

Wednesday, 7th September, 1932

THE ^{As}
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

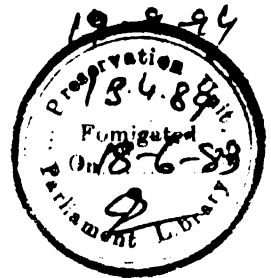
Volume IV, 1932

(5th September to 19th September, 1932)

FOURTH SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY, 1932



NEW DELHI
GOVERNMENT OF INDIA PRESS
1932

Legislative Assembly.

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THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E.

Deputy President :

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MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

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Assistants of the Secretary :

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

Marshal :

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

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LEGISLATIVE ASSEMBLY.

Wednesday, 7th September, 1932.

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

QUESTIONS AND ANSWERS.

BOMBAY RIOTS.

73. ***Mr. Gaya Prasad Singh** : Will Government kindly make a statement on the Bombay riots in May-June, 1932, indicating the causes of the riots if they have been ascertained by Government, the steps taken to quell them, and the number of casualties among the Hindus, Muhammadans and others ?

The Honourable Mr. H. G. Haig : The Government of Bombay intend to publish an official report on the riots, when communal tension has subsided.

2. The Communiqué issued by the Government of Bombay on the 20th May, deals with the first phase of the riots and shows that various comparatively trivial incidents in Nagdevi Street were suggested as the immediate cause of this unfortunate communal outbreak ; but the fact is that feelings between the two communities had been strained for some time and had been further embittered by the interference of Congress with Muhammadan traders. The ground was thus prepared for a disturbance and with the approach of Muharram any cause was sufficient to provoke it.

3. As regards the cause of the riots and the steps taken by the Local Government to quell them, I would invite the Honourable Member's attention to the Communiqués issued from time to time by the Government of Bombay.

4. The total casualties from the 14th May up to the 15th July are as follows :

	KILLED.			
<i>Hindus.</i>	<i>Muhammadans.</i>	<i>Other Communities.</i>	<i>Total.</i>	
130	83	1	214	
	INJURED.			
1,259	1,264	31	2,554	

Mr. B. Das : In view of the frequent communal riots owing to trivial incidents, as has been said by the Honourable Member just now, will Government kindly see their way to put all communalist leaders under Regulation III and deport them, so that no more communal riots might occur in Bombay or elsewhere ?

The Honourable Mr. H. G. Haig : It would be rather drastic action.

(201)

Dr. Ziauddin Ahmad : What is a communalist leader? Can it be defined?

The Honourable Mr. H. G. Haig : I agree that it is difficult to define.

Mr. Lalchand Navalrai : May I know if the cause of the riots was communal to begin with? Did the riots begin on any communal question?

The Honourable Mr. H. G. Haig : The actual occasion of the riot was some quite trivial quarrel.

Mr. Lalchand Navalrai : Was not the Government able to quell the riot until it took a communal turn?

The Honourable Mr. H. G. Haig : No, Sir. As soon as the riots began to develop, Government took action at once. But the Honourable Member is aware that it is quite impossible to prevent some casual incidents occurring.

Mr. Lalchand Navalrai : Will the Honourable Member please state at what time the riots arose and at what time the Government interfered?

The Honourable Mr. H. G. Haig : I would refer the Honourable Member to the communiqués which I have already mentioned.

Mr. Lalchand Navalrai : Will the Honourable Member please read out the communiqués.

The Honourable Mr. H. G. Haig : I would invite the Honourable Member to read the communiqués himself.

Mr. Lalchand Navalrai : I was asking at what time the riots began and at what time the Government interfered?

The Honourable Mr. H. G. Haig : Will the Honourable Member please put down a question and I will answer.

Mr. N. M. Joshi : What is the difference between a communalist terrorist in Bombay and a terrorist in Bengal? May I ask, why Government makes a difference between the treatment of one kind of terrorism and the other kind of terrorism?

The Honourable Mr. H. G. Haig : Does the Honourable Member suggest that in Bombay there is a party which is deliberately organising assassination for the overthrow of Government by methods of terrorism?

Mr. N. M. Joshi : I think so.

The Honourable Mr. H. G. Haig : I am afraid I must disagree.

Mr. B. Das : Are not the effects of undermining the Government and undermining society the same?

The Honourable Mr. H. G. Haig : The results are deplorable, but the methods are entirely different.

Mr. B. Das : I disagree.

Dr. Ziauddin Ahmad : If the definition of the terrorist and communal leaders be what is mentioned here, then how many Members of this House will come under that category and how many will have to be deported?

The Honourable Mr. H. G. Haig : It is for the House to decide.

Mr. S. C. Mitra : In view of the frequency of these communal riots, will Government be pleased to investigate if there is any third party who instigates these riots ?

The Honourable Mr. H. G. Haig : The Government of Bombay are publishing a full report on the matter as soon as circumstances permit.

DEPORTATION OF CERTAIN INDIAN STUDENTS FROM THE UNITED STATES OF AMERICA.

74. *Mr. Gaya Prasad Singh : (a) Are Government aware that about a dozen Indian students were deported this year from America by the United States Government on the ground that they were virtually without funds, and that the British Embassy at Washington refused to give any money when approached by the United States authorities for the cost of transporting them to India ?

(b) Who were those students, to what parts of India do they belong, what is the law in the United States on the subject ; and what steps, if any, have Government taken in the matter ?

Mr. H. A. F. Metcalfe : (a) As far as my information goes, six Indian students have been deported this year from the United States of America. Charges on account of these deportations were borne by the United States Government, and no request was made by that Government to the British Embassy for the cost of transporting these students to India. The students were deported not on account of destitution, but because they had lost their immigrant student status under the United States Immigration Law of 1924.

(b) The names of the students who were deported are as follows :

- (1) Sadhu Singh of the Punjab.
- (2) Babu Singh Dhillon of Ludhiana, Punjab.
- (3) Daniel James Kelly of Darjeeling, Bengal.
- (4) Iqbal Singh of Amritsar, Punjab.
- (5) Beni Madhav Misra of Lucknow.
- (6) Nirmal Singh of Jullundur, Punjab.

Under section 4, sub-section (c) of the United States Immigration Law of 1924, an immigrant who is a *bona fide* student of at least 15 years of age and who seeks to enter the United States solely for the purpose of study at an accredited school, college or university, specifically designated by himself and approved by the Secretary of Labour is admitted as a non-quota immigrant. Under Rule 10, sub-division B of Regulations made under the Immigration Act, any immigrant student admitted to the United States under the above mentioned clause "who fails, neglects, or refuses regularly to attend the school, etc., to which he has been admitted or who otherwise fails, neglects, or refuses to maintain the status of a *bona fide* student or who is expelled from such institutions or who engages in any business or occupation for profit or who labours for hire shall be deemed to have abandoned his status as an immigrant student and shall, on a warrant of the Secretary, Labour Department, be taken into custody and deported".

All the persons mentioned above were found to have offended against one or other of the provisions of this Law and the regulations made thereunder.

The Government of India have taken no steps in the matter.

Mr. Lalchand Navalrai : Will the Honourable Member be pleased to state if the British Embassy there rendered any help to them in coming over to India ?

Mr. H. A. F. Metcalfe : So far as I understand from the British Ambassador, no help was asked for nor was any offered.

Dr. Ziauddin Ahmad : Did the Embassy know the circumstances of these cases ?

Mr. H. A. F. Metcalfe : I understand that the Embassy were informed, but the Honourable Member will understand that His Majesty's representative at Washington is not in a position to interfere with the working of the internal law of the United States.

Sir Cowasji Jehangir : Were these students destitute ?

Mr. H. A. F. Metcalfe : I understand that they were not destitute, but they had offended against the law of the United States.

Mr. Lalchand Navalrai : Was there any objection on the part of the Embassy to helping them only to return to India ?

Mr. H. A. F. Metcalfe : I have already informed the Honourable Member that no assistance was asked for from the Embassy.

Mr. Lalchand Navalrai : When the Embassy knew that they were in such circumstances and that it was necessary for them to come back, why was not any help given ?

