLOYED IN THE INDIAN STORES  
DEPARTMENT.

1050. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): Will Government please state the number of Muslims and non-Muslims (of the ministerial service) employed in the Indian Stores Department both at the headquarters as well as in the circles?

**The Honourable Sir Frank Noyce:** The attention of the Honourable Member is invited to the statements showing the communal strength of the ministerial staff of all the offices under the Central Government, a copy of which has been placed in the Library of the House.

† These questions have already been answered; see pages 1490-91 of L. A. Debates, dated 28th September, 1932.

**GOVERNMENT CIRCULARS RE RECRUITMENT OF MUSLIMS.**

1051. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Sahab Bahadur): (a) Are Government aware that Government Circulars regarding recruitment and retention of Muslims in Government services are totally ignored by the non-Muslim establishment officers?

(b) If so, what measures do Government propose to adopt in this connection to see that their orders are actually carried out?

**The Honourable Mr. H. G. Haig:** (a) No, Sir.

(b) Does not arise.

**RETRENCHMENT OF THE POST OF ASSISTANT DIRECTOR OF ENGINEERING BRANCH IN THE INDIAN STORES DEPARTMENT.**

1052. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Sahab Bahadur): (a) Is it a fact that acting upon the recommendations of the Retrenchment Committee, the Indian Stores Department retrenched the post of the Assistant Director of Engineering Branch, but that soon afterwards another man was appointed on the same job, though with a slight change in the designation?

(b) Will Government please state why the post of the Assistant Director of Engineering in the Indian Stores Department was retrenched? Is it a fact that a new post has been created instead and that another man has now taken up the new post?

**The Honourable Sir Frank Noyce:** (a) and (b). The post of Assistant Director of Purchase (Engineering) was abolished on the recommendation of the Chief Controller of Stores who reported that there was a decline in the volume of work in the Engineering Branch. This recommendation was supported subsequently by the Stores, Printing and Stationery Sub-Committee of the Retrenchment Advisory Committee. As the work of that Branch again increased substantially, it was found necessary to utilise the services of a junior leave reserve officer to cope with the increased work. No new post has been created.

**Dr. Ziauddin Ahmad:** Is it not a fact that the post was abolished on the recommendation of the Retrenchment Committee but on account of increase of work another man was promoted to occupy the very same position?

**The Honourable Sir Frank Noyce:** No, Sir. In the first place the post was not abolished on the recommendation of the Retrenchment Committee but on that of the Chief Controller of Stores himself. In the second place no new officer, as I mentioned, has been appointed to cope with the increased work. We are merely utilising the services of a junior leave reserve officer.

**CONTRACTS SECURED BY MESSRS. DEWANCHAND AND SONS, CALCUTTA, FROM THE INDIAN STORES DEPARTMENT.**

1053. \*Maulvi Muhammad Shafee Daoodi (on behalf of Maulvi Sayyid Murtuza Sahab Bahadur): (a) Is it a fact that Messrs. Dewanchand & Sons, Calcutta, tendered for double backed imitation leather cloth, but supplied single backed cloth? Have Government appreciated the full significance of this case?

(b) What is the number of contracts Messrs. Dewanchand and Sons have been able to secure from the Indian Stores Department during the last four years?

**The Honourable Sir Frank Noyce:** (a) The allegation is being investigated by the Chief Controller of Stores.

(b) 285.

**ENTERTAINMENT OF A SUPERINTENDENT OF THE INDIAN STORES DEPARTMENT BY CERTAIN FIRMS AT KARACHI.**

1054. \***Maulvi Muhammad Shafee Daoodi** (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Are Government aware of the following facts?

The Superintendent of the Miscellaneous Branch of the Indian Stores Department while on leave during the last year went to Karachi. A firm of high standing and having large dealings with the Indian Stores Department placed a motor car at his disposal free of cost. Then a garden party was given in his honour by two firms to which two gazetted officers of the local organization of that Department were invited to meet him at the table, he being the principal guest of that evening.

(b) Have these facts been brought to the notice of the Chief Controller of Stores? If so, what action has been taken?

(c) Do Government propose to investigate into the matter on Mot?

(d) Is this entertainment against the Government Servants' Conduct Rules?

(e) Do Government propose to take any action in order to discourage such practice?

**The Honourable Sir Frank Noyce:** (a) Government understand that the Superintendent of the Miscellaneous Branch of the Indian Stores Department did not go to Karachi last year. The imputations in the question are thus entirely without foundation.

(b), (c), (d) and (e). Do not arise.

**Mr. Lalchand Navalrai:** May I ask the Honourable Member what is the rule governing the question of parties being given to officers by the firms with which they are concerned?

**The Honourable Sir Frank Noyce:** I should have to look up the Government Servants' Conduct Rules to give a full reply on that point. As I have pointed out, the question does not arise in this case as the officer in question did not go to Karachi at all and therefore no party could have been given to him.

**SENIORITY OF THE CLERICAL STAFF OF THE INDIAN STORES DEPARTMENT.**

1055. \***Maulvi Muhammad Shafee Daoodi** (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): With reference to replies given by Government to the question of Kunwar Hajee Ismail Ali Khan during the last Session of this House in Delhi in connection with the seniority of the clerical staff of the Indian Stores Department, will Government please state:

(a) if it is not a fact that the pay bills of the staff are prepared according to seniority in the grade;

- (b) if no seniority was announced when the whole staff of the Indian Stores Department was confirmed;
- (c) if there was no seniority fixed at the time of confirmation, how the pay bills were prepared, and how new comers to the Department were fixed in a scale;
- (d) on what basis were promotions effected from a lower division to an upper division;
- (e) whether it took about ten years to analyse the gradation of different men, and whether there are not cases where, for want of seniority, promotions of otherwise deserving men have been retarded; if so, whether and how Government propose to deal with such men now;
- (f) if it is a fact that during these ten years, and before the final fixation of a gradation list the further advancement of some men has been entirely stopped;
- (g) if it is a fact that the seniority of clerks in the Indian Stores Department has been altered more than once during the last ten years; if so, why; and
- (h) whether Government could not decide at the time of confirmation each one's position in his grade; and why it was found necessary to change seniority so often?

**The Honourable Sir Frank Noyce:** Three questions, *viz.*, Nos. 96, 97 and 98 were asked on this subject by Kunwar Hajeer Ismail Ali Khan in this House on 29th February, 1932, and the Honourable Member is referred to the reply then given. The Chief Controller of Stores is responsible to Government generally for the efficient administration of the Department and Government do not propose to call for further information regarding these administrative details, which are matters for his discretion.

#### DISCONTENT AMONG THE HINDU POSTAL EMPLOYEES AGAINST THE POST MASTER OF SIMLA.

1056. **\*Bhai Parma Nand:** (a) Has the attention of Government been drawn to the resolutions passed by the Simla Posts and Telegraphs Hindu Union, and published in the *Daily Herald*, Lahore, dated the 18th August, 1932, and 1st September, 1932?

(b) Are Government aware that there is great discontent among the Hindu employees against the present Postmaster of Simla?

(c) Is it also a fact that there had been cases of such discontent against the Postmaster, Simla, while he was serving the Department in the Bengal and Assam Circle?

**Mr. T. Ryan:** (a) Government have seen the paper referred to.

(b) No.

(c) I understand that many years ago there were some complaints which, however, were not investigated.

**Dr. Ziauddin Ahmad:** May I ask whether the Government recognise the Union mentioned in this question?

**Mr. T. Ryan:** No, Sir.

**DISCONTENT AMONG THE HINDU POSTAL EMPLOYEES AGAINST THE POST MASTER OF SIMLA.**

1057. **\*Bhai Parma Nand:** (a) Is it a fact that the employees of the Postal Department at Simla have got a Hindu Union which is affiliated to the Punjab Provincial Postal Hindu Union, Lahore?

(b) Are Government aware that the prominent members of the Postal Hindu Union, Simla, are being constantly harassed by the Postmaster, Simla, and some of them are retrenched and being transferred to other places for that very reason?

**Mr. T. Ryan:** (a) Government have no information.

(b) No.

**GRIEVANCES OF THE HINDU POSTAL EMPLOYEES OF SIMLA.**

1058. **\*Bhai Parma Nand:** (a) Is it a fact that both the Town Inspectors of Simla and appointment clerk, Simla, belong to the Muslim community and the employees of the Post Office are mostly Hindus?

(b) Are Government aware that this has become the cause of many a grievance among the Hindu and Sikh employees? If so, are Government prepared to arrange to remove these grievances by replacing the appointment clerk by a Hindu, Sikh or Christian and by appointing a Hindu Town Inspector at Simla?

**Mr. T. Ryan:** (a) During the winter season there is only one Town Inspector in Simla. At present a Sikh is officiating in this post. During the summer season there are two Town Inspectors and last summer one of these was a Hindu. The appointment clerk, Simla, is a Muslim. It is a fact that the employees of the Simla Post Office are mostly Hindus.

(b) The reply to the first part is in the negative. As regards the second part, the appointments in question were made by the Postmaster-General, Punjab, and Government see no reason to interfere with the discretion of that officer.

**Sir Muhammad Yakub:** Are Government prepared to accept the same principle which is suggested by the questioner in cases where the Muslims are the aggrieved parties, which is generally the case in all departments?

**Mr. T. Ryan:** I do not understand clearly what is the precise principle involved, but certainly Government will abide by the same principles in respect of all communities.

**Sir Muhammad Yakub:** The principle is that of transferring the officer when the aggrieved party is a Muslim and the officer happens to be a non-Muslim which is generally the case.

**Dr. Ziauddin Ahmad:** Is it not a fact that I referred a similar case to the Director General and he returned it with a slap on my face that the Union could not be recognised as it was a Muslim Union.

**Mr. T. Ryan:** I did not catch the Honourable Member very clearly, but I think he charged me with having given him an impolite reply. I feel sure that he is mistaken.

**Dr. Ziauddin Ahmad:** The letter was signed by the Honourable Member himself. He refused to consider the case, although it was a very genuine case.

**Mr. President (The Honourable Sir Ibrahim Rahimtoola):** Order, order. Next question, please.

#### GRIEVANCES OF THE HINDU POSTAL EMPLOYEES AGAINST THE POST MASTER OF SIMLA.

1059. **\*Bhai Parma Nand:** (a) Is it a fact that the Muslim Town Inspector of Simla had been brought under retrenchment and in spite of that fact he has been kept on by the Postmaster, Simla? If so, why?

(b) Are Government aware that the persons who made certain allegations against the above Town Inspector are being harassed by the Postmaster, Simla, in various ways?

**Mr. T. Ryan:** (a) The reply to the first part of the question is in the affirmative and to the second part in the negative. The third part does not arise.

(b) No.

#### RETRENCHMENT OF FIVE INCOME-TAX OFFICERS IN THE UNITED PROVINCES.

1060. **\*Bhai Parma Nand:** Are Government aware that under the re-organisation scheme of the Income-tax Department in the United Provinces, five Income-tax officers have been served with a notice to demit office by the afternoon of 31st October, 1932? If so, what is the principle in pursuance of which the above five persons have been selected for retrenchment?

**The Honourable Sir Alan Parsons:** Yes. Out of the five Income-tax Officers, one had put in a service of over 30 years and the other about 30 years. The other three were retrenched as their work had been reported to be unsatisfactory that their retention in the Department when others were being discharged was undesirable.

**Mr. Lalchand Navalrai:** Have the officers made any appeal to the Government?

**The Honourable Sir Alan Parsons:** Not so far as I am aware. Certainly no appeal has come before me.

#### OFFICERS OF THE UNITED PROVINCES CIVIL SERVICE ON DEPUTATION IN THE INCOME-TAX DEPARTMENT.

1061. **\*Bhai Parma Nand:** Are Government aware that there are 12 officers of the United Provinces Civil Service on deputation to the Income-tax Department who get a deputation allowance of Rs. 100 per mensem and these officers are allowed the services of an examiner of accounts to help them in the examination of accounts whereas the directly recruited officers do this work unaided? Have Government considered whether it would not be more economical to send these officers back to their old posts and save the allowances paid to their assistants?

**The Honourable Sir Alan Parsons:** The facts are as stated in the first part of the question, except that the officers are not on deputation to the Income-tax Department and that their additional remuneration takes the form of special pay and not deputation allowance. The posts which they fill form part of the cadre of the United Provinces Civil Service and, if these posts were to be abolished, there can be no other posts in that service to which they could be reverted. The Government of the United Provinces were recently asked if they could take back one man who had been selected for retrenchment, but they have replied that they were not in a position to take back any Deputy Collectors for some time to come. They are not under any obligation to take back men from the Income-tax Department.

**CREATION OF CERTAIN POSTS OF INSPECTORS IN THE INCOME-TAX DEPARTMENT OF THE UNITED PROVINCES.**

1062. **\*Bhai Parma Nand:** Are Government aware that under the re-organisation of the Income-tax Department, United Provinces, some posts of Inspectors have been created which have resulted in the reduction of the Income-tax officers? If so, why? How much saving do Government expect from this step?

**The Honourable Sir Alan Parsons:** Yes. With the exception of the United Provinces there is at present in all other Provinces a cheaper agency consisting of Inspector-Accountants or Examiners of Accounts who assist the Income-tax Officers in checking accounts of assesseees or do out-door work such as local enquiries, surveys, etc. This agency has now been introduced in the United Provinces but Government do not think that the efficiency of the Department will suffer, since it has not suffered in other provinces by the employment of a similar agency. The saving expected on account of the retrenchment of five Income-tax Officers and employment of Inspectors in their places is estimated at about Rs. 15,000 a year.

**RECRUITMENT IN THE INCOME-TAX DEPARTMENT FROM THE RETRENCHED STAFF.**

1063. **\*Bhai Parma Nand:** Are Government prepared to issue instructions to the Income-tax Department that preference will be given to the retrenched officers in case of vacancy or recruitment to this Department in any other province provided they pass a test in the language of that province?

**The Honourable Sir Alan Parsons:** No. Out of five, three officers were retrenched on grounds of unsatisfactory work and two had put in thirty years service.

**COMMUNAL COMPOSITION OF RECRUITING OFFICERS IN THE PUNJAB POSTAL DEPARTMENT.**

1064. **\*Kunwar Hajeer Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Will Government be pleased to state the total number of Recruiting Officers such as Superintendents of Post Offices, Head Clerks to Superintendent of Post Offices, Post Masters, Inspectors of Post Offices, and Town Inspectors in the Punjab Postal Department?

(b) How many of each class are Hindus and how many Muslims?

(c) What is the percentage of Muslim and Hindu candidates for the above posts?

(d) What was the percentage of Muslims in the above posts before retrenchment?

(e) What is the percentage of Muslims after retrenchment?

(f) If the Muslim community is still inadequately represented in the above cadre, what action do Government propose to take to bring their number up to the mark?

**Mr. T. Ryan:** (a) Of the officers in question only Superintendents of Post Offices, Postmasters and Inspectors of Post Offices are recruiting officers. In the Punjab Postal Circle, there are 18 Superintendents of Post offices, 88 Postmasters and 45 Inspectors of Post Offices.

	Hindus.	Muslims.
(b) Superintendents of Post Offices including Assistant Postmasters General . . . . .	3	9
Postmasters. . . . .	18	10
Inspectors of Post Offices . . . . .	27	16
(c) Candidates for the cadre of Superintendents of post offices . . . . .	Muslims 50 per cent., Hindus 33·3 per cent.	

These figures relate to departmental candidates and Probationary Superintendents in the Punjab Postal Circle, but the cadre of Superintendents of Post Offices being an All-India one, promotion to that cadre is not made on a provincial basis.

As regards candidates for the cadre of Postmasters, promotion to such posts is made according to seniority and fitness from the gradation list of officials on the ordinary clerical time-scales of pay and no separate waiting list of candidates eligible for such promotion is maintained.

As regards candidates for the cadre of Inspector of Post Offices, Muslims 38·5 per cent., Hindus 50 per cent.

I may remark that the orders regarding communal representation do not apply to departmental promotions to the three categories just named:

(d) Superintendents of Post Offices . . . . .	39 per cent.
Postmasters. . . . .	26·31 per cent.
Inspectors of Post Offices . . . . .	38·96 per cent.
(e) Superintendents of Post Offices . . . . .	41 per cent.
Postmasters. . . . .	26·31 per cent.
Inspectors of Post Offices . . . . .	36·49 per cent.

With regard to the last two categories, I may remark that with a view to maintaining as far as possible the communal proportions existing before retrenchments were made, they are taken together with the ordinary time-scale clerical cadre for purposes of retrenchment.

(f) Appointments to posts referred to by the Honourable Member are made by promotion to which the orders regarding communal representation do not apply. The Honourable Member is referred to the reply given to Mr. Anwar-ul-Aziz's starred questions Nos. 72 and 390 in this House on the 5th September, 1928, and 30th January, 1929, respectively.



**Dr. Ziauddin Ahmad:** Is it not a fact that one Muslim Inspector was removed from office on the ground of the threat of a strike from certain persons?

**Mr. T. Ryan:** No, Sir. That statement has been repeatedly made and has repeatedly been contradicted. He was removed because he was thoroughly unsatisfactory. I myself went through his record of service, and I agree that a mistake was made. The mistake made was in retaining him in service for a number of years past.

**Dr. Ziauddin Ahmad:** Is it not a fact that the Director General issued instructions not to issue the orders for removing men from service before he had decided on the case, but that before he decided the case he was removed?

**Mr. T. Ryan:** No, Sir. I issue no instructions, in accordance with the well-known practice of not interfering unduly with the discretion of Postmasters General. I asked the Postmaster General in this case whether it would not be desirable to postpone the execution of his orders until the case had been reviewed on appeal. It was in reply to that letter that I was furnished with this individual's full record of service and the reasons why he was discharged, and, having read it, I concluded that the only mistake made was in retaining him for so long.

**Dr. Ziauddin Ahmad:** Is it not a fact that the order was issued before the Director General could make inquiries himself?

**Mr. T. Ryan:** It is a fact that orders discharging this man were issued before the case came to my notice. It came to my notice before the orders could be made effective, owing to the necessity of appointing somebody to take this man's place, it is true that in the intervening period this inquiry took place, and I found no need to interfere with the due execution of the orders.

**Dr. Ziauddin Ahmad:** I am not satisfied with the reply.

PERCENTAGE OF MUSLIMS IN THE TIME-SCALE CLERICAL CADRE IN THE PUNJAB POSTAL CIRCLE.

1065. \***Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): Will Government be pleased to intimate:

- (a) the percentage of Muslims in the time-scale clerical cadre in the Punjab Postal Circle before retrenchment,
- (b) the percentage of Muslims after retrenchment; and
- (c) the percentage of Muslim candidates on the waiting lists?

**Mr. T. Ryan:** (a) 38.1 per cent.

(b) 38.2 per cent.

Here also the remark I have just made in reply to part (e) of the Honourable Member's question No. 1064 applies.

(c) 34.76 per cent.

RETRENCHMENT OF MUSLIMS IN THE PUNJAB POSTAL DEPARTMENT.

1066. \***Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that Government issued orders to keep the communal composition in view before effecting retrenchment?

(b) Is it a fact that Muslims have been retrenched in large number in the Punjab Postal Circle while Hindus and Sikhs having more than 30 years' service and some after attaining superannuation age have been retained in service (such as R. S. Iqbal Nath, Deputy Post Master, Simla, and Mr. Hira Lal, sub-record clerk, Railway Mail Service, Simla)?

(c) Is it a fact that the percentage of Muslims in the clerical cadre was very poor and has greatly been reduced by retrenchment?

(d) If so, are Government prepared to direct the retrenching officers to review the cases again and cancel the retrenchment order on Muslims?

**Mr. T. Ryan:** (a) Yes, the communal proportion existing before retrenchment began is to be maintained as far as possible.

(b) No. The selection of personnel for retrenchment was made strictly in accordance with the principle just referred to.

(c) The percentage of Muslims in the clerical cadre as a whole is the same as it was before retrenchment.

(d) Does not arise.

#### ORDERS *re* RESERVATION OF EVERY THIRD VACANCY FOR INADEQUATELY REPRESENTED COMMUNITIES IN THE POSTAL DEPARTMENT.

1067. **\*Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that the Government of India issued orders to reserve every third vacancy for the inadequately represented community (Muslims) in the Postal Department in November, 1927?

(b) Is it also a fact that the Director-General of Posts and Telegraphs being satisfied that the above orders were not being carried out generally by the recruiting officers of the Department issued a warning on the 3rd September, 1930, that if any officer in future disregarded these orders, he would not only be considered to have a communal bias but that some disciplinary action would also be taken against him?

**Mr. T. Ryan:** (a) The fact is not exactly as stated. Orders were issued by the Director General that in recruiting for the clerical establishments of the Posts and Telegraphs Department one-third of all permanent vacancies should be reserved for the redress of communal inequalities. The position has been fully explained in the replies given in this House to Mr. Muhammad Anwar-ul-Azim's starred questions Nos. 352 and 330 on the 7th March, 1928, and 30th January, 1929, respectively, to which the Honourable Member's attention is invited.

(b) Yes.

#### ALLEGED COMMUNAL BIAS OF THE POSTAL TOWN INSPECTOR OF SIMLA.

1068. **\*Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that before March, 1932, out of 270 postmen and lower staff of Simla there were only five Muslims and no less than 265 Hindus?

(b) Is it a fact that between November, 1927, and March, 1932, more than 85 vacancies occurred in the cadre of postmen and lower staff at Simla and that all of them were given to Hindus except two? If so, why?

(c) Is it a fact that the Hindu Town Inspectors were called upon to explain in July, 1932, for giving all the permanent and temporary posts to Hindus and keeping no Muslim candidate on the waiting list?

(d) Is it a fact that the charges were proved against the Town Inspector and that no punishment was inflicted on this account, and that he was appointed Divisional Inspector at Muzaffargarh?

(e) Will Government kindly state whether they have considered the desirability of taking disciplinary action against his superior officer who has failed to take action against a clear case of communal bias?

**Mr. T. Ryan:** (a) There were 260 postmen and inferior servants, of whom six were Muslims and 253 Hindus.

(b) There were 95 vacancies in the period in question, 45 of which were filled by promotion, 10 posts were not filled and the remaining 40 vacancies were filled by new recruits, of whom 39 were Hindus and one a Muslim. As regards the last part of the question, Government are enquiring into the matter and will take such action as they consider necessary.

**Sir Muhammad Yakub:** Will Government be pleased to state why only one Muslim was appointed?

**Mr. T. Ryan:** I think the Honourable Member did not hear my last remark:

"As regards the last part of the question, Government are enquiring into the matter and will take such action as they consider necessary."

**Sir Muhammad Yakub:** How long will it take? Probably one century more, when there will be no British Government in India.

**Mr. T. Ryan:** I think the Honourable Member is unduly pessimistic.

**Sir Muhammad Yakub:** More optimistic than I ought to have been. I may remark that the answers which have been given by the Honourable Member since yesterday as regards appointments in his Department are most disappointing to Muslims, and I must give expression to this.

**Mr. T. Ryan:** To continue my reply, Sir. . . .

**Sir Muhammad Yakub:** Is the Honourable Member aware that his answers are considered by the Muslims as very unsatisfactory?

**Mr. B. Das:** Is it in order for an Honourable Member to interrupt before the answer of the Government Member is concluded?

(At this stage Sir Muhammad Yakub was making some remarks by way of interruption from his seat and there were some counter-interruptions.)

**Mr. President** (The Honourable Sir Ibrahim Rahimtoola): Order, order.

**Mr. T. Ryan:** I shall now continue my reply, Sir.

(c) One Hindu Town Inspector was called upon to explain his disregard of the third vacancy rule in filling certain acting vacancies during the months of April, May, and June, 1932.

(d) The reply to the first part is in the affirmative. As regards the second and third parts, the facts are not exactly as stated by the Honourable Member. The Town Inspector was warned and transferred from Simla to his substantive post at Muzaffargarh as an Inspector of Post Offices.

(e) The Honourable Member is referred to the reply given to parts (b) and (d) above. Further investigation is being made.