Mr. H. A. F. Metcalfe : Because no help was either asked for or necessary. The charge is one which falls upon the United States administration and they discharged that duty.

Mr. B. Das : Is it not part of the functions of the Ambassador or the Consul General of Britain to watch and protect the interests of Britishers and Indians alike and did the British Ambassador or the British Consul General in the United States take no notice while the United States Government were considering the expulsion of these Indians ?

Mr. H. A. F. Metcalfe : It is possible that the Ambassador or the Consul concerned in each case watched the proceedings but, as I have already explained to the House, His Majesty's representative is not in a position to interfere with the working of the internal law of a foreign country.

Mr. B. Das : But did the British Ambassador or the Consul concerned inform the Government of India at the time that certain Indians are affected and being prosecuted by the United States Government ?

Mr. H. A. F. Metcalfe : So far as I know, he gave no such information.

Mr. B. Das : Is it not part of the functions of the Ambassador to do that ? If not, may I ask the Honourable the Leader of the House

whether it is not high time to appoint Indian Consuls in the United States to watch the interests of Indians ?

The Honourable Sir C. P. Ramaswami Aiyar : I have been somewhat taken by surprise, but the question will no doubt be borne in mind.

Sir Cowasji Jehangir : Is it one of the functions of a British Ambassador in any part of the world to inform the Indian Government of every Indian returning to India ?

Mr. H. A. F. Metcalfe : I think in the present case information was sent. It was not sent to the Foreign and Political Department, but I think to another Department which is concerned with students.

CHARGES IN CONNECTION WITH INDIAN MILITARY FORCES EMPLOYED IN THE GERMAN WAR.

75. ***Mr. Gaya Prasad Singh :** (a) Is it a fact that extraordinary charges amounting to £13,600,000 in connection with Indian military forces employed in the German War have been saddled on India by a Resolution adopted in the House of Commons in June last ? If so, did the Government of India consent to it ? Are Government prepared to place a copy of the correspondence on the table ?

(b) Is it not a fact that this sum is in addition to the 100 million which was taken from Indian revenues in 1917 in connection with the war ?

The Honourable Sir Alan Parsons : (a) No. The sum of £13,600,000 represents the additional charge which, as a result of a Resolution adopted by the Imperial Legislative Council on the 10th of September, 1918, India agreed to bear in respect of the cost of military forces raised in India. It covered such specific items of expenditure as the normal charges and temporary accommodation for Indian troops in excess of the ordinary establishment, casualty pensions of Indian establishment and expenditure on the Indian Defence Force : and it was actually paid in 1918-19. The Resolution adopted by both Houses of Parliament on the 30th of June last merely gave that formal regularisation to this old payment which is required by section 22 of the Government of India Act. The regularisation was postponed until now because, although the Imperial Legislative Council by a Resolution of the 9th of March, 1920, had recommended that there should be no recovery of this sum, it was decided to treat the payment as provisional until other claims and counterclaims arising out of the war had been settled. I lay on the table a copy of a press communiqué which explains the position a little more fully.

(b) This sum is in addition to the contribution of £100 millions which India agreed to make towards the cost of the war.

Press Communiqué.

On the 30th June, 1932, a Resolution was moved in both Houses of the British Parliament in the following terms :

“ Whereas by Resolutions passed on the 16th September and 26th November, 1914, respectively, this House consented to the charge upon Indian revenues, subject to certain

conditions, of the ordinary pay and other ordinary charges of British and Indian troops despatched out of India for service in the Great War, as well as the ordinary charges of any vessels belonging to the Government of India that might be employed in those expeditions :

“ And whereas by a Resolution passed on the 14th March, 1917; this House consented to a contribution of £100,000,000 charged upon the revenues of India towards the expenses of the war :

“ And whereas the Government of India, desirous of affording further assistance to His Majesty's Government, have provisionally and subject to the consent of this House met out of the revenues of India further extraordinary charges in respect of the Indian troops employed in the war :

“ And whereas the Government of India are desirous of bearing finally such further extraordinary charges to the extent of £13,600,000 :

“ This House consents that the extraordinary charges to the extent of £13,600,000 aforesaid shall be borne by Indian revenues.”

To prevent any possible misunderstanding it is notified that the adoption of this Resolution imposes no new burden on the finances of India : it merely regularises in a formal manner a payment actually made in 1918-19.

The circumstances are briefly as follows. In pursuance of a Resolution passed by the Indian Imperial Legislative Council on the 10th September, 1918, the Government of India agreed to accept a charge against Indian Revenues of £13,600,000 in addition to the original contribution of £100 millions made by India in 1917 towards the expenses of the Great War. This additional payment of £13,600,000 was to cover specific items of expenditure such as the normal charges and temporary accommodation for Indian troops in excess of the ordinary establishment, expenditure on the Indian Defence Force, and casualty pensions of Indian troops.

The acceptance of charges of this nature against the Revenues of India is subject, under the terms of Section 22 of the Government of India Act, to the consent of both Houses of a Parliament. This formal regularisation was delayed by the consideration of other claims arising out of the war. These consisted of claims and counterclaims, in many cases for large sums of money, between His Majesty's Government and the Government of India, and raised questions of principle which led to prolonged discussion. A final settlement of these claims and counterclaims has now been reached on the basis of no further payment by either party. This settlement means that the Government of India are now relieved from possible heavy additional claims, and the way has thus been cleared for securing the formal consent of Parliament to the payment of the £13,600,000 which, as already stated, was actually made in 1918-19.

SIMLA :

The 2nd July, 1932.

Dr. Ziauddin Ahmad : May I ask whether the sum of £13,600,000 has actually been paid ?

The Honourable Sir Alan Parsons : Yes, Sir. As I have explained, it was paid in 1918-19.

Dr. Ziauddin Ahmad : May I ask what portion of the contribution of £100,000,000 has been actually paid and what is still outstanding ?

The Honourable Sir Alan Parsons : I am afraid I must ask for notice. I have not got the figures in my mind.

Mr. B. Das : Is it not a fact that this sum of £13,600,000 settles all counterclaims of England and it is a fair bargain on behalf of India ?

The Honourable Sir Alan Parsons : The Honourable Member is not quite correct in saying that it settles all the counterclaims of England. The regularisation of this old claim had been left until agreement had been reached with His Majesty's Government with regard to their claims

against India and India's counterclaims against them. As to the second part of the question, India has in my opinion done very well by the settlement arrived at with regard to these claims and counterclaims.

Dr. Ziauddin Ahmad : In view of the fact that this payment was made before the Legislative Assembly came into existence, will this question be laid before the tribunal now formed ?

The Honourable Sir Alan Parsons : No, Sir. There is nothing left to be laid before the tribunal. This payment was actually made, as I have explained, in 1918-19. It was authorised by a Resolution passed in the old Imperial Legislative Council. It was merely because the Council of India, whose authority is required before any payment can be finally debited to Indian revenues, decided that it was better to treat it as provisional until the claims and counterclaims had been settled, as they now have been settled, that this regularisation has taken such a long time.

Dr. Ziauddin Ahmad : In the opinion of the Honourable Member is this a just case to be laid before the tribunal ?

The Honourable Sir Alan Parsons : No, Sir.

GOVERNMENT MILITARY DAIRY FARM, JUTOGH.

76. ***Mr. Gaya Prasad Singh :** (a) Will Government kindly state how long the Government Military Dairy Farm, Jutogh, has been in existence ; and what is its annual expenditure, and annual income from the sale of dairy produce ; and what is its net profit approximately ?

(b) Have instructions ever been issued from the Headquarters that dairy produce from the Military Dairy Farm, Jutogh, should only be supplied to Government officials, and to messes where Government servants are in majority ? If so, why ? Will Government kindly place on the table a copy of the rules and instructions on the subject ?

(c) What are the other Military Dairy Farms in India where similar rules are in existence ?

(d) How many European and Indian officials are there to whom the dairy produce of the Government Military Dairy Farm, Jutogh, are being supplied at present ; and will Government be pleased to place in the Library a full list of such persons ?

Mr. G. R. F. Tottenham : (a) The Jutogh Military Dairy Farm has been in existence for the last 22 years. Its income during the year 1931-32 was Rs. 43,223 and its expenditure Rs. 44,703. There was therefore a loss of about Rs. 1,500 in that year.

(b) and (c). Instructions were issued in 1906 to all military dairy farms authorising the sale of surplus dairy produce to civilians. An extract from the instructions issued in 1906 is laid on the table.

(d) A list of customers has been placed in the Library. In addition to certain hospitals, detachments, institutes, etc., there are about 150 individual customers of whom about 30 are Indians.

Extract from the instructions issued in 1906.

Though Government dairies are only intended for the supply of produce to troops, Army Departments and establishments, and are not to embark in private trade, as this

prohibition falls heavily on non-military Government officials and their families desirous of obtaining supplies when the same are available, it has been decided that where any surplus produce exists at a dairy it may be issued to civilians provided it can be sold at remunerative rates.

Mr. Gaya Prasad Singh : What does the Honourable Member mean by the word "civilians" ? Does it include non-officials ?

Mr. G. R. F. Tottenham : I am afraid I am not able to differentiate between officials and non-officials in the list without making a number of inquiries which would take a great deal of time. The majority of them are certainly officials serving under the Government of India, but there may be non-officials as well.

Mr. Gaya Prasad Singh : Are Government aware that the Manager of the Government Military Dairy Farm at Jutogh wrote to me as follows on the 20th June last ? :

" I have strict instructions from headquarters that dairy produce from the Government Military Dairy Farm at Jutogh are only to be supplied to Government officials and to messes where Government servants are in a majority. I, therefore, regret that I will not be able to comply with your order."

Mr. G. R. F. Tottenham : No, Sir ; I am not aware of that.

Mr. Gaya Prasad Singh : May I take it, that is due to any misapprehension ?

Mr. G. R. F. Tottenham : I will make inquiries. I have no information.

Mr. Gaya Prasad Singh : But is not the subject-matter of my supplementary question contained in the original question itself of which I gave notice about two months ago ?

Mr. G. R. F. Tottenham : I think, Sir, I have answered the actual questions which the Honourable Member put. This is another matter about which I will inquire if he will put down a further question.

Mr. Gaya Prasad Singh : My question is this. Is there any instruction issued from headquarters that the produce of the dairy farm should be supplied only to Government officials or to messes where Government servants are in a majority ?

Mr. G. R. F. Tottenham : The instructions from headquarters on the subject, a copy of which I lay on the table, run as follows :

" Though Government dairies are only intended for the supply of produce to troops, Army Departments and establishments and are not to embark in private trade, as this prohibition falls heavily on non-military Government officials and their families desirous of obtaining supplies when the same are available, it has been decided that where any surplus produce exists at a dairy, it may be issued to civilians provided it can be sold at remunerative rates."

Mr. Gaya Prasad Singh : My question was, will the Honourable Member kindly explain the word "civilians" and say whether it includes non-officials or not ?

Mr. G. R. F. Tottenham : It does include non-officials, because supplies are made to such institutions as hotels and clubs, which are certainly not official institutions.

Mr. Gaya Prasad Singh : In view of the fact that this dairy is a commercial concern and that it is running at a loss, do Government propose to abolish it ?

Mr. G. R. F. Tottenham : No, Sir, they do not propose to abolish this dairy. I may point out that although the dairy at Jutogh during last year ran at a slight loss, the military dairy farms in India as a whole produce considerable profit. And the reason why the dairy at Jutogh ran at a slight loss is that it is run largely to supplement the dairies on the plains. During the hot weather, as the Honourable Member is aware, a good many troops come up to the hills and if the dairies on the plains were maintained at the same strength during the hot weather there would obviously be a loss. Therefore a portion of the stock is removed to the hills and small dairy farms are run on the hills to make the most economical use of the cattle.

**PROHIBITION OF IMPORTATION OF MEDALS BEARING THE INSCRIPTION
"INDEPENDENT INDIA".**

77. ***Mr. Gaya Prasad Singh :** (a) Is it a fact that the bringing into British India of medals bearing the inscription "Independent India" in any language has been prohibited? If so, why?

(b) How many such medals have been brought into British India during the last two years, and from where?

The Honourable Mr. H. G. Haig : (a) Yes. The inscription indicates disaffection towards the Government established by law.

(b) I have no precise information, but it was reported that considerable numbers of these medals were being imported.

Mr. Lalchand Navalrai : Does the Honourable Member mean that if India gets Dominion Status she will not be independent?

The Honourable Mr. H. G. Haig : She will not be independent of the British Empire.

Mr. Lalchand Navalrai : Was the word "Independent out of the British Empire" on the medal or only "Independent"?

The Honourable Mr. H. G. Haig : The word "independence" in this country I fancy is usually interpreted as meaning complete rupture of relations with the British Empire.

Mr. Lalchand Navalrai : Is that the view of the Government of India or the public?

The Honourable Mr. H. G. Haig : That I understand to be the view of those people who use the word.

**RECRUITMENT OF CLERKS AND ASSISTANTS IN THE GOVERNMENT OF INDIA
OFFICES.**

78. ***Mr. Gaya Prasad Singh :** (a) With reference to starred question No. 891 of the 23rd March, 1932, will Government kindly state whether the concession of allowing unsuccessful candidates to continue in office (to the exclusion of others who have passed), until such time as they can pass the examination, applies only to lady clerks and Muslims?

(b) If so, why have not similar concessions been allowed to other minority communities also?

The Honourable Mr. H. G. Haig : (a) and (b). As explained in the replies given to part (d) of Mr. S. C. Mitra's unstarred question No. 138

on the 2nd October last and part (c) of Mr. Muhammad Anwar-ul-Azim's starred question No. 910 on the 23rd March, last, provision was made for the temporary employment of unqualified lady and Muslim clerks until qualified ladies and Muslims, respectively, become available. In the case of other classes there has been no shortage of qualified candidates.

SUBSTITUTION OF HORTICULTURAL CROPS TO EXISTING FIELD CROPS.

79. *Sardar Sant Singh : Will Government please state what action has so far been taken on the recommendation of the Royal Commission on Agriculture to the effect that "Wherever favourable markets can be developed, the substitution in part or in whole of the horticultural crops to the existing field crops would materially advance the prosperity of the cultivator" ?

Mr. G. S. Bajpai : The recommendations made by the Royal Commission on Agriculture in India in Chapter XVII of their report for the development of horticulture mainly concerned Local Governments and Administrations. The action taken by the Local Governments and Administrations up to the end of 1930 will be found in Part II of the First and Second Reports showing the progress made in giving effect to the recommendations of the Royal Commission. Copies of the reports are available in the Library of the House.

ENCOURAGEMENT OF FRUIT-FARMING.

80. *Sardar Sant Singh : Will Government kindly state what steps have been taken to encourage fruit-farming ?

Mr. G. S. Bajpai : The encouragement of fruit-farming concerns Local Governments primarily, and, for an account of the steps which they have so far taken, I would refer the Honourable Member to the Annual Reports on the working of the Provincial Departments of Agriculture. The Imperial Council of Agricultural Research is, however, also interested. It has received fruit-farming schemes from most of the provinces and has referred them for examination by its Fruits Sub-Committee and Advisory Board. The scheme, received from Assam, has been referred back to the Local Government for reconsideration ; other schemes will be submitted to the Governing Body of the Council at the meeting which it is to hold in October of this year. So far as the Government of India is concerned I would add that there is an excellent farm at Quetta, which is doing good work for the improvement of fruit-farming in Baluchistan.

Dr. Ziauddin Ahmad : Has the Council of Agricultural Research considered the possibility of having fruit gardens in Government forests and on canal beds ?

Mr. G. S. Bajpai : I do not know that that particular point has been considered by the Council of Agricultural Research. If the Honourable Member wishes to pursue it, I am quite prepared to make inquiries.

ENCOURAGEMENT OF FRUIT-FARMING.

81. *Sardar Sant Singh : (a) Are Government aware that pioneer work in fruit-farming at great expense and sacrifice is being carried on by some members of the association known as Lyallpur Fruit Growers' ?