#### ALLEGATIONS AGAINST THE HINDU POSTAL STAFF OF KASHMIR.

1069. \***Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that Mr. Booth, while Post Master General, Punjab, recorded in the order book of the Divisional Office of Kashmir that in view of the preponderance of the Hindu community in the postal staff there, in future both the Sub-Divisional Inspectors, Head Clerk to the Superintendent and the Postmaster, Srinagar, should be Muslims and as long as he remained in charge of the Punjab these orders were carried out, but as soon as he was transferred from the Punjab, all the Muslim Inspectors, Head Clerk to the Superintendent and Postmaster, Srinagar, were transferred and replaced again by Hindus?

(b) Is it also a fact that many cases of embezzlement of Government customs revenue for lakhs of rupees, of forging parcel receipts and other documents by the postal staff in this short period of the Muslims Officers' stay at Kashmir were brought to light?

(c) Is it a fact too that while some of the cases after full investigation by the police and by the department were challaned in the Courts, the Muslim officers responsible for the investigation, i.e., the Assistant Superintendent of Police and the Inspector of Post Offices were transferred from Kashmir and were replaced by Hindus?

(d) Is it a fact that the Deputy Postmaster General and Assistant Postmaster General of the Punjab made some enquiries in these cases? If so, with what result?

(e) Will Government state what was the result of these cases, how many officials were implicated and what happened to the cases, which were not challaned in the Courts, what departmental action was taken against the officials responsible and, at the same time, what action was taken to break up the preponderance of one community?

(f) Is it also a fact that it was in the beginning of this case that it was decided by the Post Master General, Punjab, to transfer some Hindu officials of Kashmir to the Punjab and to transfer some Punjab Muslims to Kashmir? If so, how many clerks were exchanged in this connection?

**Mr. T. Ryan:** (a) No.

(b) Some cases of embezzlement of State customs revenue came to light in August, 1928, but Government have no information as to the amount involved.

(c) Government have no information about the Assistant Superintendent of Police who is a State official. As regards the Muslim Inspector of Post Offices, he was transferred at his own request to Ferozepore, his home, after completing the usual term of three years, in November, 1930, when the customs duty fraud case was practically completed. He was succeeded by a Hindu Inspector.

(d) An Assistant Postmaster-General examined the procedure in the Srinagar post office relating to parcels to be charged with State customs duty, and his examination led to its revision.

(e) Six officials were implicated, five of whom were prosecuted but only one was convicted, three were discharged and one acquitted. No separate departmental action was considered necessary. As regards the last part, and part (f) of the question, an exchange of personnel between the Kashmir post offices and offices in British India was considered, but the proposal was dropped.

PAUCITY OF MUSLIM POSTAL CLERKS IN THE OFFICE OF THE SUPERINTENDENT OF POST OFFICES IN THE KASHMIR DIVISION.

1070. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that out of the five, there is not a single Muslim postal clerk in the office of the Superintendent of Post Offices in the Kashmir Division?

(b) If the reply to part (a) be in the affirmative, since how long and what action do Government propose to take in order to ensure the posting of Muslim staff there to give due share of employments to Muslims?

Mr. T. Ryan: (a) and (b). Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North-West Frontier, to whom a copy of the question is being sent but I may remark that it is not the business of a clerk to look after any communal interests.

COMMUNAL COMPOSITION OF THE STAFF OF THE "D" DIVISION OF THE RAILWAY MAIL SERVICE.

1071. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): (a) Will Government be pleased to state the strength of the supervising, clerical and lower division clerks and menials of the 'D' Division of the Railway Mail Service at the close of 1927 and in July, 1932?

(b) What has been the communal composition of that staff in 1927 and 1932?

(c) How many vacancies occurred in each scale, and how many were given to Muslims?

(d) How many vacancies are lying vacant in each scale; and how many were given to Muslims?

(e) How many vacancies are lying vacant in each scale on account of non-availability of suitable candidates to be provided in the third vacancy rule?

(f) If the reply to part (c) be in the negative, what action do Government propose to take against the officials who disobeyed Government orders and the Director General's clear warning?

Mr. T. Ryan: (a), (b), (d) and (e). The information is not available and Government do not propose to call for it as its collection would involve an expenditure of time and labour not commensurate with the value of the result.

(c) 69 vacancies in the Upper Division clerical cadre and 32 in the inferior grades were filled by direct recruitment. Of these, 29 in the former and 13 in the latter were given to Muslims. Government do not consider that any useful purpose would be served by collecting the information regarding the vacancies which were filled by promotion or transfer of officials, as no weight is given to communal considerations in such cases.

(f) Does not arise.

**STOPPAGE OF RECRUITMENT OF MEN OF THE PREPONDERENT COMMUNITY IN THE POSTAL DEPARTMENT.**

1072. \***Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that the one-third vacancy rule was introduced in the Postal Department in supersession of Mr. Booth's Muslim recruitment scheme and has not produced the desired effect during the last five years' trial? Are Government prepared to consider the desirability of reverting to Mr. Booth's scheme again or of totally stopping the recruitment of the preponderent community?

(b) If not, how do Government propose to make the recruitment scheme more effective than at present?

**Mr. T. Ryan:** (a) and (b). The rule in question was introduced in 1927; it superseded certain special orders issued by Mr. Booth in respect of particular cadres in which the Muslim community was scarcely represented, but did not supersede any existing general scheme for Muslim recruitment. No changes in the existing orders are contemplated at present.

**Dr. Ziauddin Ahmad:** Did the Honourable gentleman consult the Home Department before altering these orders?

**Mr. T. Ryan:** I had nothing to do with it, Sir. I might add, however, that the orders referred to by Mr. Booth were, I believe, special orders, issued in particular cases, which were in conflict with the general orders of the Government of India and for that reason they were cancelled without, as far as my recollection goes because I did not deal with the case myself, particular reference to the Home Department.

**Dr. Ziauddin Ahmad:** Is it not a fact that the orders issued by the Home Department are applicable to the Posts and Telegraphs Department as well?

**Mr. T. Ryan:** Yes, Sir. It was for this reason that orders which were inconsistent with these were cancelled.

**Dr. Ziauddin Ahmad:** Will the Honourable gentleman be pleased to lay on the table these two orders, namely, those which were issued by Mr. Booth and those which were issued by the Home Department?

**Mr. T. Ryan:** I think that the Home Department orders, or their substance, have been repeated on the floor of this House at every meeting at which questions have been asked. As regards the particular order issued by Mr. Booth, I shall have no objection to placing a copy of it on the table of the House.

**Dr. Ziauddin Ahmad:** Thank you.

COMMUNAL COMPOSITION OF THE STAFF UNDER THE INSPECTOR OF POST OFFICES, SIMLA SUB-DIVISION,

1073. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that the Inspector of Post Offices, Simla Sub-Division, has always been a Hindu?

(b) Will Government be pleased to give the total strength in each scale of the establishment under the Inspector of Post Offices, Simla Sub-Division, at the close of 1927 and in July, 1932?

(c) What is the communal composition of the staff in each scale?

(d) How many vacancies occurred after the issue of the third vacancy rule and how many were given to Muslims?

(e) In the event of non-availability of suitable candidates of the less represented community, have those posts been kept vacant in view of the orders of the Director-General? If so, how many vacancies are still lying vacant?

Mr. T. Ryan: (a) No.

(b) and (c). A statement giving the required information is laid on the table.

(d) Seven, of which six were utilised for the provision of retrenched officials of other divisions without regard to communal representation and the remaining one has been temporarily filled by a Hindu.

(e) There is no such order of the Director-General as that referred to by the Honourable Member.

*Statement referred to in the reply to parts (b) and (c) of starred question No. 1073.*

	At the close of 1927.	In July, 1932.
Postmen . . . . .	51	50
Inferior servants . . . . .	17	17
Runners . . . . .	73	110

(c) The communal staff in each scale in July, 1932, was as follows:

	Hindus.	Muslims.	Christians.
Postmen . . . . .	46	3	1
Inferior servants . . . . .	13	3	1
Runners . . . . .	110	..	-

COMMUNAL COMPOSITION OF THE STAFF OF HEAD CLERKS OF THE POST MASTER GENERAL'S OFFICE, LAHORE.

1074. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): (a) Has the attention of Government been drawn to an article on page 8 of the *Postal Advocate* for the month of July, 1932, stating that all the 14 Head Clerks of the Post Master General's Office, Lahore, and the Office Superintendent are Hindus?

(b) Is it a fact that of late one Muslim was appointed as Head Clerk of the appointment branch?

(c) Is it a fact that he has also been transferred from that post for one reason or the other?

(d) If a Muslim was appointed on administrative grounds, what was the defect in this appointment and how has the work been carried out for the last two years?

**Mr. T. Ryan:** (a) Government have seen the article in question but the facts as regards Head Clerks are not as stated. The actual position has been explained in the reply to Shaikh Sadiq Hasan's starred question No. 883.

(b), (c) and (d). As to whether a Muslim has lately been appointed as Head Clerk, and as to whether he has since been transferred and if so, for what reason, Government have no information, as these matters are regulated by the Postmaster-General.

#### VACANCIES IN THE POSTS OF ASSISTANT POST MASTERS GENERAL, PUNJAB.

1075. **\*Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): Is it a fact that two Muslim Assistant Post Masters General, Punjab, have lately vacated their posts, and that only one has been replaced by a Muslim and the other by a Hindu? If so, why?

**Mr. T. Ryan:** Of five Assistant Postmasters-General in the Punjab and the North-West Frontier Circle office lately, two were Muslims. One of these died and was succeeded by a Muslim. The other, who had completed five years' tenure of the post, was transferred elsewhere on the abolition of one post of Assistant Postmaster-General and has not been replaced.

#### POSITION OF ATTACHED OFFICE CLERKS FOR APPOINTMENT IN THE LOWER DIVISION OF THE IMPERIAL SECRETARIAT.

1076. **\*Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): (a) Is it a fact that in 1920 when the late Staff Selection Board came into being, certain clerks who held permanent appointments in the Lower Division of the Attached Office—Meteorological Department—appeared at the Board's examination to qualify themselves for employment in the Lower Division of the Secretariat?

(b) If so, how many qualified themselves for the purpose and how many of them have been provided in the Lower Division of the Secretariat?

(c) Will Government please state whether those men who held permanent appointments in the Attached Office in 1920 at the time of the creation of the late Staff Selection Board are regarded as qualified for employment in the Secretariat Lower Division without passing the prescribed Second Division Secretariat test?

**The Honourable Mr. H. G. Haig:** (a) Certain clerks of the office of the Director General of Observatories appeared for the 'Lower Division, Secretariat' in the examination held by the Staff Selection Board in 1920, but information as to whether they were holding permanent or temporary appointments at the time is not available.

(b) Information is being collected and will be laid on the table in due course.

(c) No, Sir. Those who are qualified for appointments in attached offices only and those who were not required to pass an examination for employment in an attached office have no claim to appointment in the Secretariat.



**CONDITIONAL RETENTION OF CLERKS IN THE IMPERIAL SECRETARIAT PASSING THE ATTACHED OFFICE TEST.**

1077. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): Will Government please state whether certain clerks who were declared qualified by the late Staff Selection Board for employment in the Attached Offices were allowed to continue to serve in the Secretariat proper on the express condition that they should not be allowed to cross the efficiency bar?

**The Honourable Mr. H. G. Haig:** I understand that there are no such cases.

**INTENTION OF GRANTING HIGHER PAY IN OFFICIATING ARRANGEMENTS.**

1078. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): Will Government please state whether higher pay in officiating arrangements is intended for increased responsibilities?

**The Honourable Sir Alan Parsons:** Partly. The Honourable Member will find a full account of the conditions attached to officiating pay in Fundamental rule 30.

**POSITION OF LOWER DIVISION ATTACHED OFFICE CLERKS FOR APPOINTMENT IN THE THIRD OR ROUTINE DIVISION OF THE IMPERIAL SECRETARIAT.**

1079. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): Will Government please state whether the men who were permanent in the Lower Division of an Attached Office at the time of the organisation of the late Staff Selection Board, and who appeared for the Lower Division Secretariat examination in 1920, but failed to qualify or who did not appear for such test, are considered qualified for the existing third or routine division of the Secretariat?

**The Honourable Mr. H. G. Haig:** This question is covered by my reply to part (c) of question No. 1076, which has just been answered.

**APPOINTMENT OF UNITED PROVINCES CANDIDATES IN THE OFFICE OF THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.**

1080. \*Kunwar Hajee Ismail Ali Khan (on behalf of Shaikh Fazal Haq Piracha): Will Government please state whether recruitment to the ministerial services in the Government of India offices is made from one province, or from different provinces? If from all provinces, will Government please state whether any United Provinces men who applied and were present in Simla, or Delhi, have been appointed in the temporary vacancies which occurred in the office of the Director-General, Indian Medical Service, during the last 12 months? If not, why not?

**Mr. G. S. Bajpai:** Recruitment is not made on a provincial basis. The best qualified candidates readily available are appointed to temporary vacancies; permanent vacancies are filled by candidates nominated by the Public Service Commission. No candidate describing himself as a resident of the United Provinces applied for a temporary vacancy in the office of the Director-General, Indian Medical Service, during the last 12 months.

**PAUCITY OF MUSLIM CLERKS IN THE GENERAL SECTION OF THE OFFICE OF THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.**

1081. \***Kunwar Hajee Ismail Ali Khan** (on behalf of Shaikh Fazal Haq Piracha): Is it a fact that there is no Muslim clerk in the General Section dealing with the establishment questions in the office of the Director-General, Indian Medical Service? If so, will Government please state whether they propose to transfer one Muslim to that section?

**Mr. G. S. Bajpai:** Establishment questions in the office of the Director General, are not decided by clerks. With regard to the second part of the question, the attention of the Honourable Member is invited to the reply given in the Legislative Assembly by the Honourable the Home Member on the 16th September, 1931, to part (b) of starred question No. 340.

**REALISATION OF TERMINAL TAX ON PASSENGER TICKETS TO PURI, BHUBANESWAR AND SAKHIGOPAL.**

1082. \***Mr. B. N. Misra:** (a) Will Government be pleased to state:

(1) from what year \* they have been realising terminal tax on passenger tickets to (i) Puri, (ii) Bhubaneswar, (iii) Sakhi-gopal; and

(2) the amount collected on the same account for each of the stations separately?

(b) Will Government be pleased to state if they have spent any amount for any purpose at any of those places mentioned above?

(c) If so, will Government be pleased to lay on the table a statement showing the amount collected under terminal tax for (i) Puri, (ii) Bhubaneswar, and (iii) Sakhigopal and the amount spent at the above places separately?

**Mr. P. R. Rau:** (a) (1) From 1921.

(2) The tax is at the rate of 1 anna for third class passengers, 1½ annas for intermediate class passengers, 2 annas for second class passengers and 6 annas for first class passengers and is levied on all passengers arriving at and departing from Puri, Malatipatpur, Sakhigopal, Delang, Khurda Road, and Bhubaneswar.

(b) The amounts collected are not retained by the Government of India, but handed over to the local authorities for expenditure on local purposes. The tax was imposed in order to provide funds for the improvement of the sanitary condition of Puri.

(c) Government consider that the collection of this information will entail the expenditure of labour incommensurate with its value and regret that they cannot comply with this request.

**SIKH REPRESENTATION IN THE OFFICE OF THE DIRECTOR OF CONTRACTS, ARMY HEADQUARTERS, SIMLA.**

1083. \***Sardar Sant Singh:** (a) Will Government please state the total permanent strength of the ministerial staff employed in the office of the Director of Contracts, Army Headquarters, Simla?

(b) How many of them are Sikhs?

(c) Are any vacancies likely to occur in that office in the near future? If so, how many?

(d) Do Government propose to appoint any Sikhs in these vacancies? If not, why not?

(e) What other steps do Government propose to take to bring the representation of Sikhs in this office to the proper level?

**Mr. G. R. F. Tottenham:** (a) 57.

(b) One.

(c) None, so far as can be foreseen at present.

(d) Does not arise.

(e) When vacancies occur, the usual proportion will be reserved for the rectification of communal inequalities.

GRIEVANCES OF THE STAFF OF THE SIMLA POST OFFICE.

1084. **\*Sardar Sant Singh:** (a) Will Government kindly state whether they are aware of any unrest amongst the staff of the Simla Post Office? If the reply be in the affirmative, who is responsible for this unrest?

(b) Is it a fact that a deputation of postmen waited upon the Postmaster General, Punjab, in order to give vent to their grievances against the Postmaster, Simla? Is it also a fact that certain public meetings were held and certain resolutions were passed which were published in papers against the conduct of the Postmaster, Simla?

(c) If so, have Government taken any action on these resolutions? If so, what? If not, why not?

(d) Are Government aware that all this unrest came into existence since the arrival of the appointment clerk in Simla?

(e) If so, do Government propose to make an inquiry into the causes that have led to this unrest?

(f) Do Government propose to transfer the appointment clerk from Simla?

**Mr. T. Ryan:** (a) I have been led to believe that there is some little unrest amongst the staff. So far as I can judge it is kept alive by the advocates of different communal interests.

(b) The reply to the first part of the question is in the negative and to the second part in the affirmative.

(c) No, because the allegations contained in the resolutions were unfounded.

(d) No.

(e) Does not arise.

(f) No.

**Dr. Ziauddin Ahmad:** Who is this Postmaster of Simla?

**Mr. T. Ryan:** The Postmaster of Simla is a Captain O'Dell, who is a very efficient Postmaster, I believe.

**Dr. Ziauddin Ahmad:** What were the specific charges against him that were mentioned in the resolutions?

**Mr. T. Ryan:** So far as I know there were none. I have just stated in my reply to the question that the answer is in the negative.

**Dr. Ziauddin Ahmad:** Does the Honourable Member mean to say that the resolutions practically said nothing?

**Mr. T. Ryan:** I did not say that.

**Dr. Ziauddin Ahmad:** What were the charges that were mentioned in the resolutions? They may or may not be correct.

**Mr. T. Ryan:** I am afraid I do not remember exactly what the charges were, but my definite information is that the deputation did not give vent to grievances against the Postmaster, Simla.

**Dr. Ziauddin Ahmad:** But the Honourable gentleman thinks that the charges were incorrect without knowing what those charges were?

**Mr. T. Ryan:** The question was asked—Whether a deputation of postmen waited upon the Postmaster General, Punjab, in order to give vent to their grievance against the Postmaster, Simla? The reply is in the negative.

**Dr. Ziauddin Ahmad:** And yet the resolutions were published in the newspapers!

#### PERSONNEL OF THE BOARD OF RETRENCHMENT CONSTITUTED BY ORDER OF THE POSTMASTER GENERAL, PUNJAB.

1085. \***Sardar Sant Singh:** (a) Will Government be pleased to state whether any Board of Retrenchment was constituted by the orders of the Postmaster General, Punjab? Who were the members of that Board?

(b) Is it a fact that the persons of the Board were not the same as ordered by the Postmaster General?

**Mr. T. Ryan:** (a) Yes. The board consisted of Captain H. O'Dell, Postmaster, Simla; Rai Sahib Iqbal Nath, Deputy Postmaster, Simla; and Mr. Nawab Din, Town Inspector, Simla.

(b) Owing to the illness of the Rai Sahib Iqbal Nath his place had to be taken by another official, but this change was also approved by the Postmaster General, Punjab.

†1086 \*—1089.\*

#### RESERVATION OF THIRD AND INTERMEDIATE CLASS COMPARTMENTS FROM KALKA TO DELHI.

1090. \***Mr. B. Das** (on behalf of Mr. Abdul Matin Chaudhury): (a) Is it a fact that reservation of third and intermediate class compartments used always to be allowed from Kalka downwards during the move of the Government of India to Delhi?

(b) Are Government aware that the Kalka station staff are refusing this year reservation of third and intermediate class compartments? If not, do they propose to inquire? If not, why not? If they are aware, will they be pleased to state the reasons why and under whose authorities the Kalka station staff are refusing such reservations?

†These questions have already been answered, see pages 1491—93 of L. A. Debates, dated 23rd September, 1932.

**Mr. P. R. Rau:** (a) and (b). I am informed by the Agent, North Western Railway, that the reservation of intermediate and third class compartments has always been, and is also now being, allowed between Kalka and Delhi, so long as a suitable number of unreserved compartments is retained for the general public.

**THROUGH RESERVATION OF A COMPARTMENT FROM SIMLA TO DELHI.**

1091. **\*Mr. B. Das** (on behalf of Mr. Abdul Matin Chaudhury): (a) Is it a fact that second and intermediate class reservations are being allowed from Simla to Kalka?

(b) Is it a fact that through tickets are being sold from Simla to Delhi?

(c) Is it a fact that the railway line running from Simla to Delhi is under the management of the North Western Railway? If so, will Government be pleased to state the reasons why through reservations of compartments of all classes including third and intermediate from Simla to Delhi cannot be arranged provided the passengers hold a sufficient number of through tickets from Simla to Delhi that would entitle them to reservation of a compartment on the broad gauge from Kalka to Delhi?

**Mr. P. R. Rau:** (a) and (b). Yes.

(c) The reply to the first part is in the affirmative. As regards the second part, the difficulty is that the number of seats in the various compartments of the broad gauge trains from Kalka differs considerably from that on the narrow gauge trains from Simla. It is, therefore, not always practicable to arrange to reserve through from Simla to Delhi a compartment with a carrying capacity equivalent to the number of tickets held from Simla. It is also difficult to say in advance what the carrying capacity of the compartments from Kalka will be on any train on a given day.

The Agent, North Western Railway, reports that information collected in this connection shows that requisitions for the reservation of intermediate and third class accommodation from Simla to Delhi have not been received, though Simla station has instructions to address Kalka for accommodation in the event of through booking being asked for.

I am also informed that the public apply to Simla station for reservations from Simla to Kalka and to Kalka station for reservations on the broad gauge.

**RESERVATION OF THIRD AND INTERMEDIATE CLASS COMPARTMENTS FROM KALKA TO DELHI AND KALKA TO SIMLA.**

1092. **\*Haji Chaudhury Muhammad Ismail Khan:** (a) Are Government aware that a large number of third and intermediate class passengers getting reserved compartments from Simla to Kalka do not get reservations from Kalka to Delhi?

(b) Are Government aware that the station staff of Simla endeavour their utmost to meet the demands of third and intermediate class passengers for reservations during each move, whereas the separate applications to the Kalka staff for reservation from Kalka to Delhi or Kalka to Simla are in a majority of cases not complied with by the staff of Kalka during each move? If not, do they propose to inquire into the matter? If not, why not?

**Mr. P. E. Rau:** (a) I have dealt with this complaint in the reply I gave just now to the previous question.

(b) Government are not aware that the station staff at Kalka do not comply with requisitions for reserved accommodation to the extent that such accommodation is available and is paid for but information on this point has been called for from the Agent of the North Western Railway.

**MISHANDLING OF INTERMEDIATE AND THIRD CLASS PASSENGERS BY THE KALKA STATION STAFF DURING THE MOVE OF THE GOVERNMENT OF INDIA.**

1098. **\*Haji Chaudhury Muhammad Ismail Khan:** Are Government aware that during each move of Government from Delhi to Simla owing to the mishandling of third and intermediate class passengers by the Kalka staff, most of the passengers travel by road motors and thereby the railway earning is reduced? If not, do they propose to inquire into the matter? If not, why not?

**Mr. P. E. Rau:** The reply to the first part of the question is in the negative. I propose bringing the Honourable Member's question to the notice of the Agent, North Western Railway, for such action as he considers necessary.

**Dr. Ziauddin Ahmad:** Will the Honourable Member admit that a large volume of traffic is diverted from railway service to road motor service?

**Mr. P. E. Rau:** That is no doubt so. It is a question of fact. But it is not due to the mishandling of third and intermediate class passengers by the railway staff,

**CLASSIFICATION IN JAIL OF THE DICTATORS OF THE *JAMIAT ULEMA-I-HIND***

1094. **\*Dr. Ziauddin Ahmad** (on behalf of Mr. M. Maswood Ahmad): (a) Will Government kindly state how many dictators of the *Jamiat Ulema-i-Hind* have been arrested in Delhi and imprisoned in 1931 and in 1932 up to 31st August?

(b) How many of them are still in jail?

(c) How many of them are in class A and how many are in class B?

(d) Is it a fact that some of them were classed A on a previous occasion, but this time they have been classed B or C? If the reply be in the affirmative, will Government state their names and the reasons for not treating them as class A prisoners?