Association, Limited, Lyallpur, Bandrol Orchard of Kulu, Godrej Farm in Bombay and several orange planters in Assam, Bengal, Nagpur and the mango planters on the west coast of Bombay and Madras ?

(b) Are Government prepared to undertake an inquiry as to how practical assistance can be provided in marketing the Indian fruits in India and foreign countries on the lines in which the Empire Marketing Board is acting ?

Mr. G. S. Bajpai : (a) The Government of India are aware of the work being done.

(b) The Imperial Council of Agricultural Research have already initiated enquiries on the lines suggested by the Honourable Member.

EXPORT OF INDIAN FRUITS TO ENGLAND.

82. ***Sardar Sant Singh :** Have Government made any enquiries as to whether the British market offers a profitable field for most of the Indian fruits ? If so, what steps do Government propose to take in order to encourage the export of Indian fruits to England ?

Mr. G. S. Bajpai : The British market offers possibilities for the opening up of an export trade in certain Indian fruits, for instance, mangoes, trials in the export and marketing of which have been made with satisfactory results. The Imperial Council of Agricultural Research have worked out a scheme of research into problems connected with the export of this fruit ; the scheme has been approved by the Advisory Board of the Council and will be submitted to the Governing Body for consideration in October. It is hoped that it may be found possible to apply the scheme to other fruits also, e.g., oranges.

Sardar Sant Singh : May I know if the scheme when approved will be presented to this House as well ?

Mr. G. S. Bajpai : I do not really know that it is necessary to present the scheme to the House : the scheme will be published and will be available in the columns of the press to Honourable Members just as much as to members of the public.

EXPORT OF FRUITS TO FOREIGN COUNTRIES.

83. ***Sardar Sant Singh :** (a) Do Government propose to consider the question of a reasonable reduction in Railway freight from the Punjab to the various ports of India, so that the fruit growers may be able to compete with the other countries in exporting their fruits to foreign lands ?

(b) Are Government aware that transport charges for fruits are much lower in California, Florida, Brazil and South Africa than in India ?

Mr. P. R. Rau : (a) There is no such proposal at present under consideration. Government have no reason to believe that the existing rates are unduly high. The Honourable Member is no doubt aware that fresh fruit is at present carried generally at half parcel rates. If, however, he has any special suggestions to make, I would suggest his placing himself in communication with the Railway Administrations concerned.

(b) Government have no information.

Dr. Ziauddin Ahmad : Will the railway administration carry on the instruction of the Railway Board, because our experience is just the reverse ?

Mr. P. E. Rau : My experience is different.

DEVELOPMENT AND PRESERVATION OF FRUITS.

84. ***Sardar Sant Singh :** Have the Imperial Agricultural Research Council received any scheme for the development and preservation of fruits ? If so, what steps have been taken to give effect to those schemes ?

Mr. G. S. Bajpai : Yes ; schemes have been received from the Governments of Madras, Bombay, Bengal, United Provinces, Punjab, Bihar and Orissa, and Assam, and have been examined by a Fruit Sub-Committee and by the Advisory Board of the Imperial Council of Agricultural Research. As I have already stated, the recommendations of the Advisory Board in regard to these schemes will be submitted to the Governing Body of the Council for orders at its meeting in October, 1932.

PAYMENTS MADE TO MAULANA SHAUKAT ALI FROM GOVERNMENT TREASURIES.

85. ***Sardar Sant Singh :** (a) Will Government kindly state whether any payments have been made to M. Shaukat Ali from the Treasury of the Central Government since the death of his brother M. Muhammad Ali ?

(b) If so, what amounts have been paid and from what fund ?

The Honourable Mr. H. G. Haig : (a) No such payments have been made.

(b) Does not arise.

Mr. Lalchand Navalrai : May I know whether all this work which Maulana Shaukat Ali does is gratis and gratuitous ?

The Honourable Mr. H. G. Haig : The question was whether any payments had been made to Maulana Shaukat Ali from the treasury of the Central Government. The answer is no.

Mr. Lalchand Navalrai : Then this further question arises : has he been doing this work gratuitously ?

The Honourable Mr. H. G. Haig : I do not know what the Honourable Member means by gratuitously. I thought the answer that I gave to the question was a perfectly plain and unmistakable one.

Mr. Lalchand Navalrai : If the Government of India have not given any money, have the Bombay Government or any other Government given any help to him ?

The Honourable Mr. H. G. Haig : No.

EXPENDITURE INCURRED BY GOVERNMENT TO PREVENT THE HOLDING OF THE INDIAN NATIONAL CONGRESS IN DELHI.

86. ***Sardar Sant Singh :** (a) What was the actual cost to the Government of India on the measures taken to prevent the holding of the annual session of the Indian National Congress at Delhi, and from what funds were these expenses met ?

(b) How much extra police, including C. I. D., was imported into Delhi during those days and from what Provinces? What was the cost of this police to the Government of India?

(c) Is it a fact that the police during the days when the Congress was held were entertained with sweets and *puris*? If so, from what fund were these expenses met?

The Honourable Mr. H. G. Haig : (a) Rs. 1,478-8-0 which was found from savings in the budget of the Delhi Police.

(b) A small force of roughly 70 men was drafted from other provinces into Delhi for a few days. No expense to the Government of India was involved.

(c) No. The members of the force on duty were given an extra allowance of eight annas a day from which arrangements were made for their messing. The expenditure on this account is included in the sum mentioned in my reply to part (a) of the question.

Sardar Sant Singh : May I know in answer to part (c) of the question, has the attention of the Honourable Member been drawn to the fact that *laddus* and *puris* were distributed to the men in camp? I saw it myself.

The Honourable Mr. H. G. Haig : That was possibly found from the allowance of eight annas a day which I have already mentioned.

Sardar Sant Singh : Was the allowance made in cash or in kind in sweets?

The Honourable Mr. H. G. Haig : That I cannot say.

ARRESTS AND PROSECUTION OF PERSONS IN CONNECTION WITH THE SESSION OF THE INDIAN NATIONAL CONGRESS IN DELHI.

87. ***Sardar Sant Singh** : (a) How many persons were actually arrested in connection with the holding of the annual session of the Indian National Congress at Delhi from 20th to 28th April? How many of the arrested persons belonged to Delhi and how many from Madras, Bombay, Bihar, Bengal, United Provinces, Punjab, North-West Frontier Province, and Central Provinces?

(b) How many persons were actually turned back from the various railway stations and the roads leading to Delhi in those days?

(c) Will Government kindly state the number of persons actually prosecuted for various offences under the Ordinances out of the arrested persons? How many of the arrested persons were released without any trial and after what period of detention?

The Honourable Mr. H. G. Haig : (a) 37 from Madras, 48 from Bombay, 80 from Bengal, 150 from the United Provinces, 171 from the Punjab, 40 from Bihar and Orissa, 19 from the Central Provinces, 5 from the North-West Frontier Province, 42 from Delhi and 38 from various States, making a total of 630.

(b) It is not possible to obtain this information.

(c) 115 persons were tried and convicted in the Delhi Province. The remainder were released within a fortnight.

ARRESTS AND DISPERSAL OF PERSONS ATTENDING THE INDIAN NATIONAL CONGRESS IN DELHI.

88. *Sardar Sant Singh : (a) Is it a fact that on the 24th April arrests were made in connection with the annual session of the Indian National Congress without using any violence up to 2 P.M. of that day and that no resistance was offered by the Congressmen when they were arrested ?

(b) Is it a fact that after 4 P.M. arrests were not made and force was used to disperse those who cried Congress slogans ? Is it also a fact that during those dispersals several persons were injured seriously ? If so, what was their number and what were the injuries received by each ? Why did the police stop arrests and use violence instead ?

The Honourable Mr. H. G. Haig : (a) & (b). I invite attention to my reply to Mr. Gaya Prasad Singh's question No. 39. I may add that no person was seriously injured on this occasion.

Sardar Sant Singh : Is the Honourable Member aware that force was actually used in the case of four volunteers and also probably one lady who were carrying Congress flags when they were in Chandni Chowk ?

The Honourable Mr. H. G. Haig : I cannot pretend to be acquainted with every incident that occurred on a rather crowded day.

POSTERS IN CONNECTION WITH THE HOLDING OF THE INDIAN NATIONAL CONGRESS IN DELHI.

89. *Sardar Sant Singh : Is it a fact that the posters headed "Plots for sale", which were issued by the Congress, containing the whole programme and the place for holding the Congress session were pasted in the principal streets of Delhi and did the police take any precautions to prevent the holding of the session of the Indian National Congress ?

The Honourable Mr. H. G. Haig : No. The attempt to hold the session of the Congress was prevented.

LINE-ESTABLISHMENT IN TELEGRAPH ENGINEERING BRANCH OF THE PUNJAB CIRCLE.

90. *Sardar Sant Singh (on behalf of Sirdar Harbans Singh Brar) : (a) Will Government please lay on the table a statement showing the composition of various appointments of Line-establishment in the Telegraph Engineering Branch of the Punjab Circle, by communities ?

(b) Are Government aware of the predominance of one community in the appointments of Line Inspectors and Sub-Inspectors in the Punjab ?

(c) Will Government please state what steps they have taken to adjust this communal inequality in those branches of the service ?

(d) Are Government prepared to consider the advisability of issuing administrative instructions to adjust this inequality ?

(e) Will Government please state the procedure and principle on which promotions of Line Inspectors and Sub-Inspectors are based ?

(f) If the answer to part (e) be that promotion is by selection, will Government please state whether there is any competitive examination open to those in the lower appointments ?

(g) Will Government please state what is the standard of education and the other technical qualifications required for promotion to those appointments ?

The Honourable Sir Frank Noyce : (a) A statement is laid on the table.

(b) Yes.

(c) and (d). The Honourable Member is referred to the reply given by the Honourable Sir Joseph Bhore to Sardar Sant Singh's starred question No. 731 asked in the Legislative Assembly on the 9th March, 1932.

(e), (f) and (g). I lay on the table an extract from the relevant rules in the Posts and Telegraphs Manual, Volume IV, which furnishes the information asked for.

Statement showing the communal composition of the Line-establishment in the Telegraph Engineering Branch of the Punjab Circle.

	Hindus.	Mahomedans.	Sikhs.	Other communities.	Total.
Line Inspectors ..		8			8
Sub-Inspectors ..	41	72	11		124
Linemen ..	322	474	31		827
Total ..	363	554	42		959

Extract from the Posts and Telegraphs Manual, Volume IV.

LINE INSPECTORS.

460. *Recruitment.*—Vacancies in the grade of Line Inspectors within the scale sanctioned for the Circle are filled by Heads of Circles from the grade of Sub-Inspectors. Promotion to the former grade is made strictly by selection. Specially competent men from the grade of Sub-Inspectors, who are able to read and write English freely, to mark out telegraph and telephone lines, to carry out ordinary construction work including the laying (but not jointing) of armoured underground cables and to prepare estimates for small construction works in English will be eligible for promotion to this grade. As soon as a Sub-Inspector is promoted accordingly to the grade of Line Inspectors, a certificate about his competency in all these respects should be recorded and attached to his Character Sheet for ready reference. In very exceptional cases Heads of Circles may relax the condition regarding ability to read and write English freely but ability to keep Muster Rolls and Store accounts in English is essential.

461. If the Head of a Circle has any difficulty in finding men qualified to fill the posts of Line Inspectors, endeavours should be made to obtain suitable men from other Circles.

* * * * *

SUB-INSPECTORS.

463. *Recruitment.*—Vacancies in the grade of Sub-Inspector within the scale sanctioned for the Division should be filled by Divisional Engineers from the grade of linemen on the following principles :

- (1) Two-thirds in the order of seniority subject to the rejection of the unfit ;
- and

(2) One-third by strict selection without regard to seniority, seniority only being taken into consideration when other qualifications are practically equal.

All promotions by selection should be reported to the Heads of Circles by the Divisional Engineers concerned with brief grounds in support of the action taken. The men so selected should be on probation for one year. Before their confirmation, the Divisional Engineer should satisfy himself personally that the selected men are thoroughly efficient in every respect. No linemen should, as a rule, be promoted to the grade of Sub-Inspector unless he is able to read and write in his vernacular and preference should be given to a lineman who possesses an elementary knowledge of English. As soon as a lineman is promoted to the grade of Sub-Inspector a certificate about his competency in all these respects should be recorded and attached to his character sheet for ready reference.

464. *Efficiency bar.*—No Sub-Inspector will be allowed to cross the efficiency bar without the orders of the Divisional Engineer concerned.

465. The following are the qualifications for Sub-Inspectors without which (except in very special circumstances which must be fully explained in the order) no man can be allowed to pass the bar :—

- (i) To be able to erect posts straight on a previously marked line.
- (ii) To erect wires level.
- (iii) To make joints and generally to carry out all minor works of construction.
- (iv) To be able to write their own cash accounts and travelling journals in English or in their vernacular.

NOTE.—Preparation of bills and accounts in English should be encouraged.

PENSIONERS ON RS. 125 PER MENSEM AND BELOW.

91. ***Rao Bahadur M. C. Rajah** : Will Government be pleased to lay on the table a statement of the total number of pensioners on Rs. 125 *per mensem* and below in each Province and the average yearly cost incurred for their disbursement by the Government of India ?

The Honourable Sir Alan Parsons : I regret that I cannot undertake to make the very laborious inquiries which the collection of these statistics would entail.

CONVERSION OF MONTHLY PENSIONS INTO GRATUITIES.

92. ***Rao Bahadur M. C. Rajah** : Will Government be pleased to call for and lay on the table all the schemes under consideration by the Government of India for the conversion of monthly pensions into gratuities ?

The Honourable Sir Alan Parsons : The Government of India have recently consulted the Provincial Governments on a scheme for substituting provident funds for pension, but have not yet received their replies. I will consider, when the replies have been received, whether papers can be laid on the table.

CO-ORDINATION OF RAILWAY *versus* BUS TRANSPORT SYSTEM.

93. ***Rao Bahadur M. C. Rajah** : Will the Government of India be pleased to call for and lay on the table a statement of progress achieved during the past five years, between 1927 and 1932, on the profitable co-ordination of Railway *versus* Bus Transport System ?

Mr. P. R. Rau : Endeavours for co-ordinating railway and road transport services, other than services which Railways maintain between certain stations and out-agencies which it is presumed the Honourable Member

does not refer to, have been made only within the last one or two years on the following Railways, to the extent indicated in each case :

Bengal Nagpur Railway.—Rail-cum-bus monthly season tickets were introduced on the 1st July, 1929, in conjunction with the Calcutta Tramways Company, but the arrangement was discontinued as only 24 tickets were sold during nine months.

Burma Railways.—Between Kyaukpadaung, Chauk and Yenangyaung. The arrangement had effect only from November, 1931, it is too early to judge whether it is likely to be profitable.

Great Indian Peninsula Railway.—Between Talegaon and certain places about 50 miles in the interior. Between the 15th September, 1931, and 30th April, 1932, the number of passengers booked between Talegaon and Bombay increased by 57,993 and the earnings increased by Rs. 68,877. The weight of parcels carried increased by 14,252 maunds and the earnings on parcels increased by Rs. 12,185. There is no case of similar co-ordination on the Bombay, Baroda and Central India, Eastern Bengal, North Western and Rohilkund and Kumaon Railways.

I have asked the Agents of the Assam Bengal, East Indian, Madras and Southern Mahratta and South Indian Railways for the information required by the Honourable Member, and if there is any case of co-ordination between railway and road transport services on these lines, I shall lay on the table of the House such information as is available.

Lieut.-Colonel Sir Henry Gidney : Will the Honourable Member inform this House whether it is a fact or not that Railways are losing a lot of money by the delay in introducing the co-ordinated motor transport service ?

Mr. P. R. Rau : Will the Honourable Member kindly repeat his question ? I could not hear him.