**The Honourable Mr. H. G. Haig:** (a) None in 1931; three were sentenced to imprisonment in 1932 up to the 31st August.

(b) Three.

(c) One in class A and two in class B.

(d) The reply to the first part is in the negative; the second part does not therefore arise.

**GRIEVANCES OF MUSLIMS AGAINST THE INCOME-TAX DEPARTMENT, PUNJAB, NORTH-WEST FRONTIER AND DELHI.**

1095. \***Maulvi Muhammad Shafes Daoodi** (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Is it a fact that a deputation of leading Muslims headed by Nawab Colonel Sir Umar Hayat Khan Tiwana, waited on a member of the Central Board of Revenue in 1928, to express the long-standing grievances of the Muslim community in connection with the administration of the Income-tax Department of the Punjab, North-West Frontier and Delhi Provinces?

(b) Is it a fact that the deputation was assured that their grievances would be removed as early as possible?

(c) Are Government prepared to consider the advisability of appointing a Muslim to the vacancy likely to be caused by the retirement of the present incumbent of the post of Assistant Income-tax Officer?

**The Honourable Sir Alan Parsons:** (a) Yes.

(b) The deputation was assured that the Board was fully alive to the importance of seeing that the orders of Government on the subject of communal representation in the services should be observed.

(c) The Honourable Member obviously means the Assistant Commissioner of Income-tax and not the Assistant Income-tax Officer. I would invite the Honourable Member's attention to the reply which I gave to question No. 702 asked by Khan Bahadur Makhdum Syed Rajan Bakhsh Shah.

**NON-RECOGNITION BY THE GOVERNMENT OF CEYLON OF PERSONS HOLDING INDIAN MEDICAL DEGREES.**

1096. \***Mr. K. P. Thampan:** (a) Will Government be pleased to state if it is a fact:

(i) that the Government of Ceylon have ceased to recognise Indian medical qualifications obtained after February, 1930, and persons with such qualifications are not permitted to practise in Ceylon; and

(ii) that doctors with degrees obtained in Hong Kong, Singapore, and other places in the East are allowed to practise in Ceylon?

(b) Have Government taken any steps to remove this anomaly? If not, why not?

**Mr. G. S. Bajpai:** (a) (i). Yes.

(ii) Yes.

(b) Government have introduced legislation for the establishment of an Indian Medical Council and therein machinery exists which may improve India's position in this respect.

**Mr. K. P. Thampan:** May I know why the Ceylon Government have adopted this procedure?

**Mr. G. S. Bajpai:** It is not the Ceylon Government that have adopted this procedure. The position in Ceylon follows from the decision of the General Medical Council of Great Britain not to recognise Indian medical qualifications.

**Mr. K. P. Thampan:** May I know whether the standard of medical examination in Hong Kong, Singapore and other places in the East is superior to that of the medical examinations in this country, for instance, in Madras or Calcutta?

**Mr. G. S. Bajpai:** I am quite prepared to accept the suggestion of my Honourable friend opposite that Indian qualifications are superior to those acquired in Hong Kong and the Straits Settlements. But the point is that registration in Ceylon is regulated by the provisions of the General Medical Council Act of Great Britain and not by our opinion as to the qualifications of candidates from India.

**Mr. B. Das:** Apart from the decision of the General Medical Council, did the Honourable Member inform the Colonial Government of Ceylon that India will retaliate if Ceylon did not employ Indians in their medical service?

**Mr. G. S. Bajpai:** I have attempted to explain that the Government of Ceylon have no hand in this matter at all. The position in Ceylon has automatically followed from the exclusion of Indian Medical qualifications from the British Medical Register.

**Mr. S. G. Jog:** Did the Government of Ceylon consult the Government of India before they took action in this direction?

**Mr. G. S. Bajpai:** The Government of Ceylon have had no initiative in the matter at all. The initiative was taken by the General Medical Council which, as the House is aware, decided two years ago to withdraw recognition from Indian Medical qualifications.

**Mr. Lalchand Navalrai:** Has the Government of India ever made any attempt to ask the British Medical Council to make an exception in this case and amend the rule and allow Indians also to be employed in Ceylon Medical Service?

**Mr. G. S. Bajpai:** Even the British Medical Council, if requested, could not make an amendment of the rule, because the provision is a provision of an Act and not any rule made by the British Medical Council.

**Mr. Lalchand Navalrai:** The Act by whom?

**Mr. G. S. Bajpai:** The Act by the British Parliament.

**Mr. Lalchand Navalrai:** Is it difficult to make an attempt to ask the British Parliament to amend that rule?

**Mr. G. S. Bajpai:** It seems to me that when this Legislature has before it a Bill which is intended to regularise the position not merely as regards Ceylon but as regards the whole of the British Empire, it is unnecessary to ask the British Parliament to legislate only in respect of Ceylon.

**Mr. Lalchand Navalrai:** Have the Government of India made any provision with regard to that in the proposed Bill?



**Mr. G. S. Bajpai:** The Bill was introduced, I understand, last March in this House and my Honourable friend has had as much opportunity of studying its provisions as I have. I think a provision does exist.

**Mr. Laichand Navalrai:** It is not a question of whether I read the Bill or not, I may have missed the provision, but in view of the fact that the Honourable Member has read the Bill, will he tell the House definitely whether such a provision exists or not?

**Mr. G. S. Bajpai:** I think such a provision has been made.

**Mr. S. G. Jog:** Did the Government of India convey to the Ceylon Government our feeling in the matter and ask them to suspend the operation of that provision of the British Medical Council until the Medical Council Bill is passed in this Legislature?

**Mr. G. S. Bajpai:** Apparently nothing, that I can say, will remove the misconception from my Honourable friends' minds. I have already said that it is not in the power of Ceylon Government to do anything in the matter. Action has been taken in consequence of the decision of the General Medical Council of Great Britain to withdraw recognition from Indian Medical qualifications. The only thing that can rectify the position is the withdrawal of that non-recognition.

**Mr. B. Das:** May I enquire if any Ceylon medical graduate has been employed in India after 1930 and, if so, will the Honourable Member take steps to dismiss him at once?

**Mr. G. S. Bajpai:** I have not made enquiries as to whether any Ceylon medical graduate has been employed in any part of India. As the Honourable Member is well aware, medical administration is a transferred subject. But I am prepared to make an enquiry into the matter.

**Dr. Ziauddin Ahmad:** May I ask whether the Medical Council Bill will come up for discussion in the Assembly this Session?

**Mr. G. S. Bajpai:** The Bill will not be before the House this Session.

**Mr. K. P. Thampan:** May I ask, whether the Government of India could not make a representation to the General Medical Council that, in view of the fact that necessary legislation is going to be introduced in this Legislature, they should keep the rule in abeyance until the Bill is passed into law?

**Mr. G. S. Bajpai:** It is a very long story. My Honourable friend is well aware that everything which the Government of India could say to the General Medical Council has already been said as regards the recognition of Indian degrees.

**Sardar Sant Singh:** Have the Government of India stopped further recruitment of medical men with English qualifications? (Hear, hear.)

**Mr. G. S. Bajpai:** It is a question which ought to be addressed to my Honourable friend, the Army Secretary.

**Mr. President** (The Honourable Sir Ibrahim Rahimtoola): Next question, please.

## STANDARD OF MEDICAL EDUCATION IN INDIA.

1097. \***Dr. Ziauddin Ahmad:** (a) Is it not a fact that the Government of India are responsible for the proper maintenance of the standard of medical education in India?

(b) What are the methods which Government use for examining the standard of medical education?

(c) Do the hospital instructions form part of medical education?

**Mr. G. S. Bajpai:** (a) The regulation of medical qualifications and standards is a reserved provincial subject, subject to legislation by the Indian Legislature. The Government of India, however, exercise powers of superintendence, direction and control, under section 83 of the Government of India Act, over Local Governments' administration of the subject,

(b) The Government of India have at present no methods for examining the standard of medical education, but machinery for the purpose is provided in the Bill for the establishment of an Indian Medical Council.

(c) Yes.

## STANDARD OF TAKING REST AT OUT-STATIONS FOR RAILWAY MAIL SERVICE OFFICIALS.

1098. **Mr. S. G. Jog** (on behalf of Sardar G. N. Mujumdar): (a) Will Government be pleased to state whether any standard has been laid down, in the case of the Railway Mail Service officials working in sections, with regard to the taking of rest at out-stations, after completion of their prescribed duty in running trains; and, if so, to what effect?

(b) If the reply to part (a) above be in the negative, will Government be pleased to state whether they intend to prescribe one?

**Mr. T. Ryan:** (a) There is no such standard.

(b) No.

## DATA FOR REGULATING STAFF REQUIREMENTS OF THE ACCOUNTS BRANCHES OF THE HEAD RECORD OFFICES OF THE RAILWAY MAIL SERVICE.

1099. \***Mr. S. G. Jog** (on behalf of Sardar G. N. Mujumdar): (a) Will Government be pleased to state whether, as is the case of Post Offices, any data have been fixed to regulate the staff-requirements to work in the Accounts Branch of the Head Record Offices of the Railway Mail Service, and, if so, to what effect?

(b) If the reply to part (a) above be in the negative, will Government be pleased to state whether they intend to prescribe one?

**Mr. T. Ryan:** (a) The reply is in the negative.

(b) The accounts work in the offices in question is comparatively small and Government do not consider that it is necessary to lay down a formula for determining the strength of the staff required to cope with it.

## APPOINTMENTS OF OFFICER SUPERVISORS AT THE ARMY HEADQUARTERS.

1100. \***Mr. S. C. Mitra:** (a) Is it a fact that the appointments of Officer Supervisors at the Army Headquarters are, in practice, reserved only for Europeans?

(b) What is the total number of these appointments and how many of these are now permanently held by Europeans and how many by Indians?

(c) Will Government state the reason for the extremely small proportion of Indians in these appointments as compared to Europeans?

(d) On what principle are selections made to these appointments?

(e) What are the educational and other academical qualifications of the Europeans now holding these posts, and are these qualifications generally superior or inferior to those of the Indian Superintendents and Assistants at Army Headquarters?

(f) Will Government state the number, since 1924, of European Superintendents who were selected for Officer Supervisor's Appointments in the ordinary course and were subsequently found unfit for the appointments and had to vacate those appointments either by reversion or retirement, etc.?

**Mr. G. R. F. Tottenham:** (a) No, Sir.

(b) There are 20 of these appointments. At present 19 are held permanently by Europeans and one by an Indian.

(c) Because the practice of employing Indians in the higher grades in Army Headquarters is itself of comparatively recent origin. There are thus not many Indians who are yet senior enough to be considered for appointment as Officer Supervisors.

(d) The principle of choosing the best man available with due regard to seniority and merit.

(e) British soldiers or ex-soldiers holding the appointments possess the Army 1st Class Certificate. Some Indian Assistants and Superintendents possess higher academic qualifications, but a man's intelligence, and capacity for administrative work, cannot be judged solely by the examinations which he has passed.

(f) One.

**Mr. S. G. Jog:** May I know what are the other tests applied for testing his capacity in addition to his education?

**Mr. G. R. F. Tottenham:** The selection is made by the Principal Staff Officer concerned who has practical knowledge of the ability of the man in the inferior post which he has been occupying hitherto.

**NUMBER OF PETITIONS RECEIVED BY THE ARMY DEPARTMENT SECRETARIAT AGAINST DISMISSAL, DISCHARGE, ETC.**

1101. **\*Mr. S. C. Mitra:** (a) Will Government state the number of petitions received and dealt with by the Army Department Secretariat in 1930, 1931 and by the end of August, 1932, against dismissal, discharge, removal from service and supersession in promotion or selection to higher appointment?

(b) Will Government state how many of these petitions were:

(i) rejected;

(ii) accepted in full;

(iii) accepted in part; and

(iv) how many of the successful applicants in (ii) and (iii) were Europeans, and how many of them were Indians?

(c) Is it a fact that Government are averse to accepting any appeal in such cases as a matter of principle and discipline, however genuine the grievance may be?

(d) If the reply to part (c) be in the negative, will Government state the reasons why the number of appeals which are accepted is so small?

**MR. G. E. F. TOTTENHAM:** (a) and (b). The information required is not readily obtainable and could not be compiled without an undue expenditure of time and labour.

(c) No, Sir. Each appeal is dealt with on its merits.

(d) Because the original orders are generally passed with great care and do not require modification.

APPOINTMENT OF ONE MR. RADHA KISHAN, AS ASSISTANT CHIEF CLERK OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY CARRIAGE AND WAGON SUPERINTENDENT'S OFFICE, AJMER.

1102. **\*Maulvi Muhammad Shafee Daoodi:** Will Government state whether it is a fact that Mr. Radha Kishan, the present Assistant Chief Clerk of the Bombay, Baroda and Central India Railway, Carriage and Wagon Superintendent's office, Ajmer, was working in 1900 as Assistant Carriage Examiner at Rutiam in the employment of the same department and that he was summarily dismissed from service in that year? If so, what was the cause of his dismissal and why was he re-employed in violation of the rules prohibiting the re-employment of a dismissed employee?

**Mr. P. E. Rau:** Government have no information.

**Maulvi Muhammad Shafee Daoodi:** Could they not make an inquiry and give us the facts?

**Mr. P. E. Rau:** The matter is one which the Agent is competent to decide, and since it is a Company-managed Railway, even an appeal does not lie to the Railway Board.

**Maulvi Muhammad Shafee Daoodi:** If a specific instance is alleged on the floor of this House, would not Government take the trouble of inquiring into it?

**Mr. P. E. Rau:** No, Sir; because, as I have explained, this question relates to a Company-managed Railway, the employees of which are not under the control of the Railway Board.

**Dr. Ziauddin Ahmad:** Is it not a fact that the Court of Inquiry instituted by the Government of India considered cases of the Company-managed Railways as well?

**Mr. P. E. Rau:** They considered such cases as their inquiry was into a dispute between employers and employees.

**Maulvi Muhammad Shafee Daoodi:** If a breach of rule of this kind is brought to the notice of the railway authorities, is it not reasonable to expect that they would ask the Agent of the Company-managed Railway to look into it?

**Mr. P. R. Rau:** The rule must be one that has been laid down by the Company itself and it is for the Company or the Agent as its representative to decide whether there has been a breach or not.

**Maulvi Muhammad Shafee Daoodi:** Do Government consider that the ground given in this question is really a serious breach of the rules?

**Mr. P. R. Rau:** No, Sir; this matter does not seem to me to be of any great importance.

**Dr. Ziauddin Ahmad:** Is it not a fact that the South Indian Railway is a Company-managed Railway, and, if so, why Government interfere in its affairs?

**Mr. P. R. Rau:** May I know what particular interference the Honourable Member is referring to?

**Dr. Ziauddin Ahmad:** The instance which the Chief Commissioner has gone to examine.

**Mr. P. R. Rau:** The Chief Commissioner has not gone to examine anything on the South Indian Railway.

DEVELOPMENT OF LEGITIMATE TRADE UNION PRINCIPLES AND PRACTICES AMONG THE EMPLOYEES OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY CARRIAGE AND WAGON SHOPS, AJMER.

1108. \***Maulvi Muhammad Shafee Daoodi:** (a) Will Government state whether they are aware that the European officers of the Bombay, Baroda and Central India Railway Carriage and Wagon Shops, Ajmer, victimise such subordinate employees of the said shops as are active workers of the Railway Employees' Union?

(b) Will Government inquire and state whether a clerk of the time office of the said shop, who is an enthusiastic office-bearer of the local branch of the Railway Employees' Union, was given repeated warnings that his services would be dispensed with if he did not improve, the mistake committed by the said clerk being an error of one pie in calculation in October, 1930, whereas two muster clerks of the time office of the said shop, who made a mistake of Rs. 100 in pay account of the chergeman of the Department No. 26 of the said shop on the 21st August, 1931, were not given any warning at all?

(c) If the facts stated in parts (a) and (b) are correct, what steps do Government propose to take to safeguard the development of legitimate trade union principles and practices among the employees of workshops of the said Railway?

**Mr. P. R. Rau:** (a) The Agent of the railway reports that this is not correct.

(b) I have been informed by the Agent that only one clerk in the Time Office has had warnings consequent on continued bad work prior to the formation and recognition of the local Union.

(c) Does not arise.

**Mr. S. G. Jog:** Is the Honourable Member aware that there is a general impression among these Union people that its active workers are generally victimised or attempts are made to find fault with them and punish them seriously? Is there not such a general impression among the Indian workers?

**Mr. P. R. Rau:** I am not aware of that, but I should like to know whether there are any facts in the possession of the Honourable Member to support that general impression.

**Maulvi Muhammad Shafee Daoodi:** Is the discrimination mentioned in this question a desirable one?

**Mr. P. R. Rau:** That is a matter of opinion.

#### LOSS INCURRED IN THE WORKING OF THE INDIAN STORES DEPARTMENT.

1104. **\*Maulvi Muhammad Shafee Daoodi:** (a) Will Government please state whether the rent of the office building in New Delhi has been taken into account in determining the loss incurred in the working of the Indian Stores Department?

(b) What volume of business would be necessary to make the Indian Stores Department pay?

**The Honourable Sir Frank Noyce:** (a) The Indian Stores Department is a non-commercial department and no rent is charged to such departments for Government buildings used as offices.

(b) The Stores Department is a service department and as it does not charge other non-commercial departments of Government of India for its services, an increase of orders from these departments would not increase its income and might enhance its expenditure. The amount of business which would have to be received from other sources in order to make the income from the commission charged equivalent to the costs incurred would depend on the rate at which the commission was fixed.

**Mr. B. Das:** Is it not a fact that if the recommendations of the Indian Stores Retrenchment Committee were given effect to, the volume of business that will pass to the Indian Stores Department will increase enormously and there will be a great saving to the Government of India?

**The Honourable Sir Frank Noyce:** That is so; those recommendations are under our careful examination.

#### PROFITS SHOWN BY THE METALLURGICAL INSPECTOR AND THE CALCUTTA CIRCLE.

1105. **\*Maulvi Muhammad Shafee Daoodi:** Is it not a fact that the Metallurgical Inspector and the Calcutta Circle have invariably shown a profit? What has been done with these profits?

**The Honourable Sir Frank Noyce:** The answer to the first part of the question is in the negative. As regards the second part, profits and losses are shown only in the pro-forma profit and loss account. The actual receipts of these organisations are credited to Government.

**JUNIOR OFFICER FOR THE ADMINISTRATIVE HEAD OF THE INDIAN STORES DEPARTMENT.**

1106. \*Maulvi Muhammad Shafee Daoodi: (a) Is it a fact that the Retrenchment Committee held that the administrative head of the Indian Stores Department needs one junior officer only on Rs. 500—700 with a duty allowance of Rs. 200 of recognised experience?

(b) Is it a fact that Mr. T. Ryan, when acting as Chief Controller of Stores, held that the administrative officer, if head of a department, would only need an officer of about the status of an Assistant Secretary on the establishment side?

**The Honourable Sir Frank Noyce:** (a) No.

(b) Government have no information.

**CHARACTER ROLLS FOR THE NON-GAZETTED CLERICAL STAFF OF THE INDIAN STORES DEPARTMENT.**

1107. \*Maulvi Muhammad Shafee Daoodi: (a) Is it a fact that character rolls are maintained for the non-gazetted clerical staff of the Indian Stores Department?

(b) Is it a fact that these rolls are not shewn to the persons annually as is the practice in the Department of Industries and Labour? If so, why is there a different practice in a subordinate office?

(c) Are Government aware that officers make insinuations in the character rolls of the clerks in the Indian Stores Department and that the person concerned has no access to it in order to clear up matters? Are Government prepared to issue instructions that the same procedure is followed in the Indian Stores Department as is done in the Industries and Labour Department?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) Yes. The practice in the Department of Industries and Labour was altered some years ago to bring it into line with the practice in other departments of the Secretariat; so far as the Stores Department is concerned, the practice is regulated by the orders of the Chief Controller, with whose discretion Government do not propose to interfere.

(c) Officers are required to make comments on the work of those serving under them, but if any adverse remarks are made relating to defects which can be remedied, these remarks are communicated to the persons concerned. The answer to the last part of the question is in the negative.

**FURTHER RETRENCHMENT IN THE INDIAN STORES DEPARTMENT.**

1108. \*Maulvi Muhammad Shafee Daoodi: Are Government contemplating some further retrenchment in the Indian Stores Department? If so, are all men, who have rendered thirty years service, to be compulsorily retired?

**The Honourable Sir Frank Noyce:** Government have no proposals for further retrenchment in the Indian Stores Department under examination other than those put forward by the Stores, Printing and Stationery Subcommittee of the Retrenchment Advisory Committee. These do not include a proposal of the kind suggested by the Honourable Member.

## STATEMENTS LAID ON THE TABLE.

**The Honourable Mr. H. G. Haig** (Home Member): Sir, I lay on the table the information promised in reply to starred questions Nos. 504 and 505 asked by Mr. B. Das on the 20th September, 1932.

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### SEARCH BY POLICE OF A *HINDUSTAN TIMES* REPORTER.

\*504. (a) Mr. Chaman Lal was searched under the orders of the Senior Superintendent of Police, Delhi, as there was reason to believe that he was in possession of literature intended to be published in the *Congress Bulletin*, which is an unauthorised news sheet, and also that he was himself concerned in the publication of that bulletin.

(b) The search was carried out in connection with section 18 of the Press Act.

(c) The Honourable Member's assumption that Mr. Chaman Lal was searched in his capacity as a reporter of the *Hindustan Times* is not correct. Mr. Chaman Lal was searched for the reasons given in (a) above.

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### SEARCH BY POLICE OF A *HINDUSTAN TIMES* REPORTER.

\*505. (a) The police were aware of this.

(b) No.

(c) The suggestion of the Honourable Member that the reporter's interview was confiscated is not correct. The police did not take any documents from Mr. Chaman Lal.

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**Mr. H. A. F. Metcalfe** (Foreign Secretary): Sir, I lay on the table the information promised in reply to unstarred question No. 56, asked by Khan Bahadur Hujji Wajihuddin on the 19th September, 1932.

### PRIVATE HOUSES BUILT IN MUSLIM GRAVE YARDS IN AJMER.

56. (a) Yes, so far as part 1 of the question is concerned. No gross negligence in the matter can be attributed to the Municipal Board as some constructions were made without permission.

(b) The area demarcated as grave-yards in 1925 was found, on enquiry undertaken on the objections of some persons, to include some plots which were not grave-yards, hence a Special Sub-Committee has been appointed consisting of Muhammadan members to go into the question.

(c) Nine resolutions only were passed.

(d) Yes. It is a fact that none of the resolutions was actually complied with. They could not be complied with as they were resolutions of the Public Works Sub-Committee and under the rules required confirmation by the General Committee, while these cases came up before the General Committee after the Special Sub-Committee referred to in (b) above was formed.

(e) No.

(f) Yes.



It has been reopened for the following reasons :—

- (1) An enquiry showed that some parcels of land have been wrongly included in the demarcated area of the graveyard.
- (2) Some vendors invited the attention of the Committee to the need to see whether the constructions applied for satisfied sanitary requirements. On this complaint, the advice of the Civil Surgeon, Ajmer-Merwara, was sought and he, after consulting the Public Health Commissioner with the Government of India, expressed the opinion that dwelling houses might be built on dis-used grave-yards after 20—25 years.
- (3) In a recent civil suit in which the Ajmer Municipal Committee ordered the removal of Kilns set upon land near a grave-yard the Court decided that the Committee was not justified in ordering the removal of the Kilns on religious, apart from sanitary grounds.

The Commissioner, Ajmer-Merwara, in his letter No. 7082/XI-75 of 1932, dated the 10th May, 1932, suggested to the Municipal Committee that they should :

- (i) frame revised bye-laws under Section 245 (e) (v) of the Ajmer-Merwara Municipalities Regulation VI of 1925;
- (ii) institute a suit against Kadir Bux to restrain him from selling portions of the grave-yard; and
- (iii) institute proceedings under Section 133-Criminal Procedure Code if the unauthorised buildings could be regarded as an obstruction in a public place. It was, however, also suggested that before taking such action the Committee would be well advised to obtain competent legal opinion on the point whether this Section was applicable to a case of that nature.

(g) A copy of Col. Howson's letter referred to is laid on the table.