Lieut.-Colonel Sir Henry Gidney : Will the Honourable Member inform this House whether it is a fact or not a fact that the Railways are losing a lot of money by not introducing a co-ordinated motor bus transport service ?

Mr. P. R. Rau : It is possible, Sir ; but, as a matter of fact, the Railways have not the power under the present Act to have motor services of their own, and it is to remedy that defect that a Bill has been introduced in this House this session.

Lieut.-Colonel Sir Henry Gidney : Is the Honourable Member aware of the fact that the Hyderabad State has already in operation a complete bus service working in co-ordination with its railway system ?

Mr. P. R. Rau : No, Sir.

Lieut.-Colonel Sir Henry Gidney : Will the Honourable Member consider the desirability of the early introduction of such system on State Railways ?

Mr. P. R. Rau : The question is under consideration.

Dr. Ziauddin Ahmad : Is it not a fact, Sir, that similar attempts were made by the Rohilkund and Kumaon Railway to introduce such service

between Kathgodam and Brewery and they could not keep up that arrangement ?

Mr. P. R. Rau : I am not aware of that fact. I should like to have notice of that.

Dr. Ziauddin Ahmad : They had a service, but it failed.

FAIRS AND FESTIVAL CENTRES WITHOUT RAILWAY CONNECTION.

94. ***Rao Bahadur M. C. Rajah :** Will the Government of India be pleased to call for and lay on the table (a) a statement of non-railway fairs and festival centres indicating the floating pilgrim population daily resorting to each of them for worship ; (b) the total mileage of metalled and non-metalled roads on which our Railway companies can run a bus and lorry service of their own in Madras and in other Provinces, and (c) the total number of war reserve six-wheeler lorries and buses available from the Military Department for all Railway companies running a bus and lorry service of their own ?

Mr. P. R. Rau : (a) The information is not available and cannot be obtained without undue difficulty.

(b) Railway Companies have not investigated the possibility of running bus and lorry services of their own, as they have at present no power to run such services.

(c) Does not arise.

DEPRESSED CLASSES AND THE TERM "MINORITY COMMUNITIES."

95. ***Rao Bahadur M. C. Rajah :** (a) Will Government be pleased to state (i) the exact connotation of the term "minority communities" in various Departments of the public services of the Government of India ; (ii) how far the communal proportion has been kept up for safeguarding the interests of all minority communities in various retrenchment schemes of the Government of India ?

(b) Is it a fact that the Depressed Classes are not included by the Government of India in the term "minority communities" and are thus rendered ineligible for concessions which other minority communities enjoy ? If so, will Government be pleased to state the reasons ?

(c) Will the Government of India be pleased to state the total number and names of all Depressed Classes Government servants retained by the Government of India on 1st January, 1932, and retrenched subsequently ?

(d) Will the Government of India be pleased to state whether there is any member of the Depressed Classes in the various Departments of the Government of India ? If none, whether they are prepared to consider the question of re-entertaining the few retrenched Government servants belonging to the Depressed Classes ?

(e) Will Government be pleased to state if it is not a fact that the Depressed Classes have been included in the term "minority communities" by His Majesty's Government in the Round Table Conference ?

(f) Are Government prepared to have urgent instructions issued to the Public Service Commission and the various Departments of the Gov-

ernment of India for including Depressed Classes as one of the units of minority communities and for according to them concessions in the various Departments of Government service, which are given to other " minority communities " ?

The Honourable Mr. H. G. Haig : (a) (i) and (b). Government have not defined the term ' minority community ' in its application to recruitment for the services.

(ii) In effecting retrenchment Government endeavour as far as practicable to maintain the ratio between the various communities which existed prior to retrenchment. I hope shortly to be in a position to let the House have figures showing the effect of retrenchment on the communal composition of the services.

(c) and (d). I regret that the information is not in my possession.

(e) The answer is in the negative.

(f) I would refer to my reply to parts (a) (i) and (b).

Dr. Ziauddin Ahmad : With reference to the answer to part (b) of the question, I should like to know either from the Honourable the Home Member or from somebody else whether the Depressed Classes are included among the Hindus or the Minority communities ? They cannot be included in both.

The Honourable Mr. H. G. Haig : Is the question asked with reference to part (b) ?

Dr. Ziauddin Ahmad : Yes, Sir. The Depressed Classes wanted to be included among minority classes ; so they should be included either among the Hindus or the minority communities ?

The Honourable Mr. H. G. Haig : Is the Honourable Member referring to the larger question or to the question which we are discussing here about recruitment to the services ?

Dr. Ziauddin Ahmad : I want to know whether the Depressed Classes are included among Hindus or among the minority communities ?

The Honourable Mr. H. G. Haig : That raises a much wider question than the one which has been raised in the reply here.

Dr. Ziauddin Ahmad : They should be included either in one or the other, but not in both. It is for the Depressed Classes to decide.

Mr. K. C. Neogy : Is it not a fact, Sir, that to the Minorities Pact which was signed recently in England the Depressed Classes did actually form one of the parties with the consent of the Moslem members of the Round Table Conference ?

The Honourable Mr. H. G. Haig : The Depressed Classes, as far as I know, were certainly one of the parties to the Minorities Pact.

Dr. Ziauddin Ahmad : Can it not be concluded then that they cease to be Hindus ?

The Honourable Mr. H. G. Haig : I would refer Honourable Members to the provisions in paragraph 9 of His Majesty's Government's communal decision from which they can draw their own conclusions.

CLASSIFICATION OF LADY POLITICAL PRISONERS.

96. ***Mr. S. C. Mitra** (on behalf of **Mr. A. Das**) : Has the attention of Government been drawn to a letter which appeared in the *Leader* of 21st June, 1932, about the classification of lady political prisoners ?

The Honourable Mr. H. G. Haig : Government have seen the letter referred to by the Honourable Member.

MALTREATMENT OF POLITICAL UNDERTRIAL PRISONERS WHILE IN POLICE CUSTODY.

97. ***Mr. Bhuput Sing** : (a) Has the attention of Government been drawn to the serious allegations made from time to time in the Indian Press regarding the maltreatment of political undertrial prisoners by the police while in their custody ?

(b) Has the attention of Government been drawn to the statement regarding the tragic death of Anil Kumar Das, M.Sc., in Dacca jail, and also of the alleged serious assault by the police on Phanindra Das at Midnapur while they were under police custody ?

(c) If so, do Government propose to instruct all the Local Governments that undertrial prisoners should be kept under jail custody and not under police custody ? If not, why not ?

The Honourable Mr. H. G. Haig : (a) I have seen allegations made in the press regarding the two cases referred to in (b).

(b) A statement issued by the District Magistrate of Dacca regarding the death of Anil Kumar Das shows that the deceased was not maltreated in any way while in police custody, and that the allegation that he was beaten is entirely false. As regards Phanindra Nath Das, I have seen a newspaper report of the finding of the Additional District Magistrate, who dismissed the complaint on the ground that no case had been made out.

(c) The matter is provided for by section 167 of the Criminal Procedure Code, and the Government of India see no reason to issue any instructions.

Mr. K. C. Neogy : Arising out of the Honourable Member's answer to the last clause, may I draw his attention, unless he has already seen it, to a judgment which was recently delivered by the District Judge of Dacca in which he found that illegalities of a serious character were being perpetrated by the police and the jail authorities and that they were acting in direct contravention of the Criminal Procedure Code so far as the undertrial prisoners were concerned ?

The Honourable Mr. H. G. Haig : I have not seen or heard of that judgment, but I think that the Government of Bengal have full power to deal with any irregularities that may be established.

Mr. K. C. Neogy : Will the Honourable Member be pleased to accept a copy of the judgment as a humble present from me in token of the high regard which I have for him ?

The Honourable Mr. H. G. Haig : I shall be most happy to receive it.

Mr. K. C. Neogy : May I request my Honourable friend to go through the copy of the judgment which I have just sent over.....

The Honourable Mr. H. G. Haig : Not at the moment I hope.

Mr. K. C. Neogy : Oh, no. Not at the moment. And will he make an enquiry into the statements which have been made by the District Judge of Dacca after proper investigation and make a statement before this House ?