(h) No heart burning among the Muslim public exists. Some of the grave-yards in Ajmer are public and some private, belonging either to individual families or to particular communities. Public grave-yards are provided by the Committee, and on them no buildings have been allowed. The owners of some of the private grave-yards have sold parts of the land and the purchasers claim the right to build provided there is no objection from the sanitary point of view.

In all cases both the vendors and the vendees are Mohammadans.

Some of the persons who purchased land in the beginning and built on it have subsequently made unsuccessful attempts to acquire more land. The heart burning is confined to this section.

(i) In view of what has been stated in the reply above, Government do not propose to take any action in the matter.

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*Copy of letter No. W.-116, dated the 8th April 1932, from Lt.-Col. G. Howson, C.I.E., M.C., Chairman, Municipal Committee, Ajmer, to the Commissioner, Ajmer-Merwara, Ajmer.*

I have the honour to draw your attention to the question of the demarcated grave-yard area known as the Chand Bhowari grave-yard.

As you are aware this matter has already been a subject of question in the Legislative Assembly, *vide* your No. 3956/XXVIII-112-II, dated the 11th March 1932.

The area in question was definitely approved of as a demarcated grave-yard and it was registered as a grave-yard by the Chief Commissioner's letter No. 8365 of 31st March 1898.

Owing to various reasons this decision which appears to me to be final was reopened and on 18th October 1930 an application was submitted for the redelimitation of this area.

The matter has now reached the stage of being a public scandal and in my opinion it has resulted in the complete defiance of Municipal law.

I am, therefore, reporting the matter to you. The faquir who is normally in charge of this grave-yard by name Kadir Bux son of Ilahi Bux has sold various portions of the land at nominal rates for building purposes.

In no single instance has the permission of the Municipal Committee been obtained for any buildings on this site. Seven applications have been made and have been refused.

As reported in my reply to your letter of 11th March 1932, a very considerable number of buildings have been erected without permission. I have been into the question and have not been able to find a solution. If the Executive Officer takes action under Regulation 49 he may find himself in difficulties.

The matter is one that calls for early and drastic action.

With effect from April 1, all lime-kilns in this area ceased to be licensed. This may have some effect on the restriction of building.

The assistance of the police will undoubtedly be required to stop these lime-kilns from being used after April 1st.

I should be most grateful for your advice and assistance in this matter.

It appears to me that if the area is definitely a demarcated grave-yard no building on the land and no sale of the land for building purposes can be allowed.

If on the other hand the limits laid down for the grave-yard are inaccurate the Municipal Committee should be able to carry out certain town planning schemes in the area to ensure sanitary facilities for the future.

As things are at present no injunction of any Court has been given and Municipal law has ceased to function in this area.

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**Mr. G. R. F. Tottenham** (Army Secretary): Sir, I lay on the table the information promised in reply to unstarred question No. 112 asked by Sirdar Sohan Singh on the 27th September, 1932.

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#### SEGREGATION OF PATIENTS SUFFERING FROM INFECTIOUS DISEASES IN CANTONMENTS.

112. (b) Kunwar Sardar Singh, grand nephew of Bijay Bahadur Singh, was suffering from small-pox and was segregated in the Cantonment segregation huts. He was not forcibly removed; in fact he expressed his willingness to live in the small-pox huts. Segregation arrangements could not be made in his own house as his grand uncle had gone away and there was no one to look after him. This was the first case of small-pox in the cantonment and it occurred in a house situated in the middle of the bazar.

(c) The segregation huts in the cantonment are maintained in a sanitary condition. They are necessarily lonely, being situated on a mound about 100 yards away from the nearest dwelling.

(d) After the boy had been isolated for 5 days his grand-uncle asked for, and was granted, permission to remove him to an isolated place about 2 miles outside the cantonment, on condition that the boy did not return to his own house in the cantonment until the scabs had fallen and he was certified free from infection.

(e) The policy of Government is to prevent the spread of infectious or contagious diseases. The segregation arrangements are left to the discretion of the Medical Officer or Health Officer, due consideration being given to the circumstances and environments of the person concerned.

(f) Because it was not possible. There was no responsible person living in the house and the boy, before his removal to the segregation huts, insisted on going out of doors and mixing with others. Moreover, the house was in the middle of the bazar.

(g) The result of the enquiry is given above. There was no forced segregation and no further action is required.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 598 asked by Mr. A. H. Ghuznavi on the 22nd September, 1932;
- (ii) the information promised in reply to part (a) of starred question No. 785 asked by Khan Bahadur Haji Wajihuddin on the 26th September, 1932;
- (iii) the information promised in reply to part (c) of starred question No. 550 asked by Mr. Md. Anwar-ul-Azim on the 21st September, 1932;
- (iv) the information promised in reply to unstarred question No. 90 asked by Mr. Gaya Prasad Singh on the 27th September, 1932;
- (v) the information promised in reply to part (a) (vi) of starred question No. 646 asked by Mr. K. P. Thampan on the 22nd September, 1932; and
- (vi) the information promised in reply to unstarred question No. 129 asked by Sir Zulfiqar Ali Khan on the 27th September, 1932.

SUCCESSFUL TENDERERS FOR COAL PURCHASED FOR CERTAIN RAILWAYS, ETC.,

\*598.

Name of firm with whom order placed.	Colliery and seam.	Quantity accepted. Tons.	Rate per ton.
<i>Army Department.</i>			
Turner Morrison & Co.	Lodna 14, 14A and 15	47,000	Rs. s. p. 4 12 0 f. o. r.
	Lodna Rubble coal $\frac{1}{2}$ " to $1\frac{1}{4}$ " mechanically screened 50 per cent. from Lodna and 50 per cent. from Sirpore Ninga.	18,000	colliery. 3 8 0 Do.
Bengal Iron Co.	Noonodih Jitpur 17 & 18	21,000	4 4 0 Do.
Shaw Wallace & Co.	Burhar	2,000	4 8 0 Do.
Andrew Yule & Co.	Deshherghur	2,000	4 12 0 Do.
Anderson Wright & Co.	Dhori Smithy Coal $\frac{1}{2}$ " to $1\frac{1}{4}$ " Kargali seam	1,000	3 12 0 Do.
Jardine Skinner & Co.	Bararee hard foundry coke	724	9 0 0 f. o. r. coke works.
Singareni Collieries Co.	Singareni	870	5 8 0 f. o. r. colliery.
Bird & Co.	Deshherghur rammed soft coke.	50	15 0 0 Do.
Mackinnon Mackenzie & Co.	Bhowra hard coke Rubble No. 1.	240	11 0 0 f. o. r. colliery.
<i>Royal Indian Marine.</i>			
N. R. Nazir & Sons	(i) Best Desherghur selected from the Parbelia Colliery, supported by a certificate from the Indian Coal Grading Board. (ii) "Special steam coal", a mixture, half of above and half Welsh.	About 6,500 tons.	(i) Rs. 15-8-0 (T. I. B.) or delivered into the R. I. M. Dockyard. (ii) Rs. 19-0-0 (T. I. B.) or delivered into the R. I. M. Dockyard.

COMMUNAL COMPOSITION OF THE INSPECTORS OF VARIOUS BRANCHES ON THE EAST INDIAN RAILWAY.

\*785. (a) The number of Inspectors in the various branches of the East Indian Railway is as follows :—

Operating Department . . . . .	379
Engineering Department . . . . .	486
Mechanical Department . . . . .	21
Accounts Department . . . . .	37
Colliery Department . . . . .	10
Commercial Department . . . . .	65
Electrical Department . . . . .	1
Watch & Ward Department . . . . .	10

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MEMORANDUM RE POSITION OF MINORITIES IN THE RAILWAY SERVICES IN INDIA.

\*550. (e) The Eastern Bengal Railway has adopted the practice of advertising vacancies in the local papers except in the case of inferior and labour staff who are generally illiterate.

The Assam Bengal Railway has not adopted the practice as yet. The Agent explains that since the issue of the Railway Board's memorandum there have been very few vacancies and these have either remained unfilled, or been filled by surplus men transferred from other departments or sections of the line, or by those who had previous permanent or temporary service, or by probationers under training.

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SURPLUS STORES LOCKED UP ON STATE RAILWAYS, ETC.

90. (a) and (b). Statements A and B attached contain the information required.

(c) Yes.

(d) Every endeavour is being made to reduce the balances of surplus stores. An officer on special duty was appointed in 1930 to secure co-ordination between principal railways in the utilisation of surplus stores. Lists are periodically circulated by and between railways showing items surplus on each railway and available for transfer to railways requiring such material. In the construction of new rolling stock for railways in India such surplus parts and fittings as are available on the railways are supplied to the wagon builders. The majority of the surplus stocks of stores on railways represent bridge materials, engineering plant and permanent way material, which have been released from construction projects and open line renewal programmes and for which use is difficult to find due to curtailment of all "Works" necessitated by the present financial stringency. Efforts are being made to utilise surplus broad gauge permanent way material in metre gauge renewal programmes and the whole subject is constantly engaging the special attention of the Railway Board.

(A)

Statement showing Balance of Surplus Stores at the close of 1929-30, 1930-31 and 1931-32.

(Figures in lakhs of rupees.)

Railways.	31st March 1930.	31st March 1931.	31st March 1932.	Remarks.
<i>State-managed.</i>				
Burma . . . . .	0.58	1.35	7.61	
E. B. . . . .	6.09	4.21	6.95	
E. I. . . . .	26.64	60.14	81.69	
G. I. P. . . . .	26.35	46.65	25.71	
N. W. . . . .	34.60	15.71	16.60	
Totals	94.35	128.06	138.56	
<i>Company-managed.</i>				
A. B. . . . .	0.23	0.12	0.32	
B. & N. W. . . . .	0.61	4.86	9.40	
B. N. . . . .	9.96	6.77	5.61	
B., B. & C. I. . . . .	6.39	9.06	11.09	
M. & S. M. . . . .	0.37	0.31	0.63	
R. & K. . . . .	0.17	0.13	0.12	
S. I. . . . .	1.21	2.40	5.60	
Totals	18.94	23.74	32.77	

(B)

Statement showing amounts written off on State-managed Railways due to scrapping of Surplus materials during 1929-30, 1930-31 and 1931-32.

Railway.	Amount written off during			Remarks.
	1929-30.	1930-31.	1931-32.	
N. W. Ry. . . . .	7,00,000*	6,50,000	2,00,000*	*These figures represent amounts written off on account of surplus as well as obsolete stores. Materials are generally offered to other Railways before scrapping.
E. I. Ry. . . . .	†	†	6,78,307	†Information not available as separate records of surplus stores were not maintained in these years. All important items are circulated to other railways before scrapping.
E. B. Ry. . . . .	1,84,709	1,60,661	1,75,330	
G. I. P. . . . .	38,267	36,833	2,56,977	
Burma . . . . .	6,586	750	8,164	Owing to geographical position enquiries are made from other Railways only when considerable amounts are involved.

## MERCANTILE COUPON TICKETS ON RAILWAYS.

\*646. (a) (vi) Number of mileage coupon books issued on the South Indian Railway.

	1st Class.	2nd Class.
August 1931 . . . . .	7	21
September 1931 . . . . .	4	7
October 1931 . . . . .	1	6
Total . . . . .	12	34

## COMMUNAL COMPOSITION OF SKILLED AND UNSKILLED LABOUR RETRENCHED FROM THE NORTH WESTERN RAILWAY ELECTRICAL BRANCH.

129.

## North Western Railway Electrical Branch.

	Hindu.	Muslim.	Sikh.	Indian Christian.
(a)				
(i) Number of skilled labour retrenched since March 1931.	23	62	11	..
(ii) Number of unskilled labour retrenched since March 1931.	13	22	5	1
(b)				
(i) Number of skilled labour re-engaged from retrenched staff.	8	22	2	
(ii) Number of unskilled labour re-engaged from retrenched staff.	6	13	2	
(c)				
(i) Number of skilled labour retrenched with 3 or over 3 years service.	17	55	11	
(ii) Number of unskilled labour retrenched with 3 or over 3 years service.	2	5	1	
(iii) Number of skilled labour retained with less than one year's service.	9	1	1	..
(iv) Number of unskilled labour retained with less than one year's service.	18	10	9	1

## RESOLUTION RE TRADE AGREEMENT SIGNED AT OTTAWA.

**Mr. President** (The Honourable Sir Ibrahim Rahimtoola): Further consideration of the Resolution on the Ottawa Agreement.

**Mr. R. K. Shanmukham Chetty** (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, in recent years no subject has evoked in this country so much criticism and controversy as the Ottawa Conference and the part played by the Indian Delegation in that Conference. I find, Sir, as a result of the perusal of the great volume of criticism levelled against the Indo-British Trade Agreement that there are, in the minds of a certain section of the public, at any rate, some

genuine misapprehensions and misconceptions with regard to the part played by the Indian Delegation at Ottawa. I propose to do something today to remove those misapprehensions and misconceptions. I propose, in the first instance, to give what I might call the historical background under which the Indian Delegation had to work at Ottawa. I shall then attempt to explain the aims and principles which the Indian Delegation kept in the forefront in dealing with the whole question that was raised at Ottawa. Thirdly, I shall try to give what I consider to be the economic value of the Indo-British Trade Agreement; and, lastly, I shall conclude by giving my answers to some at least of the major criticisms that have been levelled against the Agreement.

I spoke of the historical background under which we worked. Ever since the question of Imperial Preference was mooted as a result of the tariff reform controversy started by the late Joseph Chamberlain, the Government of India, from the year 1903 down to the year 1930, have always maintained that India cannot participate in any general scheme of Imperial Preference; and, in this declaration of policy, the Government of India had the whole-hearted support of the Indian public. The last time when this question was raised, was in the Imperial Conference of 1930, and, even in that Conference, Sir Geoffrey Corbett, who was the spokesman of the Government of India, declared in no uncertain terms that in view of the policy of discriminating protection to which the Government of India was committed, India could not subscribe to a general policy of Imperial Preference, but that the Government of India were prepared to consider the merits of particular cases as and when they arose. Now, Sir, the Indian Delegation at Ottawa has been accused of having committed India to a policy of Imperial Preference. But I maintain that we have not departed in the least from the announcement of the attitude of the Government of India as was made by Sir Geoffrey Corbett in the year 1930; in other words, we have not committed India to a policy of Imperial Preference. I might go further and say that the policy of Imperial Preference today is as dead as Queen Anne. No country of the British Commonwealth is committed to a policy of Imperial Preference. What is it that is generally understood by a policy of Imperial Preference? As it has always been understood, Imperial Preference has meant one of two things: either the adoption of a policy of free trade amongst Empire countries or the framing of the tariffs of the Empire countries on a two-decker basis with one rate of tariffs for Empire goods and a higher rate of tariffs for foreign goods. That is what has always been meant and understood by Imperial Preference, and, in that sense, I maintain, no country of the British Commonwealth has committed itself to that principle, much less the Government of India or their Delegation. The question that was raised at Ottawa was whether, in view of the economic depression with which all of us were faced, in view of the advantage that the component parts of the British Commonwealth had, by virtue of membership, in one great community of nations, whether it was not possible on the basis of mutual and reciprocal tariff preferences to improve the trade of each of the component parts of the British Commonwealth. That was the question with which we were faced, and that was the problem we tried to solve and, in solving that problem, we have amply safeguarded the interests of India. What has been done at Ottawa, therefore, I maintain, is not the committing of any part of the Empire to the principle of Imperial Preference, but the inauguration of, what I may call, a regime of reciprocal

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preferential tariffs with a view to improving the trade of the Empire countries and ultimately to improving the trade of the world.

That being the problem with which we were faced, what were the aims and principles that the Indian Delegation kept before itself in dealing with that problem? A great deal has been said about a remark contained in our report that it was no more a question of what India stood to gain but what India stood to lose. That remark of the Delegation has been misunderstood by the critics. That remark has been made not with a view to justifying the Agreement that we signed, but simply as a justification for the Government of India taking part in the Conference at Ottawa. (Cries of "Oh.") I do not justify the Agreement on the negative aspect of what we stood to lose. But I want the critics to understand that that dictum was laid down not with a view to justifying the Agreement, but with a view to justifying the participation of the Government of India at the Ottawa Conference. The aim which we kept in the forefront throughout the negotiations was the possibility of expanding India's export trade and, in cases where there was not the possibility of considerable expansion of trade, to do something to retain the valuable trade that we had in the United Kingdom. Retention of our trade in certain respects and expansion in other respects were the aim and object that we kept in our view during the whole course of our negotiations at Ottawa. Naturally in assessing the value of any preference that we might secure with a view either to retaining or expanding our trade, we had to keep before our minds certain essential principles. In cases like raw jute where we have a monopoly, preference is of no value; and let me tell my Honourable friends here that no preference has been secured on raw jute under the Agreement. I have heard it stated repeatedly on the floor of this House and outside that preference has been obtained: preference has been obtained on jute . . . . .

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Will the Honourable Member state who said that preference has been given to our jute on the floor of this House?

**Mr. R. K. Shanmukham Chetty**: It has been stated by the Honourable gentleman himself. (Laughter.)

**Mr. C. S. Ranga Iyer**: I have before me the speech as reported by the reporters, unedited by me, and in both the references I have made about jute, I said in one place articles of jute and in another place goods of jute; and if the Honourable gentleman has any doubt about it he may verify it. (Laughter from the Nationalist Benches.)

**Mr. R. K. Shanmukham Chetty**: I am very glad to have the assurance of my Honourable friend and I will take his assurance without reading his speech, that he at least was not under a misconception. It only goes to show that my Honourable friend, Mr. Ranga Iyer, is always careful in the statements that he makes and if I have misunderstood him I apologise.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Who else made that statement on the floor of the House?



**Mr. E. K. Shanmukham Chetty:** I am not prepared to give way. Preference in the case of monopolies, therefore, are of no value. Secondly, we realised that where the Empire countries are our chief competitors in certain commodities, preference will enable us only to retain the volume of trade that we already possess. Thirdly, we realised that in commodities in which the competitors are both Empire and foreign countries, the preference will enable us to share the capturable trade with the Empire countries. Fourthly, we realised that where foreign countries are our chief competitors, preference will have the maximum value; and, lastly, we realised that in commodities in which there is a capturable market and in which there is a capacity for India to increase production, preference would be of very special value. These are the criteria which we had before us in assessing the value of preference; and when I come to assess what I consider to be the economic value of the Agreement, I shall try to prove how, judged by these dicta, the preferences that we have obtained are valuable preferences. Having these principles in view what we did was to persuade the British Government to the retention of preferences in the case of certain commodities on which we already enjoyed preference, to give us new preference in the case of certain other articles and to give us an increased preference in the case of a third class of articles; all these classes of articles are enumerated in the Schedules to the Agreement and also in the body of our Report which I most earnestly invite Honourable Members to read carefully. We got these preferences; and, as a business man, I knew well that I cannot get something in return for nothing. Naturally when we want to increase our export trade and ask for preference from the British Government, we must be prepared to give something in return; and the British Government wanted preferential treatment with regard to certain of their exports to India.

**Diwan Bahadur T. Bangachariar** (South Arcot *cum* Chingleput: Non-Muhammadan Rural): When did we want it?

**Mr. E. K. Shanmukham Chetty:** When did we want it? Facilities for export we have always wanted; I want it today; and if anybody says that we do not want facilities for the expansion of our export trade, well, I do not know how to answer him. I wanted at Ottawa opportunities to expand our export trade and I want opportunities today for the expansion of our export trade and I shall want always opportunities for the expansion of our export trade, whatever my Honourable friend may say.

In deciding upon the preferences that we might give, we were faced with rather serious problems. We had to keep certain very fundamental facts before our minds.

Firstly, we could not ignore the fact that the revenue from Customs was the most important source of revenue for the Government of India.

Secondly, we had to remember that we are committed to a policy of discriminating protection, that we have got ambitions of becoming one of the great industrial nations of the world, and we could not, therefore, agree to any preferential arrangement with regard to the industries which are protected in this country.

Thirdly, there are commodities which, it is to our national and industrial interest, to import free of duty or to purchase in the cheapest market, and in this category come agricultural implements and power machinery.

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Having made up our mind that these were the vital considerations that we had to keep in view, we started negotiations with the British Government. I can say, Sir, with justifiable pride that in every one of these points we succeeded in keeping up to the very last the attitude that we took up in the beginning. (Applause from the European Benches.) With a view to safeguarding our revenue, we have incorporated provisions in the Agreement by which we guarantee to the British imports only a certain margin of preference, but no free entry, nor have we committed ourselves as to the exact manner in which that preference is to be guaranteed to the British goods. With regard to our protected industries, we did not yield one inch of ground to the British Delegation. On the other hand, I might say that though it took us some time and very considerable effort on our part to convince the British Delegation as to the justness of our cause, our pleading had such a tremendous success that in the end the British Government were forced to admit that not merely was our contention correct, but that India's protectionist policy was one that the other Dominions might well copy. (Applause from the European and Official Benches.) And if, today, you find in the British-Canadian Agreement provisions for the establishment of a Tariff Board, provisions to commit the Canadian Government to a policy of discriminating protection, it is because of the influence that the Indian Delegates had at Ottawa. I might tell the House that those principles of fiscal policy, which you, Sir, and your colleagues laid down in your memorable Report on the Fiscal Commission, have not only been maintained unimpaired by the Indian Delegates at Ottawa, but have been passed on for copy for the other Dominions of the Empire.

**Mr. B. Das** (Orissa Division: Non-Muhammadian): Question, question?

**Diwan Bahadur T. Rangachariar**: So you accept the principle?

**Mr. R. K. Shanmukham Chetty**: Subject to these reservations, we agreed to give a 7½ per cent preference on motor vehicles and a ten per cent preference on a miscellaneous class of articles imported into India. The total value of these articles, on which we have given preference and which are imported from the United Kingdom, comes to about 17½ million pounds.

I shall now come, Sir, to what I consider to be the economic value of the Agreement. If there are some friends like my friend, Mr. B. Das, who take the view that nothing should be done with regard to the improvement of the economic condition of India until free political institutions are established in this country, it is a point of view which I respect and to which I have no answer . . . .

**Mr. B. Das**: You misunderstood me. I said: "no agreement can be entered into".

**Mr. R. K. Shanmukham Chetty**: I am prepared to accept the modified statement. But if there are those who think that whatever might be our political status, we should not lose an opportunity of having a good bargain with any country in the world, then I would ask them to apply one and

only possible test in judging our Agreement. The test that they should apply is this—how far would the preferences that we have obtained on Indian exports enable us to retain the trade in the market in which preference is given and will enable us to expand trade in certain commodities in that market, and on the preferences that we have given whether any commodity has been included which would detrimentally retard the industrial progress of India. This is the test, Sir, which, I maintain, is the proper test to be applied, and I will invite subsequent speakers to apply this test to the Agreement and give their verdict. In certain cases, I would frankly say, there is not much scope for expansion of our trade. It would only enable us to retain the existing trade. The commodity that comes to the forefront in this category is tea. The preference of two pence per pound that we have obtained for Indian tea would enable us to retain the British market that we already command. It has been mentioned, Sir, by some critics that even if this preference is withdrawn, we are not going to be seriously hurt, and a Professor of Economics has said that in any case the capacity of Ceylon and Java to increase their production is very limited and we need not, therefore, be afraid. Honourable Members here do not probably realise the history of the tea duty in England. At one stage the preference was about  $\frac{2}{3}$ rd of a penny, and in 1929 even that preference was abolished, and it was only in April, 1932, that this preference of two pence per pound was granted to Indian tea. And what happened to Indian tea when this duty was abolished in 1929? I cannot do better than quote the opinion of the Imperial Economic Committee contained in their Report on Tea issued last year. They say:

“It is undoubtedly the case that from the time the preference in the United Kingdom was reduced in 1924 to two-thirds of a penny the imports of teas from Java in the United Kingdom definitely increased. Further, the year 1929, in which the duty was removed altogether, witnessed an exceptionally large increase in the net import of those teas—nearly 15 million lbs. an increase of practically 25 per cent. in one year.”

Then they go on to say:

“As the tendency now is for the whole of the surplus export of Java and Sumatra tea to be thrown on the United Kingdom market, this expanding production in Sumatra threatens that market with a glut of low grade tea such as already experienced in 1929. Producers in the Empire—especially in India—therefore view the future with some alarm.”

That was the considered verdict of an expert body like the Imperial Economic Committee in 1931 about the serious threat to the tea industry as a result of the withdrawal of even the little preference they enjoyed, and yet, in the face of this, a Professor would ask us to believe that we need not seriously be worried about the threatened loss even if this preference is withdrawn. What amused me most, Sir, is the remark of this Professor that in any case the capacity of Java and Ceylon to increase their production is very limited. I would only ask this Professor to be up-to-date and read at least the newspapers if not books on economics. If really the position regarding the productive capacity of Ceylon and Java is as enunciated by this gentleman, may I ask what was the reason for all the tea producing countries of the world recently to come to an Agreement to have a voluntary restriction on production to the extent of 15 per cent? In spite of the preference that Ceylon and India enjoy, the competition of Java tea is so great that even the Ceylonese and the Indian producers were compelled to join this Agreement for restricting production to the extent of 15 per cent.? On an examination of the

[Mr. R. K. Shanmukham Chetty.]

question, therefore, I have not the slightest doubt in my mind that if this preference were withdrawn from Indian tea and if, in addition, preference were given to Ceylon tea, the result would be that Ceylon would capture the British market to the entire capacity of her maximum production and, further, our trade will seriously suffer as a result of the very serious competition of Java and Sumatra.

I, therefore, maintain that the preference granted on tea is one that is essential for us if we are to retain the market that we have. But I do not forget the familiar argument that, after all, the tea industry in India is in the hands of British capitalists. I am fully aware of that fact, but, as a student of economics, as a public man, as one who is interested in the economic development of the country, when I am faced with a situation of that nature, I can only apply certain tests with a view to determining what the economic value of the tea industry of India is today. I am prepared to gloat with some of my friends over the threatened extinction of the British capitalist in India. But what would be the economic consequences to India? The Honourable the Commerce Member said that Rs. 3½ crores of Indian capital is invested in Indian tea gardens. That figure, I may tell you, applies only to the tea gardens in Northern India and not in South India. If you include the figures for South India, you might, at a conservative estimate, say that about rupees five crores of Indian capital is invested in the Indian tea gardens. But even that is a misleading figure. Rupees five crores is the actual paid up capital and it does not represent the actual amount of money invested in the tea gardens, because many of the Indian tea gardens have re-invested their earnings in the gardens themselves. Therefore, if you were to take an accurate statistics of the amount of Indian capital invested in the tea industry in India, you will find that it is of an appreciable amount, and by itself that would require to be protected.

**Diwan Bahadur T. Rangachariar:** Where do you get it?

**Mr. R. K. Shanmukham Chetty:** I cannot be telling you all the sources of my information.

**Diwan Bahadur T. Rangachariar:** But where are those tea gardens?

**Mr. R. K. Shanmukham Chetty:** In South India. I would ask my Honourable friend to go to Wyanad and certain parts of Malabar and Travancore. . . .

**Diwan Bahadur T. Rangachariar:** The Indian capital is rupees five crores in South India?

**Mr. R. K. Shanmukham Chetty:** I did not say rupees five crores for South India, but rupees five crores for the whole of India. I cannot forget that apart from the great interest that Indian capital has got in this industry, over million people are employed in the tea gardens of India. Nor can I forget that the financial solvency of Assam and Bengal depends upon the prosperity of the tea industry, and, to some extent, the finances of Madras also would be affected. And, whatever satisfaction it might give me to see the British capitalist go down, I was not prepared to contemplate with equanimity the wiping out of this enormous amount of Indian capital from this industry, the throwing out of all these labourers

from the tea gardens, and the financial breakdown of two of the provinces. Even though the tea industry is essentially manned by British capital, I am not prepared to cut my nose to spite the Britisher's face.

In the case of tea, this preference would enable us to retain the volume of trade that we already possess, but, in certain other commodities, I am prepared to prove that the preference that we have obtained would enable us to expand our trade in the British market. My Honourable friend, the Commerce Member, gave the instance of linseed. My Honourable friend, Dr. DeSouza, gave the instance of coffee. I shall only give two instances. I shall give the instance of vegetable oils. The value of our export trade to the United Kingdom in 1929 was £89,000, but the United Kingdom imports 241,000 tons of oil of the value of £9 millions, and today we have got only about one per cent. of that United Kingdom trade. Three per cent. of that trade is in the hands of Ceylon and, for the rest, 96 per cent. is in the hands of foreigners. Here is a British market of the value of £9 millions, of which the Empire countries have got only four per cent., and the preference that we obtain is 15 per cent. I put it, whether, on the face of these facts, one should not come to the honest conclusion that, with this preference of 15 per cent., there is a considerable scope for the expansion of our oil trade in the British market. The only possible factor, that might diminish its value, is our capacity to increase the production of oil seeds, and I would ask whether we have not an almost unlimited capacity to increase our oil seeds cultivation in India, and when that happens, what will be the ultimate economic value to India of this preference? Not only would our primary producers be benefited, but the oil crushing industry would be established in this country and we would retain in this country the oil cake so much needed for manure and for fodder. Or take the case of rice which is not very important, and yet important in a sense. The preference that we have got is a penny a lb., which is very nearly 50 per cent. *ad valorem*, and what is the position? The United Kingdom takes 128,000 tons of rice of the value of very nearly £2 millions. India supplies only 26 per cent. and the foreigners supply 74 per cent. I ask, is it not open for one looking at these figures, knowing the exportable surplus of rice in India, knowing that this preference is 50 per cent. *ad valorem*, knowing that our chief competitors are foreign countries—is it not open to one to say that we can capture the British market in rice? That is the only honest conclusion to which I can come by going through these figures. I may take other figures, but the time at my disposal would not permit me to examine every one of these items and to prove that, in a great many of these, there is an immense possibility for the expansion of our trade in the British market.

The preferences, I, therefore, maintain, must ordinarily result in an expansion of our trade and not in a diversion of our trade from foreign countries. I really fail to understand the logic of the Professor who says that what will result is only a diversion of trade. Diversion of trade will result if our capacity to increase is limited, but in almost every one of these articles on which we have got a preference, our capacity to increase production depends only on the demand that we can create in the outside markets. That is the only limit, and, subject to that limit, our capacity to increase production is very great. I, therefore, maintain that under normal circumstances we can reasonably anticipate an expansion of trade in those primary products which are so essential to

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the welfare of the masses and the agriculturists for whom tears have been frequently shed in this House.

If you take the other side, namely, the imports, I am yet to know on what particular commodity the preference will act as a detriment to India's industries about which I hear in these criticisms. No doubt some of the industries that are thriving on the revenue tariff might be affected, but when the Bill comes on, it is open to Honourable Members to suggest that in the case of those industries the existing level of duty might be retained and the duty on the foreigner might be increased by ten per cent. I fail to understand how the preferences that we have agreed to will ruin India's industries. (Mr. C. S. Ranga Iyer: "What about aluminium?") I do not know about aluminium; I would like to hear about it at a later stage. But if the only effect of this Agreement is to crush the aluminium industry of India, I am prepared to subscribe to this Agreement.

Sir, I maintain that if the critics want to prove that it is a bad bargain, then it is up to them to show in what respect the preferences that we have obtained are valueless, in what respects we should have obtained more preferences, and in what commodities we ought not to have given preference to the British. Those are the points in which I would like to have constructive suggestions. After all, it may be that I and my colleagues committed a grave error of judgment at Ottawa; we are not infallible; but I have been waiting and waiting, ever since the Report was published, to have some light beyond generalisations.

The only commodity on which we have not been able to obtain preference and which is of great value to us is cotton. In that I want to make the position clear. The United Kingdom takes about 600,000 tons of cotton per year and we supply only  $7\frac{1}{2}$  per cent. of this demand. Before we could insist upon Britain taxing raw cotton to our benefit, we must be honestly satisfied that we can supply the kind of cotton that England wants, because you cannot ask a country to tax a commodity which you have not got to supply to them. What England wants primarily is medium and long staple cotton and those who know the Indian textile industry and the progress made in Indian cotton cultivation realise that even to meet our own requirements for home consumption we have still to import about 600,000 bales of medium and long staple cotton for our Indian mills. In view of this, how could we press for the imposition of a duty on foreign cotton in England. We also realised that there is considerable scope in England for the greater use of Indian cotton. The Lancashire spinners complained to us that, in spite of their anxiety to buy Indian cotton, the marketing conditions at Liverpool of Indian cotton were very unsatisfactory. We were able to persuade the British Government to agree to co-operate with the Indian Government in doing something with a view to having better marketing facilities for Indian cotton at Liverpool and to enabling Lancashire to use a little more of India's cotton. Beyond that it was not possible for us to do anything more and it would not have been possible for even Professor Vakil to have done anything more if he had gone to Ottawa.

Sir, I shall now come to some of the critics. I would take the criticism of the Federation of Indian Chambers of Commerce, because this is the body which is supposed to represent Indian commercial opinion or which has taken upon itself the task of representing Indian commercial opinion. I find there is, first of all, an abuse of the personnel of the Delegation.

They say that the Delegates do not represent Indian commerce. Well, Sir, I never in my dream aspired to compete with the Executive Committee of this Federation for the honour of being the representative of India's commercial interests. That task can be fulfilled only by those gentlemen that control that Federation today. The Executive Committee of this Federation, Sir, is today controlled by a clique of super-patriots who have so far identified themselves with the interests of India, and that their own personal interests and India's interests have become synonymous terms. (Laughter.) Naturally these super-patriots, when they examine a Trade Agreement of this nature, would apply a criterion with which they are familiar; that criterion is, how it was going to benefit them personally. Having found that there is nothing here to benefit them personally, these honest brokers have naturally come to the conclusion that India cannot be benefited, because the interests of India and their personal interests are the same. I do not, therefore, propose to compete with these gentlemen for the honour of representing the Indian commercial community. Here I must thank my colleagues in this House who, for the last two days, have treated me and my colleagues on the Delegation with courtesy and dignity, though they differed violently from our conclusions and from what we did at Ottawa. Leaving the personal aspect, the Federation says: "The figures given in the brochure of Professor Vakil do not appear to be at variance with those given by the Delegation and they have not yet been challenged either by the Government of India or by the Delegation". This means that anybody who wants to reply to the Federation must reply to Professor Vakil and incidentally their greatest reliance on Professor Vakil is due to the fact that Professor Vakil has said something which has not been contradicted by the Government of India or by the Delegates. If, therefore, Professor Vakil says that the population of India is 750 millions and the Government of India do not issue a Communiqué contradicting it, the Federation of Indian Chambers of Commerce and Industry will assume that the population of India is 750 millions. (Laughter.) Now, Sir, let us take this learned Professor's brochure. In his introductory preface, he says: "Such a study is, however, generally avoided, because of the bewildering mass of statistics involved in the same". I find, Sir, in every page that bewilderment has haunted the author of this brochure. Let us take the summary of his conclusions and try to find out on what data and on what arguments they are based. He says: "The determining factor in the proposed Agreement is the need of the United Kingdom for a larger market in India". Well, Sir, the determining factor in this Agreement is the desire of all the British Empire countries to expand Inter-Empire trade. The Ottawa Conference was not convened at the instance of the British Government, but because every member of the British Commonwealth wanted the Ottawa Conference. The Professor says:

"That India may lose, on a liberal estimate, a market of eight crores in the United Kingdom by non-acceptance of the Agreement. That this is only 2.6 per cent. of our total exports and, in view of our strong position in the world market, we shall not find it difficult to find markets for these goods."

The learned Professor has not told us how it is that we can find the markets for these goods if we were ousted from the British market. Apart from that, the Professor estimates that the possible loss to India by the non-acceptance of the Agreement will be eight crores. Well, he does not give detailed figures, but he gives certain indications of the line that

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he took in arriving at these figures. Take, for example, linseed. He says:

"So far as the shrinkage in trade in linseed, pig iron and cotton, by the non-acceptance of the Agreement is concerned, we estimate the same percentage, as in other cases, namely, a reduction of 25 per cent."

It is an *obiter dictum* of the Professor, but unfortunately the trade figures are against the Professor.

**Mr. B. Sitaramaraju** (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): If I may interrupt the Honourable Member, has his attention been drawn to the Supplement issued by the Professor?

**Mr. R. K. Shanmukham Chetty**: I expected that in the Supplement the Professor would have corrected some of his errors, but he persists in his ignorance and dishonesty. The Trade Statistics disclose this. Without a Trade Agreement, in 1913-14, we supplied 157 thousand tons of linseed to the United Kingdom. In 1924-25, it came down to 125 thousand tons. In 1929-30, it came down to 80 thousand tons and, in 1931-32, it came to only 14 thousand tons. Obviously the pressure of Argentine competition is so great that without preference there is a danger of our trade in linseed in the British market being wiped out and the Professor cannot ask us to believe that the loss to India will be only 25 per cent. of this trade. In estimating the additional market the United Kingdom will get in India, he puts it down at 83 crores, which he has revised in his Supplement to 80 crores. How does he arrive at these figures and what are the items that he includes? He includes items like power machinery on which we have not given preferences. He includes silk and artificial silk goods on which we have not given preference and these items account for a considerable figure. He includes cotton piecegoods, cotton twist and yarn and iron and steel goods which are not covered by the Ottawa Agreement. Even as regards the value of the preference that we have already given on cotton piecegoods, his figures are wrong. He thinks that with the preference, that we have given on cotton textiles, the United Kingdom will capture an additional market of eight crores 80 lakhs, but what exactly are the figures? In 1929-30, the total export of piecegoods from the United Kingdom to India was 38.65 lakhs. Then we gave them a preference in 1930, and what was the result? In 1930-31, the exports dwindled to 12.57 crores and, in 1931-32, they dwindled to 7.96 crores. In spite of these facts revealed by statistics which ought certainly to have been available for this Professor, he makes his dishonest figures to come to the rescue of his phantom conclusion that England will capture an additional market of 8-30 crores. Sir, I can excuse ignorance in a Professor, but ignorance combined with positive dishonesty is quite inexcusable. (Hear, hear.) The whole of this brochure,—if I had the time I could prove it,—is based upon *obiter dicta* which have no basis, upon wrong assumptions, upon dishonest facts, upon underestimating the value of the preferences we have got and overestimating the value of the preferences we have given. Yet this brochure the Federation of Indian Chambers of Commerce have recommended for the acceptance of this Assembly. (Hear, hear.) Sir, the real position is this. A great deal of the criticism levelled against this Agreement from certain quarters has been a positively engineered one. I would ask the Honourable Members of this House to look at the Agreement from a more impartial point of view. Sir, when it suits certain



industrialists in Bombay, they can swallow a preference of 25 per cent. in favour of Lancashire (Hear, hear), and they can ask for a prohibitive duty against Japan: and yet when we honestly do something to get a *quid pro quo*, when we honestly do something to secure advantages for our primary producers, well, this very school of thought at once decries it as being of no value to India.

I would ask this House to judge the Agreement from the point of view of how it will benefit India's export trade in which our primary producers are interested. Sir, even in Canada, we were surrounded very often by a mist of misconception. When we entered the boundary of Canada and, as our boat entered the great river St. Lawrence, we were engulfed in a great mist. We did not know what we should do, and, during the negotiations at Ottawa, as Mr. Stanley Baldwin put it in picturesque words, we had some samples of the varying climate of Canada, which was an index of the varying moods of the Delegates: we had days of cloud, rain, thunder and lightning, but, Sir, we concluded the Conference in bright and cheerful sunshine. I venture to think that when the cloud of ignorance and the mist of prejudice, surrounding this Agreement in India today, have vanished and, in the pure sunshine of reason, it comes to be examined, it will be found to be of some benefit to the primary producers of this great land. (Loud and Prolonged Applause.)

**Diwan Bahadur T. Rangachariar:** Sir, I have listened with great respect to my Honourable friend, Mr. Shanmukham Chetty. I know he is one of those true and patriotic sons of India. Sir, I know him intimately, almost from his boyhood, and I am not here to quarrel with his motives or with his representative character. But there is one thing which I wish to give expression to. Having to pass through Bombay, I happened to be present at a public meeting at which Sir Lalubhai Samaldas presided. At the meeting a great disappointment was given expression to, that you, Sir, who ought to be on the floor of the House in connection with this matter is now rendered speechless by your occupying that exalted Chair. Now I wish to add, Sir, that I wish now, having heard Mr. Shanmukham Chetty, that he had occupied that Chair now (Laughter) for more reasons than one. In the first place, the Government would not have had such unpaid for but able advocacy which they are having at the hands of my esteemed friend, Mr. Shanmukham, and, in the second place, with due respect to him, he would have been saved the reproach for a portion at least of the splendid speech which he has made in defence. I wish he had not exhibited such vehemence and anger. Naturally, Sir, as he has been attacked, he is on the defensive. At the same time, I wish he had refrained from indulging in the accusations that he did. I do not know the present colleagues of the men in question, but I know he, Mr. Shanmukham, was one of the most distinguished members of the Federation of Indian Chambers of Commerce. I wish also my Honourable friend had saved himself the unnecessary task of disputing their very high sense of patriotism. Of course he knows how easily we taunt each other with entertaining personal motives and with not caring so much for public interests; and, especially, if I were in my Honourable friend's place, I would not have added those passages in a speech which, in other respects, is so remarkable and so able. Now, having said all that, I am sorry to say that I am left unconvinced that my learned friend's judgment at Ottawa has been quite correct. I know he has tried his best. Although we did not, here in the Assembly, choose him as our representative, I

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I am sure, if the choice had been left to the Assembly, having regard to the unanimous way in which we elected him as the Deputy Speaker, I am sure our choice would also have fallen on him. (Hear, hear.) But, Sir, the system under which we are working is so demoralising. Here a choice made by us implies certain obligations, and a choice made by my Honourable friends over there implies certain other obligations. We do not see eye to eye on these economic problems affecting the country. Unfortunately my Honourable friend over there—I am sorry for him—is the first Indian Commerce Member whom we have the honour of welcoming here—I beg your pardon, Sir C. P. Ramaswami Aiyar was the first Indian Commerce Member. Well, my Honourable friend succeeded him. Now, we have been agitating for an Indian Commerce Member for so long, and it is rather an irony of fate that the first Indian Commerce Member should have to support this Agreement on the floor of this House.

Sir, one thing has been completely forgotten by my Honourable friend, Mr. Shanmukham Chetty, and also others who have approached the consideration of this question, namely, the relative position of each of the countries which have entered into this bargain. What is the position in India? We are a country with an overflowing population, rising steadily, decade by decade, having nowhere else to go (Laughter), thanks to my Honourable friend, Mr. Bajpai. (Laughter). Nobody else will take us. Our millions are growing in numbers. We were about 180 millions when I was a child and now we are 350 million odd. I do not know what will be the number when I will lay down my life. But what are we to do? What is the economic condition of the people? The agriculturists, who form the bulk of the population, are involved in debt day after day, month after month. Sir, my Honourable friend spoke of the expanding capacity of our agricultural products. What does it require? It requires capital, enterprise, organising capacity, knowledge, self-contained scientific instruments and co-relating industries in the country. I quite agree with my Honourable friend, Mr. Shanmukham Chetty, that it is the right policy to pursue to expand the main industry of the country, namely, agriculture. Notwithstanding the exertions of my Honourable friend over there in his Department—I think Sir Frank Noyce is in charge of the subject of agriculture—and my friend, Sir T. Vijayaraghavachariar and others who have been labouring in the field of agriculture, the results which they have achieved, I am sure, will appear to them very disappointing, notwithstanding the intensive propaganda which has been carried on by the Agricultural Department all over the country. What are the results achieved? Are they commensurate with the exertions exhibited and with the quantity of funds spent? Now, Sir, it is all due to the fact that we have got an ignorant population. Many of them are illiterate and ignorant and do not know how to organise; they are suspicious of each other and like the primitive methods. So it is very difficult to induce the agriculturist of this country to depart from his own pristine methods. Oftentimes in foretelling weather he is a very wise man that I know of. In the matter of improvements by applying scientific knowledge he is wanting in capacity, he is wanting in finances and he is wanting in the capacity to organise. Therefore, Sir, however much we may yearn for the day when agriculture is to be learnt better and lived better, I think that day is far too distant for you and me to realise. Therefore, that is one matter which has been overlooked

in entering into this arrangement. On the one side, what is it that you have got? My Honourable friend has told us frankly that he has not forgotten or neglected the principles which you have laid down in your memorable report on the Fiscal Commission. He adheres to them even today and he will follow them if he can. Therefore, there is no question now of that. My Honourable friend assures us that so far as he is concerned, there has been no departure in the policy of the Government of India. I do not know if the Honourable the Commerce Member will endorse it. What is the policy which has been pursued by the Government of India up to 1930? We must be sure of results before we embark upon any preferential tariff. The risk must not be too great. The retaliation should not be felt and the Indian opinion expressed through the Indian Legislature should endorse the policy before it is launched. Sir, I think those are the essentials of the policy hitherto pursued by the Government of India. Are they satisfied? Are they sure of the results which will come to India by this Agreement? I am very sorry to say, I was not here when the Honourable the Commerce Member made his speech, but I read a report of it in the *Statesman*. It did not contain such positive assurance as my Honourable friend, Mr. Chetty, has given to us today. He still left it as a matter of doubt whether really India is going to positively benefit by this arrangement. My Honourable friend, Mr. Chetty, gives the go-bye to para. 18 of his report. He says, it was a great mistake. I think he will say that it is not happily worded; it was not intended to convey what the words do convey. It only means that the Government of India wanted to take part in this Ottawa Conference. But, however unfortunately it may have been worded, the words tell a different tale. However, when we look at the large volume of material for which preference has been given, it covers about four long Schedules containing over 100 items. My Honourable friend will not call it Imperial Preference. It matters not what the name is. We want to look at the substance. What is it in substance? It is a case of giving preference to various articles which are imported into this country from United Kingdom which are too numerous to mention. On the one side, it is a positive gain if you look at it from the point of view of the United Kingdom that they have an overflow of production. They are not able to find the market. Their market in this country has been diminishing gradually and steadily year after year and the official report will bear it out. Even the last publication of India in 1930-31 contains that woeful tale that Britain is losing ground and the United Kingdom is losing in India, and other countries are gaining grounds in this country. England was on the brink of a financial ruin last year. Thanks to the united efforts of the Nationalist Government, they have tried to rehabilitate themselves and it is a matter for congratulation that they are very nearly succeeding in their attempt. But who has contributed largely in the matter of helping them to stand on their feet? My Honourable friend said that, in a matter of negotiation, you must make out what you are going to give in return for what you are going to ask. That is quite true. But did my Honourable friend tell them as he ought to have done: "My friends, you ask for a return. By your policy and by your order asking us to link the rupee with something else"—I am not able to use the correct currency expression for that,—"you have induced India to part with 90 crores of solid gold which you were sadly in need of and you are establishing your credit with France and the United States of America with the help of that gold. What return have you given for that?". Was it not a solid gain? It was due to the

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deliberate action of the British Cabinet supported by the Government of India in criminally allowing this gold to escape this country freely before their very eyes. It was unjust to the poor ryots to send away their savings by giving them an extra price. And what did they do with the money that they realised by selling their gold? They paid Government revenue; they performed their marriages on a grander scale; they performed their ceremonies and other things which they would not have done otherwise. Yet that was what enabled Britain to stand on her feet now and say with a proud face, "We are once again the premier financier nation in the world". What return did we get? Did my Honourable friend put that question, when they said they wanted a return? What return did we get for having been tied against our will to the free trade policy of England? You open the doors wide for yourself and your cousins abroad, first and second cousins abroad, you also open the side doors in the shape of administrative conveniences such as the regulation of railway tariff to suit the imports into this country. Did my Honourable friend ask that question of the Britishers? For over 100 years they enjoyed the benefit of India being in their possession and they have a subordinate Government here which they control from England at their sweet will and pleasure. What benefit have we derived in return for all these. It is the Britishers that derived all the benefit from being in possession of this country. You have had beautiful investments in this land, yes, you have invested and re-invested the huge profits you made in this country and you want safeguards for those interests. Is the word 'safeguards' a mere expression or are they really in earnest about "safeguards"?