The Honourable Mr. H. G. Haig : I am afraid I cannot undertake to take any action until I have perused the judgment.

Mr. K. C. Neogy : I did not expect my Honourable friend to make a statement before going through the judgment. What I stated was, will the Honourable Member be pleased to make an enquiry into the statements which have been made by the District Judge of Dacca and then make a statement before this House ?

The Honourable Mr. H. G. Haig : But my Honourable friend is inviting me to take certain action before I have seen the judgment and that is what I was explaining I could not do.

Mr. K. C. Neogy : With regard to one of the accused specifically mentioned in clause (b) of the question, namely, the case of Anil Kumar Das, has the Honourable Member seen a letter which was addressed by a Member of the Council of State to the Home Secretary giving details of this particular case ?

The Honourable Mr. H. G. Haig : I think I remember a communication, but I do not remember the details of it.

Mr. K. C. Neogy : What action was taken by the Government on receipt of that letter ?

The Honourable Mr. H. G. Haig : If it is the letter which I have in mind, a reply was sent to the Honourable Member.

Mr. K. C. Neogy : I know that, but what action was taken on receipt of that letter by way of an enquiry into the allegations made therein ?

The Honourable Mr. H. G. Haig : It does not appear to me that any enquiry is necessary in view of the decision of the Additional District Magistrate.

Mr. K. C. Neogy : As the Honourable Member relies upon the decision of the District Magistrate in this particular case, will the Honourable Member be pleased to make enquiries and find out as to what evidence there was before the District Magistrate to justify the conclusion which he had drawn ?

The Honourable Mr. H. G. Haig : No. I think that such action would be interfering with the reasonable discretion of the Government of Bengal whose responsibility it is.

Mr. K. C. Neogy : Is it not a fact that at one particular stage this particular undertrial prisoner, when produced before the Sub-Divisional Magistrate, did actually complain of having been assaulted while in custody, and if so, what enquiry was made by any executive official into that particular allegation ?

The Honourable Mr. H. G. Haig : I am not fully acquainted with the circumstances of the case.

Mr. K. C. Neogy : Will the Honourable Member be pleased to reply to this and similar other questions if proper notice is given to him ?

The Honourable Mr. H. G. Haig : As I say, I think this is a matter which primarily concerns the Government of Bengal.

Sardar Sant Singh : Does the Honourable Member know that the executive authority and judicial authority are combined in one man so far, and the result is that the Magistrate in the trial Court is under the influence of the police and he never takes any action into allegations made against the police ?

The Honourable Mr. H. G. Haig : No. I cannot agree that that is a fair description of the present system.

Sardar Sant Singh : Will the Honourable Member make an enquiry into the fact and say whether what I am stating is the truth, coming as it does from a man who has had 25 years' experience in criminal courts ?

The Honourable Mr. H. G. Haig : I too have had some experience of criminal courts.

Mr. K. C. Neogy : Is the Honourable Member aware that in Bengal the police authorities have got considerable control over the jail administration at the present moment ?

The Honourable Mr. H. G. Haig : I do not think that arises.

Mr. K. C. Neogy : It does arise in this way, because this particular undertrial prisoner was supposed to be in jail custody at one stage and he was maltreated by the police even when he was there.

The Honourable Mr. H. G. Haig : Well, that is the Honourable Member's allegation, but it is not admitted by the authorities who have enquired.

Mr. K. C. Neogy : I quite see, but will the Honourable Member find out whether it is not a fact that, although definite orders were passed by the Magistrate who was in proper seisin of the case regarding interviews to be allowed to lawyers of undertrial prisoners, and in disregard of the provisions of the law, the police authorities actually prohibited any kind of interviews with the prisoners ?

The Honourable Mr. H. G. Haig : No. I do not propose to make any further enquiries into a matter which has already been fully investigated under the authority of the Government of Bengal.

Mr. K. C. Neogy : Supposing the Honourable Member finds this very statement made by the Judge in the judgment which I have just handed over to him, is the Honourable Member prepared, as a Member of the Government of India which is charged with the supervision and control of the Provincial Governments, to make an enquiry into this very serious state of affairs ?

The Honourable Mr. H. G. Haig : I am not.

DEATH OF MRINAL KANTI ROY CHOUDHURY, A DETENU IN THE DEOLI DETENTION CAMP.

98. ***Mr. Bhuput Sing :** Are Government aware of the strong public feeling owing to the mysterious death of Mrinal Kanti Roy Choudhury, detenu in the Deoli Camp ? If not, do Government propose to enquire about it ?

The Honourable Mr. H. G. Haig : No. An inquest was duly held in the case and no further action is proposed.

ARRESTS AND CONVICTIONS IN CONNECTION WITH THE CIVIL DISOBEDIENCE MOVEMENT.

99. ***Mr. Bhuput Sing :** Will Government be pleased to state :

- (a) what is the total number of arrests and convictions that have been made in connection with the civil disobedience movement from January to June, 1932, in India ;
- (b) what the present number of civil disobedience prisoners is in the various jails of India ; what the number of women is among them ;
- (c) what the approximate amount of costs per month incurred by Government are for keeping them in gaols ;
- (d) how many of them have been placed in ' A ', ' B ' and ' C ' classes, respectively, and what the difference is between these three classes ;
- (e) how many special jails have been created to accommodate these persons and at what places ;
- (f) whether any special instructions have been issued to give proper treatment to these prisoners ; if not, why not ; and
- (g) whether it is a fact that many notorious criminals have been set free before the expiry of their sentences and whether Government are aware that due to such releases crimes are greatly on the increase ; if not, whether Government propose to enquire about it ?

The Honourable Mr. H. G. Haig : (a) The number convicted up to the 30th June was 52,136, I regret I have no information as to arrests.

(b) The number in jail on the 31st July, the latest date for which figures are available, was 24,732. Of these 1,030 were women.

(c) The Annual Administration Reports published by Local Governments furnish detailed information regarding the cost incurred on keeping prisoners.

(d) Information is only available regarding the number of persons undergoing sentences of imprisonment on the 30th April, 1932. On that date, out of a total of 32,516 prisoners convicted of offences committed in connection with the Civil Disobedience Movement, 196 had been placed in Class A, 1,536 in Class B and the remainder in Class C.

As regards the second part of this question, the information will be found in the communiqué issued by the Government of India on the 19th February, 1930.

(e) The opening of special jails is a matter for Local Governments and the Government of India have no information.

(f) No special instructions, as far as I am aware, have been issued about their treatment, or are required.

(g) Well behaved prisoners who have served a considerable portion of their sentence are sometimes released before its expiry. Such action is entirely within the competence of Local Governments, and I have no reason to suppose that dangerous criminals have been released or that the releases have been attended by the consequences mentioned by the Honourable Member.

NEW CONSTITUTION FOR INDIA.

100. *Mr. Bhuput Sing : Will Government be pleased to state :

(a) the time by which the new constitution is to be given to India ; and

(b) whether it is intended to give provincial autonomy with central responsibility or the latter is to follow subsequently ?

The Honourable Sir C. P. Ramaswami Aiyar : (a) It is not possible to say at present by what date the new constitution will be introduced.

(b) The Honourable Member is referred to the statements made by the Secretary of State on the 27th June, 1932, and by His Excellency the Governor General before this House on the 5th September, 1932.

RELEASE OF CONGRESS LEADERS TO ENABLE THEM TO STAND FOR ELECTION TO CENTRAL AND PROVINCIAL LEGISLATURES.

101. *Mr. Bhuput Sing : (a) Do Government propose to release the Congress leaders before the introduction of the new constitution to enable them to stand for election as members of the Central and the Provincial Legislatures ? If not, why not ?

(b) Do Government propose to lay on the table the correspondence between the Government of India and the Secretary of State on the subject of the release of political prisoners ?