My Honourable friend, Mr. Chetty, seems to have been frightened by the threat about tea. Was it not one of those interests for which they want safeguards in the political constitution? Do they mean to include the tea industry in that or not? Will my Honourable friends over there kindly answer? When Mr. Benthall went to the Round Table Conference to represent the Calcutta European interests and formulated his propositions regarding safeguards for European commercial interests in this country, did he omit to include tea in that category? No, Sir. The British nation knows much better than we do. They are more cunning than we are. My Honourable friend, Mr. Chetty, was easily deluded by the threat and that is my chief complaint against him. He was not a strong man. I know what atmosphere surrounds an Imperial Delegate. I may say at once that that is not the proper place for making a bargain. The place for making a bargain is a business conference carried on either in London or here. You go and conclude this Agreement with England at Ottawa, far away from this place and far away from the influence of your Honourable friends to your right and to your left. I am sure, Mr. Chetty would have secured better results if he had been deputed to do the work either in London or here. That apart, I want to see whether we are really going to expand our export trade and is it worth while expanding our export trade in raw materials? We have to leave a legacy to our succeeding generation; we leave them a legacy of population and we must leave them at the least the potentiality of developing the resources of this country for their benefit. We cannot take risks with those potentialities. Speaking with all respect to my Honourable friends, I am afraid we are taking unknown risks in being asked to ratify this Agreement. Our trade has now reached a certain steady level. We are

exporting about one-third of our exports—I am not an adept at figures, I can only speak in substance—we are exporting a third of our exports to the United Kingdom and the United Kingdom has always had the advantage of taking less from us and sending more to us. But other countries take more from us and send less to us, so that it is a profit to us to trade with other countries in that it leaves us a balance of exports over imports. But, in the case of England, she always sends more to us, because even at the present day, with her diminished exports to this country, she takes less from us and sends us more. However, that is another matter. The point is this. Are you going to disturb that trade which has now steadied itself with various countries? This must be the result. Does my Honourable friend deny that fact? Will you not be diverting the sources and the channels of trade with various countries? Will it not be disturbing the arrangements which existed for years together with various business houses? Now, this will have undoubtedly a disturbing factor. Are you being sufficiently recompensed for that risk which you are taking? I think not. Except in the case of tea, in the case of linseed, if you take all oilseeds together, my Honourable friend will realise that England is taking less and less as years go. I do not know why. Does my Honourable friend realise that, for the last few years in the case of oilseeds, all put together, England has been taking less and less? She took about 15 per cent. last year.

**Mr. B. K. Shanmukham Chetty:** It is due to foreign competition. Argentine has been displacing us.

**Diwan Bahadur T. Rangachariar:** They take only 13 per cent. of our exports of oilseeds. Taking for granted that other countries have displaced us in the matter of oilseeds, cannot my Honourable friend realise that we can establish oil mills in this country and also manufacture from those materials all those products which we are now importing for our toilet purposes and other things? Does he not contemplate such a state of things? In this respect what does the report suggest? Take for instance, soap, which is now seeking a firm hold on our household. Mysore soaps are very much in vogue these days and there is also a Government soap factory in Madras. These soaps are now slowly lifting their head and capturing our household and they are displacing foreign soaps. What are you doing by ratifying this Ottawa Agreement? You are making British soap much cheaper in this country. British soap is a great competitor to Indian soap and yet you want to give preferential treatment to British soaps.

**Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural):** They are needed more in Madras than anywhere else.

**Diwan Bahadur T. Rangachariar:** I do not know that. However, this Agreement will have a deleterious effect on the soap industry. Take the case of metals. My Honourable friend did not realise that in the case of metals, England wants protection for what, not for her own metals. She imports her metals from abroad, shapes them and makes them into sheets and sends them over here. Take aluminium. Take those things which are necessary commodities for our household. We use aluminium utensils for our household. The manufacture of aluminium utensils was in Indian hands till recently. The English exporters have established their own factories here and they are manufacturing aluminium utensils in India in competition with Indian manufacturers. So much so that aluminium

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industry which was 85 per cent. in Indian hands has now gone into the hands of European manufacturers in this country displacing the Indian manufacturers. That shows want of organising capacity amongst Indians. The Englishman easily comes here and replaces us in all fields, because he belongs to a better educated and a more cohesive community like the European settlers all over the world. Now, only 15 per cent. of aluminium industry is in Indian hands. If you give preference to the British interests, the same fate will overtake our copper industry. We have largely been using copper utensils in our household. Are you going to allow all our industries to be displaced by European manufacturers? Have you contemplated the possibilities of these risks? Has that question been examined carefully by any committee of experts? The report shows no indication of these points having been examined or of the authorities having been alive to these defects in the Agreement. My Honourable friend told us about the principles which guided them in drafting the report. I have no quarrel with the principles. The principles are sound enough. The only point is, the whole question has not been examined thoroughly from all points of view. They have not taken into consideration the injurious effects it will have on our industry, they have not taken note of the want of capacity on our part to compete with the British industries. My Honourable friend recognises that diversion of trade is no benefit to us. What we want is real expansion, but our capacity for expansion is limited, whereas the capacity of the other party to send his goods here has no end of them. Because the other party is in straitened circumstances for want of outlet, he is, therefore, ready to take his part of the bargain. My Honourable friend tells me that if we agree to this pact, on some distant future date, we will also be ready to expand and when we have expanded, we will be able to enjoy all the benefits which are conferred upon us by this Agreement.

Sir, with regard to tea I quite realise that if the British Government are really in earnest about tea, we must all join hands with my friends over there to protest against this most unjust and iniquitous action on the part of the British Government to impose any duty on tea. They ought not to do it. Do they want India or not? Is India worthless to them? Is it only on these terms that they want India, a fresh bargain? Do they want a fresh bargain with the Colonies? No. Has India been placed on an equal footing in the Empire? No. On the other hand.

**Mr. R. K. Shanmukham Chetty:** We have got a better bargain than most of the Dominions.

**Diwan Bahadur T. Rangachariar:** My Honourable friend may congratulate himself on that; but the net result of it is, unfortunately, as I am able to see, injurious to the future interests of India as far as I can visualise it. But how does he propose to give effect to this preference? My Honourable friend says, either increase the duties or diminish the duties or do both. What about taxation, what about the consumer? What has my friend, the Honourable the Finance Member, got to say about it? When the next Budget comes, he will have to come to us with a diminished revenue. I see alarming reports about the receipts under Customs and under Railways. I am afraid, even to meet our ordinary needs, we will be confronted with proposals for taxation, and where do they come from? From the Customs revenue. The Customs

révenue gives us more than 50 per cent. of our net revenues already. Now, my Honourable friend either increases the tariff on foreign goods or diminishes the tariff on British goods. If you diminish the tariff on British goods, what happens? You reduce your available funds. My Honourable friends over there want the ten per cent. cut in their pay to be restored next year. Then, how will the Government be carried on if you diminish the revenue from Customs? Then, they say, we shall increase the tariffs on other goods. But who is to pay? The poor agriculturist. It is he who will have to pay indirectly in the shape of higher prices for his goods.

**Mr. R. K. Shanmukham Chetty:** I can tell my Honourable friend that out of a total of 258 crores of imports we have agreed to give preference only to 58 crores.

**Diwan Bahadur T. Rangachariar:** As the old saying goes, the last straw breaks the camel's back; and any little addition to the tax, either direct or indirect, in this country is sure to lead to rebellion. There are other things leading to it also; and this is the only place where I can speak frankly now-a-days. But what is it that you are doing? You are compelling me to prefer you. It is like a husband saying, I will have a wife in every port, and you, my wife, must be my Seeta. That is the position, Sir. Sir, my Honourable friend has given away a very valuable instrument which we had in our hands, namely, the bargaining weapon which we had for securing Political equality. I quite realise the importance of coming to an Agreement with the Empire, and, in the first place, with England. I am not one of those who want to be out of it; I am proud to belong to it although that pride is going down day by day. At the same time, I want to retain that friendship. But that is the one great weapon which we had. My Honourable friends, when it suits them, advise me to avoid politics, but when it does not suit them, to introduce politics. But how can I forget politics when I have to deal with the economic condition of my country? We want to retain that weapon, that is one reason. The second reason is that I am not satisfied that it is to the best interests of the country. On the other hand, I am inclined to believe,—I will not be so positive as my Honourable friend,—that it is likely to be injurious to the interests of India. On all these grounds I ask my Honourable friend to come with us into the lobby. I will appeal to his sense of patriotism and not to desert us and be the only Indian to support the Resolution. After all, no man can say that he has the monopoly of wisdom, and public opinion has expressed itself very strongly upon it. Sir, I would be failing in my duty if I do not convey at this stage the message given to me by a public meeting in Bombay:

"This meeting of the public of Bombay consider that the Indo-British Trade Agreement made at Ottawa is opposed to the fundamental principles of national economy and is detrimental to the progress of the Swadeshi movement inasmuch as:

(i) it entirely ignores the inevitable effects of the proposed preferences on the industrial and economic development of India; and

(ii) it is not based on the principle of reciprocity, because it ensures, at the cost of the Indian consumer and the taxpayer, a substantial market to the British manufacturer, without any adequate return to India."

Sir, I conclude.

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

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

**Dr. D. B. Meek** (Government of India: Nominated Official): Sir, I rise to support the Resolution moved by the Honourable Member for Commerce. Before proceeding any further, I should have liked my Honourable friend, Mr. B. Das, to be present so that I might thank him for his cordial welcome to me as a novice to this House. He referred also to the Department of Statistics and said that he depended on my raw materials: at least as far as I remember, I think he said that he depended on my raw materials for his finished product. I am sorry that, in this particular case, although he has been giving my raw materials, *viz.*, statistics, considerable preference—that I assume that from the number of publications which I have had to issue recently, I cannot give him reciprocal preference, so far as his finished product is concerned.

To the Resolution which has been moved, there have been various amendments. One of these amendments suggests a reference to the Tariff Board of the Ottawa Agreement for examination and presumably report on its merits. The Tariff Board, I need hardly say, is a body with functions definitely laid down. The functions are to examine applications from industries or industrial bodies desiring protection and, after examination, to report to Government as to the necessity or otherwise for protection, and the form which such protection ought to take. The Tariff Board also works along definite lines and is controlled by definite guiding principles laid down in that memorable document produced by the famous Commission of which you, Sir, were the able President. These being the functions of the Tariff Board, what is the purpose of referring the Ottawa Agreement to such a body? The Agreement concluded at Ottawa contains nothing which in any way impairs the protective element in our tariff so far as Indian industries are concerned. Throughout the whole report, the Delegation have been careful to indicate, time and again, that protected industries in India had their first care. At the head of Schedule F of the report, it is carefully stated that the 10 per cent. preference to be granted to the United Kingdom by the Agreement *does not* extend to articles which are liable to protective duty at special rates under part 7 of Schedule II of the Indian Tariff Act. There is no danger, therefore, in accepting the Resolution which has been placed before this House, that those industries in India which are at present receiving protection will have their protection in any way minimised by the necessary amending legislation to give effect to the Ottawa Agreement.

I have a feeling that the desire to refer this matter to the Tariff Board probably arises from the fact that the Board is called the "Tariff" Board. The impression seems to be that any amendment to the Indian Tariff Act must necessarily be referred to the Tariff Board. But amendments to the Indian Tariff Act take place practically every year: we have a Finance Bill every year and we do not refer the annual Finance Bill to the Tariff Board. We do not even refer the materials on which the Finance Bill is prepared to the Tariff Board. For that reason, therefore, I consider that a reference of the Ottawa Agreement to the Tariff Board is unnecessary.

And I would go further. Supposing reference were made to the Tariff Board, what could the Tariff Board really do? We sent a Delegation to Ottawa, one of the strongest Delegations which probably has ever been



sent from India to any conference. They spent, in time of preparation and in time of concluding their report, about four and a half months work on the problem which has been set to them. If these gentlemen, experts in many lines, particularly experts in tariff problems, spent four and a half months in detailed study in order to produce an Agreement and this Report, what can we hope that a Tariff Board, a small body, a very small body relatively to our Delegation, can do in any relatively short time to improve on the position, or even to enable us to understand more clearly the benefits which we hope to derive from accepting the Delegation's Report and accepting the Agreement arrived at at Ottawa? In my opinion, this would be simply repeating the work already done, asking a small expert body to do what has already been completed, and, in my opinion, well completed, by a highly trained, large and highly efficient body, already appointed by Government. It would simply result, so far as I can see, in a waste of time and money. Further more, it is difficult for me to believe that the Honourable Members of this House find any difficulty in understanding the problems which have been raised in the Report or in evaluating the value of the preferences which are contained in the Agreement.

I turn now to another point. Many Honourable Members in this House have referred to the danger of retaliation. They have expressed a fear that if we send goods to the United Kingdom under preferential tariff and if we give preference to imports from the United Kingdom into India, and from one or two other parts of the Empire, other countries, foreign countries, will retaliate on India and refuse to take our raw materials. This question of retaliation crops up every now and then. In my opinion, it is an entire bogey. The countries which buy our raw materials buy those raw materials, because they are cheap: they would not buy from India if they could get them cheaper elsewhere. They cannot put a very high tariff or a very high import duty on the raw materials, because their importers would complain that their industries were being crippled. They import these raw materials for the purpose of manufacturing articles for export. They must keep down the price of their exported article and they must, therefore, keep down the price of the raw materials . . . . .

**Sardar Sant Singh** (West Punjab: Sikh): May I inquire from the Honourable gentleman whether the same argument would not apply in the case of England too?

**Dr. D. B. Meek:** I take it that England will not retaliate against us if we give them preference. Another point which makes me feel that retaliation is not a matter with regard to which we need have any great fear is the fact that, in many cases, we are under agreements with countries to receive most favoured nation treatment. It is not possible for foreign countries in these cases to levy a higher duty on goods from India than on similar goods from other countries, the only exception to that would naturally be the Colonies belonging to the foreign countries. But as we know from an examination of the Atlas, most of our buyers in Europe are rather limited in the Colonial areas which they possess competing with India in the production of raw materials which we send to them.

[Dr. D. B. Meek.]

Also in support of the argument that retaliation is not a matter with regard to which we need have much fear, I give an example. Recently in the case of France, extra duties have been imposed on articles imported into France at low prices on account of the depreciation of currencies in other countries, France remaining on the gold standard. In that case, a number of articles sent from India to France are left free, or if not free before, are left subject to the same duty as was applied to them before this new arrangement came into force. The reason is simple. France requires these articles from us at the lowest possible price, and her importers will not allow Government to impose high duties on the raw materials which they require for the manufacture of the products which they export to other countries. Similarly, we might say the same with regard to Japan. Japan will still buy our cotton even if we place a very high duty on her piecegoods imported into this country. She will buy our cotton as long as the price of our cotton is slightly below the parity rate; that is so long as it is a good bargain she will not buy American cotton in preference to Indian cotton.

Sir, I turn to another point. One of my Honourable friends opposite seemed to think that under the Ottawa Agreement, there was a difficulty, there was a danger, that we might lose the preferences which the United Kingdom would give us if other countries approached the United Kingdom; if other countries negotiated with the United Kingdom, for the purpose of entering into trade agreements. As far as I remember, it was indicated, from press report, that some 16 countries had already approached the United Kingdom for this purpose. That is all to the good. That, in my opinion, apart from the general economic question, altogether proves that these countries must think that the agreements which have been concluded at Ottawa have a real value; but that is not the point which I wish to make at present. I feel convinced that most of us think in that direction. The point I wish to make at present is this. I wish to remove the misapprehension from the Honourable Member's mind, if it still exists therein, that the Agreement does not safeguard India from the destruction of our preferences by the formation of Trade Agreements between the United Kingdom and other foreign countries. Articles I, II and IV cover that. If Honourable Members who have any doubts on the subject will refer to Article IV particularly, they will see that what I say is correct. With your permission, Sir, I shall just read that Article. This is what it says:

"His Majesty's Government in the United Kingdom undertake that no order will be made and that Parliament will not be invited to pass legislation which would have the effect of reducing the margin of preference now enjoyed by Indian goods of the kinds specified in Schedule C over similar foreign goods, and further undertake that, in the event of any greater preference being accorded in respect of such goods imported from any other part of the Empire, such greater preference will be extended to Indian goods."

This latter portion is, of course, always very welcome.

With your permission, Sir, I will take another point, the point raised by one of the Honourable Members yesterday afternoon. As far as I can remember, the point is this, that the Supplementary Agreement, that is the Agreement which relates to iron and steel, will place India in the

position of a country which will not produce more than semi-finished materials. It would, as far as I can recollect, place India in the position to manufacture only semi-finished products for a very long time. The question was asked,—why do not Tatas roll all the steel sheet bar into galvanised sheets, why don't Tatas do the rolling themselves? The whole point was very fully and clearly explained in paragraphs 72 and 73 of the Report. I can put it this way. India has given protection to the steel industry. During a certain period we arranged, at least it was arranged, that an increasing quantity of steel would be manufactured. The depression comes along, and these orders are not forthcoming to Tatas. Tatas find, or rather the steel industry, say, finds, that they have a large amount of steel which is not required for the manufacture of steel rails. They have a sheet mill, a mill which rolls galvanised sheets. Its capacity is limited, and it is working to its full capacity. But the mill, which produces sheet bar, produces far more sheet bar than is required in this country, and far more sheet bars than it is possible to turn into galvanised sheets. We have, therefore, a surplus steel which at the present moment, and for some time to come, cannot be manufactured into finished product, if we call galvanised sheet a finished product. It is, therefore, surely a good bargain to send it to foreign countries if they can take it under such terms as to make it profitable to this country to receive back the finished article.

That is not the only point. The next point in regard to this Supplementary Agreement is that it will only last for 16 months; it will terminate at the end of March, 1934; and a stronger point still, in my opinion, is the fact that the Supplementary Agreement is a result which follows naturally from a definite agreement between industrial interests in this country and industrial interests in the United Kingdom. We have heard complaints all summer that industrial interests have not been consulted. This is one particular case where no one can say that the entire industrial interests, both on this side and on the other side, have not been fully consulted.

Sir, if I may, I shall take another issue, and that is the point regarding the feeling that this Ottawa Agreement and the whole programme following therefrom has been the result of action which has been described more or less as holding a pistol at the head of India. It became clear during the debate that some Honourable Members were still under the impression that the Import Duties Act of the United Kingdom would come into force on the 15th November. The Import Duties Act, if I may say so, has been in force since the 1st March, 1932—it has been in force for eight months. We have been enjoying preferences for eight months. We have given nothing in return. The only pistol, if it could be called a pistol, is, "I have given you preference for eight months, and is it not time or would you not like to say what you are going to give me in return?" I want just to make it perfectly clear that the Import Duties Act came into force on the 1st March and is not associated in that particular connection with the date 15th November.

Now, Sir, it might be a long subject to embark upon, but the Import Duties Act having come into force on the 1st March, we have been receiving preferences for eight months. The Agreement will bring in changes in certain preferences, but there have been preferences from the

[Dr. D. B. Meek.]

1st March, and what effect have those preferences had on our trade in those six, seven or eight months? Well, the period is very short, we are in the depth of a trade depression. Countries are jumping about so far as exchanges are concerned, so far as currencies are concerned. These are all problems involved, and I would not wish that anyone would go away with the impression that I lay any great stress on figures which deal with such a short period. Obviously, when preferences were going to be given, foreign countries must have forestalled this action and dumped goods into the United Kingdom in very considerable quantities, and these stocks have to be worked off before the effect could be appreciated by those countries, which receive the preferences. But I have taken the trouble to compile figures of the principal articles of export from India, only principal articles, large articles running to a quarter of a crore or half a crore per annum, which have received preference from the United Kingdom during the last seven months. I have taken out the corresponding figures for the previous year. As I say, I do not lay a great deal of stress on these. They refer only to a period of seven months, of which we might say only two or three were effective. But among the 27 articles, important articles exported from India, it is strange to find that in 20 of those the United Kingdom has definitely increased her percentage takings from India as compared with the previous year. In the case of articles without preferences, also large articles, the number of increases is 4 out of 9—4 increases out of 9 in the case of articles without preference, and 20 out of 27 in the case of articles with preference.

**Diwan Bahadur T. Rangachariar:** May I ask, what article shows the highest tendency in this figure?

**Dr. D. B. Meek:** As far as I can make out, pig iron has jumped from 15 per cent. to 34. The percentage share of woollen carpets and rugs has also jumped up. But 20 articles out of 27 have shown an increase in the United Kingdom's percentage share.

I should like, if I may, to continue my remarks about pig iron. Here we have an article which has been produced in this country, and is now and has been for a good many years exported to foreign countries. The total productive capacity of this country is about  $1\frac{1}{2}$  million tons. The foundry requirements are about 150,000 tons, steel manufacturing requirements 500,000 tons, and this leaves a balance of 850,000 tons. That is the exportable surplus of the country, that is the balance for which we would like to find an export market. If all our pig iron blast furnaces were going at full capacity, we could produce  $1\frac{1}{2}$  million tons of pig iron, and we would like a market for 850,000 tons. As has been pointed out in the report, the exports to Japan, which was formerly one of our biggest consumers, have gone down very considerably. Those to the United States also have gone down largely. We find at page 31 of the Report that the exports to Japan have fallen from 180,000 tons per annum to 50,000 tons for the first seven months of the year; those to the United States have fallen from 51,000 tons to 15,000 tons for the first seven months of this year; but the exports to the United Kingdom have risen from 69,000 tons for a whole year, that is, 1951-52, to 43,000 tons for the first seven months of this year. The percentage, as I mentioned a minute or two ago, the percentage of exports from India to the United Kingdom, has

risen from 15 per cent. to 34 per cent. in one year. There are many other items on which I could give figures, but I will not trouble the House any further.

In conclusion, Sir, I should like simply to say this. I feel that this Agreement, which has been concluded at Ottawa, is probably, at least in my opinion, the best bargain of all the agreements which were concluded there. In it there is a clause which allows its determination by six months' notice on either side. The only thing I feel that is wrong about this Agreement is that the Delegation did not tie up the United Kingdom to it for more than six months. (Cheers.)

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): Mr. President, within the time at our disposal in this debate it is not possible to deal with the specific items which are dealt with in the Indian Delegation's Report. One can only deal with the general features of the situation as created by this Trade Agreement.

The last speaker, Dr. Meek, whom we are all glad to see in this House, has replied to certain points which have been made on this side of the House. I will come to the question of referring the matter to the Tariff Board for examination afterwards. My Honourable friend, Dr. Meek, says that so far as retaliation from foreign countries is apprehended, there is no danger, because they would naturally like to buy the raw articles from India cheap, so that they can export the finished articles at a profit. One question was put to him, while he was speaking, whether that argument did not apply equally to Great Britain, and so far as I could judge, the interpellator did not get any satisfactory answer at all. Sir, is it possible to think that Great Britain will not act in the same way, or that Great Britain will act in a vindictive spirit towards India, even if her own interests require that there should be no retaliation, no imposition of duties, because we are unable to give preferences to England on some of her articles? It is not, however, merely a question of retaliation, but we all know that unless we are in a position to buy from foreign countries, they will not be in a position to buy from us. This is an ordinary elementary principle of economics and I have not heard from Dr. Meek, who is such a well known expert, any answer to this argument. What is our trade position? Our trade

**3 P.M.** with foreign countries is nearly 66 per cent. while that with England is 38 per cent. That is to say, our export trade.....(Mr. F. E. James: "Is that the total of all countries?") Yes, we are concerned with our total trade. We do not want a diminution in our total trade. We want an expansion of our trade and we have got to see whether this Agreement will lead to expansion or not. My friend, Mr. Shanmukham Chetty, who as usual spoke with a great deal of eloquence and, I am afraid, also with considerable heat at moments, did not tell the House what would be the effect of this Agreement on India's balance of trade. I suppose he did not tell us, because he was not in a position to tell us, but my greatest grievance, so far as this Agreement is concerned, is the way in which the Government of India regulated the procedure with reference to the task which was made over to the Indian Delegation. So far as the Self-Governing Colonies were concerned what was the procedure which the British Government adopted in dealing with them? They gave their own list of commodities on which they wanted preference from the Colonies to their representatives in the Colonies and similarly representatives from the Colonies came over to England with their list. Who prepared

[Sir Abdur Rahim.]

the list in our case? Let us hear what Mr. Stanley Baldwin says. He seems to have been surprised at the procedure adopted by the Government of India in this respect. Mr. Baldwin says on page 58 of the Report:

"You have no doubt heard from your Government that the discussions preliminary to the actual Conference are intended to be of a quite informal and provisional character. Such discussions are already proceeding with representatives of the Dominion Governments both in London and in the Dominions. Our representatives in the Dominions have been furnished with lists of the goods in respect of which further tariff concessions will be specially acceptable to this country and the lists are being discussed by them with representatives of the Dominion Governments. Similarly in London some of the Dominion representatives are furnishing lists of the concessions desired by their Governments and these are being discussed by them with departmental representatives of the British Government. It is the desire of your Government (*addressing the Delegates who were then present*) that both sides of the preliminary discussions between this country and India should be conducted with you in London and it has been agreed in the correspondence that they shall have the same informal and provisional character as the negotiations with the Dominions."

Did not my friend, Mr. Shanmukham Chetty, realise at what great disadvantage he and his colleagues were placed by this procedure of the Government of India? They had not the advantage of consulting the business houses of this country. They had not the advantage of consulting our economic experts or other persons competent to give an opinion on these momentous questions. They were there in London. I do not know who prepared the list. We are told by Mr. Chetty that the Indian Delegation were lucky enough or successful enough or able enough to get all their items accepted. Sir, who prepared the lists of those items? It must have been the Government of India.

**Mr. R. K. Shanmukham Chetty:** The Delegation prepared the list of the preference that India wanted in consultation with the Government of India.

**Sir Abdur Rahim:** The Government of India originally supplied the list. I take it. They had this list out in London where they were out of touch with the business people here, out of touch with India's public opinion in the country. It was a most serious matter to place the Delegation at this very great disadvantage. It was not fair on the part of the Government of India to place them in this position. What did the British Government and the Self-Governing Colonies do? They knew that in matters of such vital importance in which such extensive interests are affected, there could be no list prepared unless they had the advice and the opinion of persons who were interested in the business. That was the difficulty of our Delegation there and that is the reason why my friends, Mr. Shanmukham Chetty and Haji Abdoola Haroon, find themselves in absolute isolation in this country so far as public opinion and the opinion in this House is concerned. Everything was done by the Government of India and the Government of India, being a subordinate Government, those lists were prepared in consultation with the India Office and the India Office must have consulted the Department of Trade or whatever the Department is of the British Government. I say, they were, in fact, faced with a *fait accompli*. They had the list on which Britain wanted preference, to which I take it the Government of India had already given their support. I should like to know from Sir Joseph Bhora why this peculiar procedure was adopted in the case of India? Was it because India is not a Self-Governing country. Did or did not the

Government of India decide everything or rather the gentleman in Whitehall, who is a member of the British Cabinet. Therefore, I say, there was no independent examination of the problem involving very difficult question, with which the Indian Delegation was faced in London. I should be the last person to suggest for one moment that my friends did not do their utmost to safeguard the interests of India, but they were at an absolutely fatal disadvantage. They could not claim to know all the ins and outs of Indian business and the way in which the various business interests would be affected. I trust they do not claim, indeed they cannot claim that they are authorities on every subject that was discussed at Ottawa. Sir, if they had been given the opportunity to discuss matters here, if the matters had been discussed with them in India, and if they had had the opportunity of discussing them with their business friends and leaders of public opinion in this country, then the position would have been entirely different. Sir, this is the fatal defect of this Report, the very foundation, on which it is based, is bad, absolutely bad: it is virtually the Report of the Government of India (Hear, hear), at least it is a Report supporting conclusions arrived at before the Delegation landed in London. Sir, our request embodied in the amendment is of an extremely modest character, and I am surprised to find that the Government Benches, so far as we can gather from the last speaker, are not inclined to listen even to such a request. What is it that Government want? They tell us through their experts that these are very complicated economic questions and, therefore, we must consider them very carefully. We must not throw out the Agreement off-hand. Then, what do you want? We know the Indian Delegation had not the advice of Indian public opinion and Indian business experts here. Are we going also to vote blindfolded? Is that what the Government want? (*An Honourable Member*: "Take their word for it!") That is the real position in which they place us. Sir, if the Tariff Board, or a Select Committee, as suggested by my friend, Dr. Ziauddin, were to make an inquiry, they would have the opportunity of examining witnesses who have knowledge of the matter—because knowledge of the country's business is not confined to half a dozen men, but there are other men also who can speak with authority on the subject. Sir, are the Government going to turn a deaf ear to us? Look at the very list of the commodities on which India is asked to give preference to England. Their number is 163! It covers all sorts of things,—glue, bedsteads, motor cars, all sorts of things. There is nothing left. Can you not imagine for one moment how vast and extensive are the interests that will be affected? The manufacturers, the traders, the petty shopkeepers, hosts of them will be affected, and surely it is only fair on the part of the Government to give them the opportunity through their representatives to make such representations as they choose how their interests are affected. Sir, we all listened with attention to the speech of my Honourable friend, Sir Joseph Blore, who is always listened to in this House with respect (Hear, hear), but I was somewhat pained to hear him harp so much on the necessity of avoiding bias and prejudice on this occasion. Sir, I confess I am biased: I am biased against giving preference to Britain's interests over the interests of India. (Here, hear.) That is our bias. What is the bias of my Honourable friend representing the Government over there? So far as his personal inclinations are concerned, we do not know and we do not want to inquire into, but he is a Member of a Government which are subordinate to the British Government. He is their spokesman here. Consciously or unconsciously he has to

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voice the interests of Great Britain in this matter. Now, my friend, Mr. Chetty, has said: "we carefully safeguarded our policy of discriminating protection". In respect of what articles? Our raw materials! (Laughter.) Raw cotton, jute, etc. But what is the protection we want? What is the protection that we may want in future? It is for industries which the resources of this country which, thank God and nature, is really very vast, might enable us to establish in this country and not for our natural products. Is there anything left out of the list of preference to Britain? If we are to give preference on all these articles, then vast interests will be created; and, situated as we are, would it be possible for us on six months' notice to get rid of these preferences?

**Diwan Bahadur T. Rangachariar:** They can be got rid of by the new Government!

**Sir Abdur Rahim:** The new Government? I do not know what that will be like. But I do not share the optimism of my friend, Diwan Bahadur Rangachariar and other speakers on my right, that we are going to be full masters of our own destiny. I do not believe that. (*Diwan Bahadur T. Rangachariar:* "Neither do I.") Sir, I may be permitted to say at once, if I may express an opinion, that I doubt if the future Assembly will be any more effective, or will be even as much, or as little, effective as this one. A friend says, the Princes will be there. I do not know what elements will be there, but whatever Government will be here in the future, they will be so well protected that we shall be able to make no impression on them whatsoever.

Sir, one word as to discriminating protection. I think one of the speakers on this side thought that it meant that there might be discrimination in favour of Britain. I am sure, Sir, that is not what was intended in your famous Report in the Fiscal Commission, nor is it the natural meaning of those words. Discriminating protection means that we would only protect those industries which will be of benefit to the country and which have a fair chance of growing and establishing themselves. It means nothing else. I find that something is made in the Delegation's report of the two cases in which preference was given to Britain,—cotton goods and steel. Well, we also know the history,—how that was brought about. If we did not agree to give preference to British steel and cotton goods, then the struggling Tata industry would get no protection and the Bombay mills represented by my Honourable friend, Mr. Mody, here would have equally suffered. So it was in the nature of a bargain. It was no foundation for a preferential policy. Sir, as the Honourable Sir Joseph Bore told the House, our fiscal policy has always been free trade, with protection to such industries as are suitable to this country and will be of benefit to the country. As regards the Supplementary Agreement in respect of iron and steel, a suggestion which was made or rather a fear was expressed on this side of the House that the policy of this Trade Agreement was to relegate India for ever or at least for as long as it can be managed, to a position where it will export raw materials and manufacture unfinished crude articles, to be finished by the manufacturers of Britain. Dr. Meek repudiated that suggestion, but let me refer here



to the speech of Mr. Baldwin, the Leader of the British Delegation. Let us see what he says. On page 52 of the Report he says:

"If the industrial associations in the various Empire countries will take the initiative, as some of them are already doing, in dividing up Empire markets, so that each country may concentrate on those branches of production for these markets for which it is specially fitted by its local conditions, they open up the way for their Governments to help them effectively by giving substantial preferences in those classes of goods which by agreement are not being manufactured by their own people."

I say that is the aim in view so far as India is concerned. It is not the aim which they have in view now for the first time, but it is the aim which they had in view for a long time indeed. So, the fears which have been expressed on this side of the House in connection with the Agreement regarding iron and steel are not at all unfounded. And, Sir, the very formidable list of articles on which we have to give preference shows clearly which way the wind blows. That is the real drift of the economic policy of Great Britain regarding India.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhamadan Rural): May I just say one word, Sir? On page 192 of the report on Sea-borne Trade for September, 1932, we find that in the case of pig-iron and pig-lead, though our export to United Kingdom has increased, our export, taking all the countries together, has substantially diminished.

**Sir Abdur Rahim**: Then, Dr. Meek, in dealing with the Import Duties Act, rightly points out that it has been in force for eight months and he has suggested, though in a somewhat bated breath, that during these eight months India has done better business with England than before. Sir, whatever might have been the state of export to England during those eight months, I wish to point out to the House what Sir George Schuster says as to what has been the economic position as a whole so far as India is concerned during the six months before last September when he was making his speech at the Ottawa Conference. He points out that India always had a favourable balance of trade, that this was absolutely necessary having regard to the fact that India is a debtor country heavily in debts to England and whose debt service is one of the two mill-stones round her neck, the other being the military expenditure. Then he states:

"Yet we are now faced with a heavy unfavourable balance of trade."

That is his statement and, I am sure, the Government will not dispute it.

Sir, it has been admitted by Sir Joseph Bhore that the 15th November is no longer a crucial date and, from newspapers, it appears that England is preparing for a World Conference on the economic and financial position to find out how to regulate the prices and how to regulate International Currency. Sir, the British Government have fully realised, as the Prime-Minister said only the other day, that it is essential if the world is to recover economically that this must be done by agreement among all the nations. Empire nations alone will not suffice, but there must be an agreement among all the nations. And who can tell what the outcome of such a conference will be? Is it to be suggested for one moment that this Trade Agreement between India and England alone will stand? Of course, India is helpless; she can be tied down to this Agreement, however injurious it may be to her economic interests. That is another matter, but the chances are that the World Conference, when it comes

[Sir Abdur Rahim.]

about and when after discussing matters it comes to an agreed conclusion, it may very largely alter the Ottawa Agreement. There may be no question then merely of preferences between the countries within the Empire or the most-favoured-nations treaties. It is at the World Conference, Sir, the solution must be found and, I think, it would be folly on our part, before we really know what the actual world situation is and what will be the outcome of that Conference, to enter hastily into an Agreement like this. Mr. Chetty in his eloquent and able speech omitted to point out what will be the effect of these preferences on the revenues of the Government. Sir, all those who have dealt with the matter think that there must be a substantial addition to the Customs duties in consequence of this Agreement, in which case the consumers have to suffer or lowering of tariffs in which case the revenues will suffer. Sir, in dealing with trade matters, one is often apt to overlook the interest of the consumers, but it is the consumers who after all form the great majority of the people. What will be the effect on the consumers? The effect on the consumers is bound to be that there will be rise in prices and to that extent the public of India is bound to suffer. I believe every Honourable Member has read with care the speeches delivered by Sir George Schuster and by Sir Henry Strakosch. Reading Sir George Schuster's speech, it seems to me that he at least was not an enthusiastic supporter of such an Agreement. Nowhere in his speech does he say in so many words that it would improve the financial position of India or improve the economic lot of the people.

**The Honourable Sir Alan Parsons** (Finance Member): As Sir George Schuster is not here, may I explain that the speech to which my Honourable friend is referring was made long before this Agreement was reached.

**Sir Abdur Rahim**: Just so and I dare say, when Sir George Schuster comes back to India, he will thoroughly be convinced of the soundness of this Agreement. I have not the least doubt about that. Sir George Schuster was then speaking in a freer atmosphere and he had to tell the British people what the financial and economic position of the poor wretched people of this country was. Here his lips will be sealed. Sir, only one word more about the suggested Tariff Board enquiry. The Fiscal Commission said that there ought to be an enquiry by the Tariff Board if new preferences were proposed. I wish also to draw attention of the House just to one passage in the Report of my Honourable friend, Mr. Chetty, where he says that they also are conscious that this question must be decided by the Legislature in accordance with Indian opinion. Sir, if the question is to be decided in accordance with Indian opinion, where is then the case for this Agreement? Is it not a fact that Indian opinion, as has been expressed so far, is entirely opposed to this Agreement. It is so unanimous and so strong that even the Honourable Sir Joseph Bore had to suggest bias and prejudice and Mr. Chetty called it dishonest. Sir, if Indian opinion is dishonest, we are all dishonest.

**Mr. R. K. Shanmukham Chetty**: I did not say Indian opinion was dishonest. What I said was that the figures given by a particular gentleman were dishonest and I still maintain that view.

**Sir Abdur Rahim**: The particular Professor in question was only voicing Indian opinion. He is only one of the many men who have condemned

this Agreement. In conclusion, I will only say this, if Government have any respect for their pledges and for the convention which they themselves have been party to, then they must leave this question to be decided entirely by the Legislature in accordance with public opinion. Will not Mr. Chetty vote for this? All that we want is, we want to consult public opinion as far as we can. Is Mr. Chetty going to vote against an enquiry by the Tariff Board or by a Committee of this House? I submit, the Government ought to support one of the amendments and that is the least they can do. (Applause.)

**The Honourable Sir Alan Parsons:** Sir, if I intervene in this debate it is not to retrace ground which has already been fully covered by my Honourable Colleague, the Commerce Member, and by Mr. Chetty, or to argue on the benefits which India will receive from a ratification of this Agreement, convinced though I am that the benefits are large, are so substantial that there should be no hesitation in any quarter of the House in ratifying the Agreement. If I intervene now, it is to deal with one definite issue, an issue of very considerable importance, an issue which was raised among others by my Honourable friend, Sir Abdur Rahim, and I think also my old friend, Mr. Rangachariar, whom we are all glad to see here again. They have attempted to impale Government on the horns of a dilemma, a dilemma which, I think, can fairly be stated in the following way. If the preferences given to Great Britain are given by lowering our existing tariffs on British goods, the Customs revenue will suffer a severe decline which we cannot afford, and which will involve additional taxation in order to balance our Budget. If, on the other hand, preferences are given by raising the tariffs on non-British goods, the cost of these goods to the consumer, already over-burdened in this country, will be materially raised, the consumer will suffer and there is no reason why he should be made to suffer.

Now, I think it is clear from the speech which Sir George Schuster made at Ottawa to which my Honourable friend referred and with which, if I may say so, the Government of India are in entire agreement, that the interests of the consumer are not absent from the minds of those on these Benches and I can assure the House that when they see the detailed proposals which will be laid before them in the Bill, if the House passes my Honourable Colleague's motion, they will see that those interests have been carefully borne in mind. Equally, and here I speak perhaps with even more personal conviction, we are unable to overlook the possible effect of any tariff changes on our revenues. We are not in a position to afford a large reduction in our Customs receipts. But it does not follow from that that we are in any way on the horns of a dilemma. Neither my Honourable friend, Sir Abdur Rahim, nor my Honourable friend, Mr. Jadhav, nor Mr. Aggarwal nor even Mr. Rangachariar appeared to recognise that there is a third course. It is possible not solely to lower your tariffs or solely to raise them; it is possible to give this ten per cent. preference partly by a reduction of the present duty on British goods and partly by increasing the duties on non-British goods. It is, of course, impossible to give absolutely exact figures of the effect on our revenues of the proposals which will, if my Honourable Colleague is permitted by the House to introduce his Bill by passing this Resolution, be laid before the House. I can only say that I have had it worked out by the experts of the Central Board of Revenue as carefully as possible,

[Sir Alan Parsons.]

and based on the estimates of the current year it is as follows. If the duties we propose had been in force throughout this year, the reduction in our Customs revenue would have been entirely unsubstantial; I am unable to say quite definitely whether in the estimates we should have had a reduction of three lakhs or an increase of three lakhs. Therefore, I think the House may take it on the basis of as fair and as honest an estimate as we can make, that, in considering this question, they need not consider that ratification is likely to affect our revenues adversely.

Nor, if I may say so, do I see any likelihood myself that it will in any way adversely affect the consumer. I should like to deal at a little greater length with this matter. It was raised, I understand, by my Honourable friend, Dr. Ziauddin Ahmad, at a time when I was unfortunately not in the House owing to urgent business elsewhere. I understand, he asked what would be, in the opinion of Government, the effect of this Agreement on commodity prices. I know he will agree with me in realising the difficulty of analysing the exact effect of an Agreement of this kind on commodity prices in this country, but as far as the consumer is concerned,—I am speaking largely of the agriculturist—to the extent to which the preferences which we propose to give to British goods are given by lowering the present duties, I think we may assume that there will be a tendency for the prices of those imported goods to fall. On the other hand the preferences which Great Britain gives to India under the terms of the proposed Agreement, if they do what they are devised to do, and increase the demand for India's produce, are likely to have a tendency to raise the prices of that produce in this country. Therefore, in my opinion the effect of this Agreement will be exactly what Sir George Schuster was arguing for in the speech to which reference has been made in which he pointed out how the fall in the prices of the primary products of this country had hit the agriculturist and that he had been further hit by the fact that the fall in the prices of the articles which he ordinarily has to buy had been much less than the fall in the prices of the produce which he has to sell. In my opinion, the effect of this Agreement, so far as it has any effect in an alteration of the price level, will be exactly in the direction of remedying that defect in our present economic structure.

**Seth Haji Abdool Haroon** (Sind: Muhammadan Rural): Sir, I rise to support the Resolution moved by the Honourable the Commerce Member. I am not supporting the Resolution because I have already signed the Agreement. I have seen great opposition to it from different quarters and for the last three days, I have been hearing many arguments in opposition to it. But, after hearing them, I am glad to say that they did not convince me that I have done any wrong to my country. Sir, I will not repeat each and every item of the Agreement as my friend, Mr. Chetty, has already done that very clearly. But so far as the opposition from this side of the House is concerned, they have two arguments. One is that the Delegation was not of a representative character and, secondly, that we have granted preference. I find that they object to the word "preference". Sir, regarding the Delegation, I will say that I have been there and I have seen that all the Dominions sent their Delegations which consisted of officials or Ministers or their departmental representatives. I know that those Dominions have Self-Government and are responsible to the people. But in the present circumstances and the constitution of

the Government of India, there could not have been a better Delegation than the one which was sent. If, like the Dominions, the Government of India had sent only their officials, there would have been great opposition. So the Government of India, in my opinion, did their best in selecting their Delegation. They might have been officials at one time, but they are now retired and no longer in Government service and they know the subject perfectly well. Sir Atul Chatterjee, who acted as the High Commissioner for India, knows India's trade position perfectly well and the late Commerce Member, Sir George Rainy, also knows India's trade position very well. Side by side they appointed Sir Padamji Ginwala who had acted for seven years as Chairman of the Tariff Board. Besides that, Government selected two non-official elected Members from the Assembly, two big opposite parties, one being myself and the other my friend, Mr. Chetty. In the present constitution, I do not see how the Government of India could have sent a better Delegation than the one they did. Sir, just now the Leader of my Party said that the Indian Delegation were packed in London and they had not the same facility as the other Dominions had. Sir, all the Delegates who had been appointed at that time happened to be in London and I do not think they would have been able to come here and go back for the Conference in time. Therefore, we met there and discussed all the points for seven weeks.

Now, I come to the amendments. These amendments do not seek to throw out the Agreement, but they want to have a Committee to discuss whether the Agreement has done any harm to India or not, and on whose report they will be able to come to a proper decision. Sir, I may say at once that in spite of so much opposition, during the last three weeks, no one has been able to point to any special Article in the Agreement to show that we have neglected India's interests. Of course I find Mr. Jadhav, supported by Diwan Bahadur Rangachari, saying that the aluminium and soap industries will suffer by this Agreement. It may be so; I cannot deny that and I cannot say that these might not suffer; but when the Finance Bill comes before the House and when you appoint a Select Committee, you have to bring all these points, side by side, from whatever quarter these may come; we have to consider all that and if we find that in any way India is suffering from giving these preferences, we might delete those items from preference or we might tell the British Government that according to the Agreement we have already made with you, if in any way any Indian industry is to suffer, we have a right to cancel that item.

**Mr. K. Ahmed** (Rajshahi Division: Muhammadan Rural): So you are supporting the amendment?

**Seth Haji Abdoola Haroon**: I have already told my friend that I am supporting the Resolution which has been moved by the Honourable the Commerce Member.

**Mr. K. Ahmed**: How are you going to verify the facts and figures that you want to consider now?

**Seth Haji Abdoola Haroon**: Today I find that only on account of the word "preference" the whole country and the whole Assembly are terrified at the word.

**Mr. Gaya Prasad Singh** (Muzaffarpur *cum* Champaran: Non-Muhammadan): Then you realise that the whole country is against you?

**Seth Haji Abdoola Haroon**: Only in the name; but without expressing preference on what articles. At present, whatever opposition is coming comes from a quarter for which something already has been said in this House. I do not want to repeat it. But I must say that those, who are opposing this Agreement, are not interested much in this Agreement. I want to say that this is a two-sided Agreement. One is that some goods are imported from the United Kingdom on which we have given preference. Every one is opposing the word "preference" and why we have given that, but they are not looking to the other side of the Agreement in which we also got a preference in the United Kingdom, protection. . .

**An Honourable Member**: Nothing.

**Seth Haji Abdoola Haroon**: Of course you may say, it is nothing to you; but I must tell you that the cultivators and the producers, who are interested in this subject, have no organisation or voice to support the Agreement. If you go through the side of export, you will find that preference, which we got in the Agreement for Indian exports, has very little interest for the Bombay people. If you go through the list, you will find rice. There is some preference which might be understood in Burma or perhaps in Bengal—no, in Bihar. . . .

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Bengal, not Bihar.

**Seth Haji Abdoola Haroon**: There is the famous Patna rice: of course you may neglect it, because you are not representing the rice merchants here and, therefore, you are not understanding the point. Then we find all sorts of things, if we go through the list. Do you not think India at present is improving in the oil industry and, lately, the Agricultural Department has already formed an oil committee to increase the industry in India; but, of course, you are not interested much in that and the industry itself is not represented and so they have not agitated against those who are against the Agreement itself. About tea, everything has been said. You may say, as regards manufactured jute, that this belongs to European capital in Calcutta and that there is very little of Indian capital in it. But £2½ millions worth of manufactured jute are imported into the United Kingdom; and, while I was in London, I have seen the Dundee interests trying their level best that we should not get that 20 per cent. preference which is already imposed by the United Kingdom for the import of jute bags and cloth; they want that India also should be put to a 20 per cent. duty on jute cloth and gunnies. Of course you cannot consider that point also although the value of these goods are worth £2½ millions. There are many other things besides, but I do not want to take up your time over them; but I must say that as regards these oil seeds produced in Bihar and groundnuts produced in Madras, the chief thing is that the whole of the export trade of India is mostly in European hands. . . .

**Dr. Ziauddin Ahmad**: May I rise to point out that during the last six months this tariff has been in operation, our export to the United Kingdom has substantially increased from 22,000 to 96,000, but our export as a whole has diminished from 1,115,000 to 1,028,000 only?

**Mr. E. K. Shanmukham Chetty:** The preference has not yet come into operation.

**Dr. Ziauddin Ahmad:** Then no protection is needed.

**Seth Haji Abdoola Haroon:** If my friend, Dr. Ziauddin, is putting forward any figures, I have not understood them at all. But you know already that at present there is the depression in trade and side by side the prices of the commodities have gone down and it may be so as Dr. Ziauddin has said. But you are not at all thinking about your exports to other countries. You say that we are Indians, we have got our raw materials, we have got our raw produce and so the United Kingdom or any foreign country is bound to take it; you may be right in saying so a few years back; but today the competition, all over the world, is very keen and every country is trying to produce every sort of thing. Therefore you should not be indifferent to your export; you have to consider that point very seriously. It is said that India is exporting very little percentage to the United Kingdom. We are exporting large quantities of raw materials to other countries, and there is no doubt about it.

**4 P.M.** I find that today our total exports to the United Kingdom and the Dominions come to nearly 87 per cent. and 68 per cent. to other foreign countries. The position of India today is the same as that of the other Dominions like Australia or Canada. Whatever goods Canada and Australia are producing are not all consumed in the United Kingdom. Hardly 25 per cent. is consumed by the United Kingdom, and, for the balance of 75 per cent., they have to look to foreign markets. Even under such circumstances these Dominions have thought it advisable to enter into Agreements with the Britishers, so that they might improve their exports to the United Kingdom. If Honourable Members do not want to ratify this Agreement, if the Assembly wants to throw out this Agreement, if the country is not in favour of this Agreement, I am afraid they are playing with fire, because if, on the 87 per cent. of our exports to the United Kingdom and the Dominions, they put, according to their Tariff Act, say 20 or 15 or even 10 per cent. duty, what will be the effect on our export trade? This is a matter which we should seriously consider before attempting to throw out this Agreement. No doubt, Professors of Economics can make prophecies that by this Agreement India will not gain anything, that India will have to lose heavily, and so on and so forth. In support of their arguments, they have also adduced certain figures, but, as a businessman, I cannot say what effect, according to the figures quoted by these economists, there will be if this Agreement is accepted. Sir, I am always very cautious. The world is changing so rapidly that nobody can afford to indulge in any prophecy. During the last three years we have been reading a good many prophecies by many economists and writers in England, Germany and America and almost every one of them said that on account of President Hoover's Moratorium or the Lausanne Conference or the Ottawa Conference business will increase enormously and prices will go up, but what is our own experience? All these prophecies have proved false. At the same time, I do not, for one moment, say that if we pass this Ottawa Agreement, rivers of milk or honey will flow in our country: nothing of the sort; but I would only ask Honourable Members, that before they throw out this Agreement, to very seriously and calmly consider the effect of their action, and that they should not throw out this Agreement merely because of a certain agitation that has been set up by some theoretical economists. If Honourable

[Seth Haji Abdoolu Haroon.]

Members will go through the Agreement carefully, they will see what India has gained and what she has lost; it will be seen from the Agreement that we have given preference for 17 million pounds worth of goods imported into India, while we have got preference for 42 million pounds worth of goods which we are exporting to the United Kingdom, and I do not know why Honourable Members are not satisfied even after gaining so much. I am sorry that nobody has pointed out in what way India will suffer industrially or in other ways by the acceptance of this Agreement. With these words I support the Resolution.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I wish to speak a few words in support of the amendment moved by my friend, Dr. Ziauddin Ahmad, and so ably supported by others on this side. In doing so, Sir, I wish to confine myself to the more salient aspects of the question without entering into any details. Sir, I must confess I am unequal to the task of doing any justice to the several momentous issues involved in this Resolution, but I am struck with one thing, which I consider to be unique. It is very significant that throughout the length and breadth of this country, from Cape Comorin to the Himalayas, and from Karachi to Calcutta, there is not one single individual who has approved of this Agreement, nor do I know of any public body or association or newspaper which has supported it. It is, therefore, a very onerous task for us, laymen Members of the Assembly, to be called upon to give our votes. That is one of the main reasons why I suggest that this matter should be referred to a Committee composed of Members of this Assembly and of experts who are competent to advise us.

Now, let us consider why this Ottawa Conference was called. After the war, conditions in England became intolerable. There was heavy adverse balance of trade, the economic distress became very acute, and the national budget had to be balanced. The unemployment question also assumed such prominence that remedies had to be devised for all these. Conditions in India at present are precisely similar to those that obtained in England. Our adverse balance of trade is assuming large proportions. According to the statement made by the Honourable Sir George Schuster and published in page 66 of the Report, during the first three months of the financial year, there was an unfavourable balance of nearly seven crores of rupees in trade. Therefore, if we go on the basis of that period, we are bound to be faced with a deficit of nearly 28 crores of rupees in trade balance as compared with a normal favourable balance of 80 crores. Our annual commitment to England is nearly 30 million pounds, and over and above that, we want for other payments another  $7\frac{1}{2}$  millions or a total of roughly 50 crores. This amount used to be practically made up by the increase of exports over imports. The prospect cannot be gloomier. Therefore, our viewpoint and the sole criterion in judging the merits of this Agreement as has been that of the United Kingdom should be this—what is it that we stand to gain? So far as England is concerned, she has decidedly gained some advantage. The Liberal Ministers in their letter of resignation admit that, so far as England is concerned in the Agreement with India, they have gained something. They say: "Certain advantages have been secured in India", but I ask, what is the advantage that India has gained? The report is significantly silent on that point.



Sir, if effect is given to the proposals contained in the Agreement, it is anticipated that there will be a reduction of about Rs. three crores in the Customs receipts for the ensuing year. I would like to know how that is going to be made good. It must be made good either by fresh taxation or by the imposition of additional tariffs on foreign imports. India is already heavily taxed, and fresh taxation is out of the question. The ryots are in such a deplorable plight that their very existence has become impossible. The commodity prices of export articles have practically been reduced to half, while the index number of prices of import articles has come down only by 13 per cent. In other words, the ryot gets only half the price on his produces while he has to pay almost the same price for his elementary wants. As a matter of fact, I know even the richer class of ryots in the villages find it difficult to pay the land assessment and other taxes with their income. What means have they for their food and for the purchase of the other necessaries of life? Under such circumstances it would be suicidal to make him to pay more for his ordinary wants by improving higher tariffs. The share of the United Kingdom in our imports is only 35.5 of the total. The rest is in the hands of foreign countries. Is it worth while in the interests of the consumer and the welfare of the country to estrange them? Is it that we should decide. In my humble opinion, it is impossible to realise at present the economic repercussions such a policy would bring in its train and the effects of retaliation if they, in their turn to safeguard their own interests, decide to adopt. We cannot lose sight of another aspect of the question; *vis.*, that this preferential tariff would jeopardise the growth of our infant industries. Of course the case of the two of the most important industries, cotton and steel, have been held over, but there are many minor industries, such as the manufacture of soaps, paper, chemicals, drugs, aluminium and other metals. The protection, that is now given to these and other industries, will be practically nugatory. I, therefore, feel that we must think twice before we ratify this Agreement.

One word more and I have done. One vital point has been left out. In page 68 of the Report, there is a statement made by Sir Henry Strakosch, in which he says categorically:

"And finally any system of Empire preference would be quite ineffective if sterling prices were to fall below their present level."

He goes on to say in the next paragraph:

"The conclusion to be drawn from this cursory survey is clearly that to make the aims of the Ottawa Conference attainable it is indispensable."

—Sir, I should like that due attention should be paid to the following part of his statement—

"—that pending the re-establishment of a stable international monetary standard the Empire countries should, as far as possible, adopt a common standard of value and that the wholesale level of prices in terms of that common standard should be raised to a point at which an equilibrium is re-established between costs and that level of prices."

This, Sir, I consider, is the crux of the question, and, no attempt seems to have been made to its solution. Of course, I find in the Summary of Proceedings that was issued to us that the importance of this question was recognised, but, beyond a pious wish, no definite decision was arrived

[Mr K. P. Thampan.]

at. Without a stable currency, I am sure, no results can be achieved, and I consider that the whole question has to be gone into by people who are competent to do so and advise us in the matter.

**Mr. B. O. Burt** (Government of India: Nominated Official): With the permission of the House I should like to offer a few remarks on the Ottawa Agreement as it affects our agriculture and as it affects our agriculturists. The last speaker referred to our adverse trade balance. Indeed several other speakers referred to our adverse trade balance, but I do not think that it was mentioned that the chief cause is the contraction of our exports. Now, Sir, the contraction of India's exports of agricultural produce is a thing which has been giving us anxiety for some years. It is also a matter which has been causing anxiety throughout the world, and one of the great objects at Ottawa was to see whether it was possible to do anything within the Empire to promote the purchases by the United Kingdom of a larger portion of her requirements of agricultural and other natural products within the Empire.

Now, viewed purely as a business proposition, it seems to me that faced with a fall in our exports the first thing to do was to see whether we could not improve our trade with our biggest single customer. A great deal has been made of the fact that Great Britain takes only something like 25 per cent. of our exports. In actual point of fact, the figures were 22 per cent. five years ago, and 28 per cent. for the last year for which we have figures. She has been taking a steadily increasing share, and, in any case, she is the biggest single customer we have. As a purely business proposition and from the point of view of our primary producers, it was a sound business to see whether we could not develop that market. There was a note of pessimism this morning from one of the two speakers on the opposite benches, who doubted our capacity to supply any additional market which we may get. Several speakers pointed out, quite rightly, that a mere diversion of trade from one market to another cannot benefit us anything. That point was before the Indian Delegation throughout; we examined the proportion of our exports taken by each country for each of our principal commodities. We examined the proportion taken by the United Kingdom from India and from other countries in the Empire, and from foreign countries. We did that in detail for every one of the commodities with which we were concerned. Sir, the Ottawa Agreement represents a definite effort to get a better export market for those commodities where we believe we have a large reserve capacity of production. Linseed was mentioned this morning; it is one of the clearest cases of all. But we know that in regard to all our primary products, India has a large reserve capacity. The criticism, which has been made in the Provincial Councils, during the last two years, of the work of agricultural departments, has been that they have been increasing production without increasing markets. And, Sir, the cry of the agriculturist is that he cannot sell his products,—why he should produce more wheat, why he should produce more groundnuts, why he should produce more linseed when he cannot sell them. And we have seen the contraction in our exports of some of our most valuable products. Now, Sir, this Agreement is an attempt to rectify that.

**Mr. K. Ahmed:** How will you produce larger quantity if the Agreement is confirmed by the Assembly?

**Mr. E. O. Burt:** I will come to that later. Before speaking about one or two agricultural commodities, I would like to make one other point. I hold, as strongly as any speaker on the opposite benches, that the proper development of Indian agriculture involves the development of our industries and especially of those industries which utilise agricultural products. If we look at the preferences granted to India by the United Kingdom under the Ottawa Agreement, what do we find? We find that whereas on primary products the usual preference is ten per cent., on manufactured goods it is 15, 20 and in some cases even higher. Jute, for example, being an Indian monopoly, is on the free list in the United Kingdom, but Jute manufactures get a preference of 20 per cent. Oil-seeds get a preference of ten per cent., Vegetable oils, the manufactured product, a preference of 15 per cent. Hides and skins, raw, are free. Tanned hides and skins, the manufactured products, receive a preference of 15 per cent. Cotton is free. Cotton manufactures from foreign countries pay a duty of 20 per cent. in the United Kingdom, but ours are duty free, and so on. Carpets and rugs and other manufactures get a preference of 20 per cent. I think it is of the greatest importance that the House should realise the real value of clause I of the Agreement. Clause I undertakes that all our produces, with the exception of a small list of articles subject to duties of customs and excise, *i.e.*, such items, as tobacco, will receive free entry into the United Kingdom. Clause I, Sir, includes our manufactures and what have we been asked to give in exchange—only a preference. We have not given free entry to anything. In no case have we even guaranteed a rate of duty on foreign goods. That, Sir, seems to me to entirely dispose of the view that the Agreement is meant to fetter India's industrial development. Had that been the intention, the balance of preference would have been exactly the other way about. Now, Sir, one of the items on which we have a special preference is wheat. Wheat was not subject to duty under the Import Duties Act. It has been free. It is free at the present moment. It will be free until the new duty is put on as a result of the Ottawa Agreements between England with India and the Dominions. Wheat, Sir, is a commodity on which the United Kingdom reluctantly but eventually put on a duty in order to give a preference to the Dominions and to India. The preference is two shillings per quarter which, I may remind the House, is roughly equivalent to four annas per railway maund. We all know that four annas per maund makes all the difference to the grower. It also may make all the difference when competition is keen and decide whether you can get into the export market or not. The Delegation say in their Report that this is a preference which, for the present, affects the Dominions more immediately than India. That is true. So far as we are concerned, this is a preference which is definitely intended to protect our future interests. The House is familiar with the data about wheat and I will not attempt to inflict a number of figures on it. But just to get things in a right perspective, perhaps I may mention the fact that while the Empire wheat production is about 28 million tons, India's production is in the neighbourhood of nine million tons. In a good year, we produce about ten or even 10½ million tons. That, in itself, is a considerable advance on our production even ten years ago. Unlike the two great wheat producing

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Dominions, we consume something like 90 or 95 per cent. of our wheat and our exportable surplus is variable. But I notice that in 1924-25 when we had a little more than an average good crop, and when world conditions were not so disturbed as at present, we exported over a million tons, practically the whole of which went to England. Now, England's capacity for importing wheat is over five million tons, indeed 5½ million tons is the average import into the United Kingdom, and there is no reason why India should not in the future have a substantial share in that trade. It is important that we should get that share. At present the world is over full of wheat. Prices are depressed and Indian prices are out of exporting parity, because our consuming market is so large compared to our total production. But that position will not continue indefinitely, and we know that there are cycles in trade and once world prices rise, it is important that India should be able to export wheat on level terms with the rest of the Empire.

**Dr. Ziauddin Ahmad:** Will India be able to compete with Australia and Canada?

**Mr. B. C. Burt:** I am glad the Honourable Member reminded me of that point. The opinion I formed at Ottawa was that so far as permanent and profitable production is concerned, Australia and Canada will be satisfied with no less a figure than would satisfy our own zamindars in the Punjab and the United Provinces. I find that the general opinion amongst zamindars is that Rs. 8 per maund is about the limit and when wheat falls below that, they feel the pinch. The figures which were given to us show that the rates at which farmers can continue to produce wheat in Canada and Australia run very close indeed to ours—the difference is only an anna or two. The question may be asked, whether we shall not continue to eat most of our wheat. We have to bear in mind that in Sind we have a large area coming under perennial irrigation and especially if you take into consideration some of the new canal areas in the Punjab, which are not yet fully developed, that will give us at least an additional two million acres of wheat and there is likely to be surplus of a million tons. (*Mr. K. Ahmed:* "That will be after six months.") When that time comes, we should be able to export wheat on level terms with Canada and Australia and the rest of the Empire and the preference of four annas a maund should serve substantially to help us in that direction.

I would like to mention another primary product, one, on which we have not got a preference and that is cotton. There has been a certain amount of misunderstanding about the position here. It has been stated for example that India's own mills will require the whole of her "long" staple cotton. That statement, as it stands, is true, but the implication which has been drawn from it is not correct. India has an exportable surplus of certain kinds of medium staple cotton which the United Kingdom can use. That was definitely admitted to us by the Lancashire cotton trade representatives with whom we discussed the matter. I think, Sir, if we classify "cotton" as short, medium and long staple cotton, as is done now by many people in the United Kingdom, we shall see the position more clearly. Of the short staple cotton we have an abundant, an over-abundant, supply and a very large surplus which we must export. Of that, the United

Kingdom takes a certain amount, but it is practically a fixed amount, and it varies very little. Then we come to the very big class medium— $\frac{3}{8}$ ths of an inch in staple up to an inch or even an inch and an eighth—and then to the long staple cotton, which is generally assumed to begin with an inch and an eighth. Of the longest staple cotton, we very definitely have a shortage, but of medium staple cotton a surplus. For example, the Punjab produces something like 250,000 to 300,000 bales of Punjab-American cotton. That cotton in a normal year is largely an export cotton. At least a half of it, and sometimes three-quarters, is exported. Another cotton similar to is Dharwar-American, with a production of 150,000 bales a year. Then we come to the Tinnevely and Karunganni cottons in Madras. Those, again, are largely export cottons. These are medium staple cottons and they find a place both in Europe and England. Our production of such cotton is steadily increasing. Then there are other cottons of which our supply is not always adequate.

**Diwan Bahadur T. Rangachariar:** May I ask the Honourable Member, Sir, if you will permit me, this question? If England takes largely the short staple cotton, will there not be a competition between the manufacturer of goods in Lancashire and India?

**Mr. B. C. Burt:** What I am suggesting, Sir, is that she should take more medium staple cotton and use it for cloth intended for those markets in which India does not compete.

There is one more point, and that is that the figures published in Messrs. Vakil and Munshi's pamphlet regarding cotton imports are misleading, because they do not go quite far enough back. The four years' figures quoted would lead one to the conclusion that India is steadily importing more and more foreign cotton. Well, if we go two years further back than the years taken by Messrs. Vakil and Munshi, we find that there was an import of 474,000 bales of cotton in 1926-27, which is as high as anything which has occurred in any year except the very last. Of that, nearly the whole was American cotton. It was not long staple but medium, and it was taken because there was a singularly short crop of medium cotton. Sir, I have spent many years on attempts to improve Indian cotton production and I will admit at once that the best market for Indian cotton is in the Indian mills. That is the Indian cotton growers' safest market at all times and it is of the greatest importance that our cotton production should be correctly balanced, so that our mills may get the supplies that they need; but, even looking at the matter from their point of view, instead of from that of the cotton growers, it is essential that we should have in an average year an exportable surplus if the mills are to have even in a bad year the supplies of medium staple cotton which they require. It is not always that a bad crop in India corresponds to a bumper crop with low prices in America. Now I shall mention one more point and that very briefly indeed. Reference has already been made to our oilseeds and Mr. Chetty referred to our vegetable oils, and I, Sir, would here refer to the great advantage of the preference we have for groundnuts. The groundnut crop is one, the production of which had steadily increased in India until two years ago and then there was a definite check due to the fall in prices. It is a crop which the agriculturist likes, because it is a good rotation crop, that is, it increases the yield of the crop which follows it, and it

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is of great economic value to the country. Now we are in close competition with other countries in the production of groundnuts. We are the world's biggest single producer, but we only account for roughly 55 per cent. of the world's production. In the United Kingdom, we are in close competition with groundnuts from West Africa, both from British Colonies and from French territory, and there is a very substantial foreign market to capture. Further, in regard to the preference on groundnuts and also on castor and the free entry which we have from our other oil-seeds, it is necessary to remember that the prices of all these oilseeds react on each other and that if we were to fail to get the preferences which the Colonial producers receive, we should be hopelessly out of the running in the United Kingdom market. (Loud Applause.)

**Mr. D. K. Lahiri Chaudhury** (Bengal: Landholders): Mr. President, this is a most historical occasion when I find great enthusiasm in the Treasury Benches for making a number of speeches and when I find my European friends supporting so whole-heartedly the speech which was made by my Honourable and esteemed friend, Mr. Shaumukham Chetty. It was really a most interesting speech which was delivered by my friend, Mr. Chetty, especially where he wanted to develop the arguments in favour of expansion of trade and not divergence of trade which he is bound to explain as a member of the Delegation which went to Ottawa. Now, when he was making out his case, whether, for want of time or something else I do not know, he could not at all develop whether this Agreement will really help India to her expansion of trade or divergence of trade. I was watching with keen interest as to how much applause he got from this side of the House,—and I found that of the cheers which he received, not a single one came from this side, but that all the cheers were from the European Group and the Treasury Benches. (*An Honourable Member*: "Shame, shame.") Thank you, Mr. James, who calls for shame. So, as a man, who claims really to have only a little commonsense and not much of experience in the field of economics like the learned Professors mentioned by my friend, Mr. Chetty, what I want to say is that the question which has been dealt with on the floor of this House is of such great importance that any hasty decision will be disastrous to this country. Now, there is a Bengali proverb which says:

*"Māyer châyē basty bhālo tāky bādy dāin."*

It means, whenever you find that any lady's love for the child is more than that of the mother, that lady is regarded to be a witch. (Laughter.) The same is the case with Mr. James and his colleagues who pose to be the friends, greater friends of this country than ourselves in this matter. (Laughter.) Now I come to my Honourable friend, Haji Abdoola Haroon, who may or may not have the same experience of developing the industries as Mr. Chetty has, but what I clearly think is that if the arguments in favour of the motion are those used a few minutes back by my friend, in his most inaugural address in this House, and the manner of their presentation is such as he adopted, and if the same method was adopted in putting arguments forward to the Ottawa Conference, then I do not know how much Mr. Stanley Baldwin or my friend, Mr. Chetty, or any other member of the Delegations from any

other Dominions would have appreciated the arguments put forward. Still my friends over there on the Treasury Benches say that the representation on the Delegation to Ottawa was marvellous and was of a truly representative character. My friend, Mr. Chetty, also in his speech referred to the report of the Federation of Chambers of Commerce when they complained of the personnel of the Delegation which was not well represented. Sir, this is a fact which can not be denied and this fact has amply been proved by a colleague of Mr. Chetty on the floor of the House whose knowledge of these things is beyond question.

As regards raw cotton, I will just like to mention a few facts. I have received some opinions from the President of the Bengal National Chamber of Commerce. He is not a learned Professor, but he is a self-made man and has built up his character by dint of his own efforts and experience. His name is Nalini Ranjan Sarkar. He is a man who commands the respect of every Bengali. Let me read, Sir, a few portions from his note which I have only just received. I am sure, his remarks will not be challenged either by my friend, Mr. Chetty, or by the Members on the Treasury Benches. He says:

"The underlying assumption of Imperial Preference, that Empire products, both primary and secondary, could in fact be deflected from their present foreign market to Empire without any economic loss being entailed, ignores many important factors.

In the first place, Indian cotton, being of very short staple, is unsuitable for Lancashire. The change of organisation that would be necessary in order to utilise it would involve heavy expenditure and would also create considerable difficulties in Britain's export market for cotton goods. The inferior cotton goods that would have to be manufactured out of Indian short-stapled raw cotton would have to be sold exclusively in markets like India and China. By selling to Lancashire and encouraging her to use cheaper Indian and inferior staple cotton, we would really be also encouraging her to weave lower counts and compete more largely with Indian cotton mills. It would in effect widen the range of competition between British and Indian cotton goods. It would be suicidal. Japanese competition with India is largely made possible by the very use of cheaper Indian raw cotton of shorter staple. At present, in the lower counts and in coarser goods competition from British is not very keen; but if, by a tariff preference, she were encouraged to use inferior cotton and make a larger proportion of coarser goods, we shall soon be witnessing increased competition from that direction."

It is a very interesting thing and, at the same time, it is a very cogent argument on behalf of the raw cotton. Further on, he goes on to say:

"Another important question is whether Indian raw cotton is in need of a larger market in Britain."

That is a serious thing to be considered. Then he gives the figures which are very interesting. With your permission, Sir, I shall take the liberty of quoting a few figures:

*"Consumption of Indian Raw Cotton in Indian Mills.*

	(In bales of 400 lbs.).	
1928-29 . . . . .		1 764 million.
1929-30 . . . . .		2 248 "
1930-31 . . . . .		2 266 "
1931-32 . . . . .		2 341 "

No doubt for long years to come Indian raw cotton would have to depend largely upon export markets. In 1930-31 nearly twice as much Indian cotton was exported as was used in the Indian mills. But the possibility of Britain taking in the immediate future anything more than a very small proportion of our exports of raw cotton should be heavily discounted."

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He also further goes on to say:

"The following figures are impressive:

*Indian Exports of Raw Cotton.*

(In thousands of Bales of 400 lbs.)

	1929-30.	1930-31.	1931-32.
U. K. . . . .	270	281	164
Japan . . . . .	1,640	1,656	1,080

In 1930-31 and 1931-32, Britain purchased the negligible proportion of seven per cent. of our exports of raw cotton."

The above figures show how the imposition of preferences on Indian cotton will benefit the raw cotton in England.

Now, what I wish to impress upon the House is this that as this is a matter of vital importance to the country, we should wait and see what the advice of the experts is going to be. You, Sir, yourself were good enough to point out, while you were on the Royal Commission, how far it will be practical and advisable to accept the preferences. In the case of the Dominions, the Delegates who went to attend the Ottawa Conference discussed amongst themselves and with the experts all those important questions which were to be put before the Conference, but the Indian Delegation went there without having any knowledge of these subjects. Of course, my friend, Mr. Chetty, has already got a great experience of economics and commerce and industry. He has already said that to err is human and errors of judgment may have been committed. Let us, therefore, discuss the matter dispassionately and most calmly and let us also whole-heartedly invite the advice of this House as well as the advice of experts to go into the details of the Ottawa Agreement and then decide the matter according to their advice.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 10th November, 1982.