The Honourable Mr. H. G. Haig : (a) On the general question of the attitude of the Government towards the Congress leaders, I cannot do better than quote the remarks made by the Secretary of State in the House of Commons on the 29th April last. The Secretary of State said :

“ There clearly cannot be any question of co-operation with anyone associated with civil disobedience. If Mr. Gandhi shows a disposition to restore the relations which existed at the Round Table Conference, he will not find the slightest difficulty in conveying that fact to the Government without any intermediary. The Government will consider the position thus created, but one thing is quite clear that there will be no question of making a bargain with Congress as a condition of its co-operation.”

(b) There has been no such correspondence.

RELEASE OF PANDIT JAWAHAR LAL NEHRU.

102. *Mr. Bhuput Sing : Will Government be pleased to state whether they have advised the United Provinces Government to release Pandit Jawahar Lal Nehru in view of the present condition of his health ?

The Honourable Mr. H. G. Haig : No, Sir.

BOMBAY RIOTS.

103. ***Mr. Bhuput Sing** : Will Government be pleased to state whether they have ascertained the direct and indirect causes that led to the recent Bombay riots ? If so, will Government be pleased to state the same ?

The Honourable Mr. H. G. Haig : I would refer the Honourable Member to the answer to Mr. Gaya Prasad Singh's question No. 73 of to-day's date.

DIMINISHED REVENUE RETURNS AND RAISING OF THE RATE OF EXCISE ON SALT.

104. ***Mr. G. Morgan** : (a) Has there been a heavy drop in imports and customs revenue and have Government considered the question of reducing, or taking off, the duty on any imported articles ?

(b) Are Government prepared to reduce or take off the duty on certain specified articles in order to test whether the amount of the duty, or reduced purchasing power, is the cause of the decrease in imports ?

(c) Are Government considering the raising of the rate of excise on salt ?

The Honourable Sir Alan Parsons : (a), (b) and (c). Comparing figures for the first four months of the current year with those for the corresponding period of last year there has been an improvement both in the value of merchandise imported and in the amount of duty collected. The Government of India naturally keep a very close watch upon the customs revenue returns. But I regret I am unable to give any indication to the Honourable Member as to the action they may contemplate taking in future.

Dr. Ziauddin Ahmad : Has the volume of the trade also increased ?

The Honourable Sir Alan Parsons : As I explained, there has been an improvement both in the value of the merchandise and the amount of duty collected. I think there has also been an increase in the volume taken as a whole, but I cannot be certain as I did not look up the figures before I replied to this question.

DISCHARGE OF ORDINARY CRIMINALS TO MAKE ROOM FOR POLITICAL PRISONERS.

105. ***Mr. Lalchand Navalrai** : (a) Will Government be pleased to state if in order to make room for political prisoners they discharged ordinary criminals ?

(b) If so, was this action of discharging convicted criminals under any law ; if so, which ?

(c) Will Government be pleased to state how many prisoners convicted of crimes were discharged from prisons during this year in India ? Is it a fact that the prisoners so discharged were undergoing sentences for graver crimes such as murder, dacoity, rape and like offences ; if not, for what offences ?

The Honourable Mr. H. G. Haig : (a) It is a not uncommon incident of Jail administration in India that when the pressure on the accommodation available is great, well-behaved prisoners who have served a substantial portion of their sentences are selected for release by the Local Governments concerned.

In the majority of provinces revising boards have been constituted for the purpose of reviewing the long term sentences as recommended in paragraph 452 of the Jail Committee's Report.

(b) This action is taken under the provisions of section 401 of the Criminal Procedure Code.

(c) The Government of India have no information. The action described in part (a) of this question is entirely within the competence of Local Governments.

Mr. Lalchand Navalrai : Is there any jail rule which allows room to be made for political prisoners and for that purpose to release other criminal prisoners ?

The Honourable Mr. H. G. Haig : There is no rule. I was explaining that there is a well understood practice.

Mr. Lalchand Navalrai : Does the Honourable Member see that section 401 does not allow the Government to discharge prisoners for the purpose of making room for political prisoners ?

The Honourable Mr. H. G. Haig : I do not think that the action that may be taken by the Local Governments under section 401 of the Criminal Procedure Code is in any way restricted.

REPRESSIVE MEASURES AND *Lathi* CHARGES, ETC.

106. ***Mr. Lalchand Navalrai :** Will Government be pleased to state how long they propose to continue the present repressive measures, lathi charges and other extraordinary methods and sending parents to jail for non-payment of fines by their sons and daughters ?

The Honourable Mr. H. G. Haig : I am unable to foresee how long special measures to deal with the present movement will be necessary. If by the terms of his question the Honourable Member means to imply that the policy of Government is to use undue force, I must strongly repudiate the suggestion.

Mr. Lalchand Navalrai : Does the Honourable Member see that carrying on repressive measures instead of conciliatory measures react upon the Government ?

The Honourable Mr. H. G. Haig : The Government are taking action with reference to a definite menace, the initiative in which does not lie with them.

Mr. Lalchand Navalrai : Does the Honourable Member see that if conciliatory measures had been adopted, this situation would have been avoided ?

The Honourable Mr. H. G. Haig : When a person is being attacked, he cannot reply by conciliatory measures.

POLITICAL PRISONERS IN JAILS.

107. ***Mr. Lalchand Navalrai :** What is the total number of the political prisoners, male and female respectively, confined in prisons in India ? Will Government be pleased to state from amongst them the number of those convicted for use of violence and those convicted on account of non-violent *satyagraha* respectively ?

The Honourable Mr. H. G. Haig : I would refer the Honourable Member to the reply given by me to Mr. Das' starred question No. 42, dated the 6th September, 1932. As regards the second part of the question, I regret I have no information.

CLASSIFICATION OF POLITICAL PRISONERS.

108. ***Mr. Lalchand Navalrai :** (a) Has Government's attention been drawn to resolutions passed by the Bar Association of the High Court, Lahore, at their emergent meeting held on or about 11th May, 1932, regarding classification of political prisoners ?

(b) If so, what effect have Government given to those resolutions ?

(c) Is it a fact that the executive authorities have in several cases interfered with the recommendations of the magistrates by placing prisoners from A & B classes to class C, if so, in how many cases in each presidency and on what policy ?

(d) Is it a fact that as stated in the resolutions of the Lahore Bar Association, all civilized countries do not consider political prisoners as ordinary criminals ? If so, why has class C been created for political prisoners and criminals alike ?

(e) Is it a fact that Anglo-Indian and European prisoners convicted for bigger offences are treated much better than political prisoners ?

(f) Will Government be pleased to state what classes are given to Anglo-Indian and European prisoners in India respectively ?

(g) Will Government be pleased to give information by laying on the table a list showing how many Anglo-Indians and Europeans respectively are undergoing imprisonment in the jails in India and for what offences, and under what classes have they been placed ?

The Honourable Mr. H. G. Haig : (a) The Government of India have seen a notice of the Resolutions in the press.

(b) They have not taken action.

(c) and (d). As was explained in the communiqué issued by the Government of India on the 19th February, 1930, Local Governments confirm or revise the classification in A and B classes recommended by the Courts. The policy of Government is fully explained in the communiqué mentioned above to which I invite the Honourable Member's attention.

(e) Treatment in prison depends on the class in which the prisoner has been placed and not on racial considerations.

(f) European and Anglo-Indian prisoners in India are classified in accordance with the rules, which apply equally to Indian prisoners.

(g) The information could only be collected by detailed enquiry which in my opinion would not be justified.

Mr. K. C. Neogy : Is the Honourable Member in a position to say whether there is a single European prisoner at the present moment who has been treated as a C Class prisoner ?

The Honourable Mr. H. G. Haig : I have no information as to the particular classification.

Mr. K. C. Neogy : Or ever was since the classification was brought into operation ?

The Honourable Mr. H. G. Haig : I have not got the information.

Mr. Lalchand Navalrai : May I ask why the Government of India took no action when they came to know of this Resolution ?

The Honourable Mr. H. G. Haig : Because the matter is one which rests with Local Governments.

Mr. Lalchand Navalrai : Did the Government of India draw the attention of Local Governments to this Resolution ?

The Honourable Mr. H. G. Haig : I have not got a copy of the Resolution with me at the moment. Could the Honourable Member refresh my memory as to the exact terms of it ?

Mr. Lalchand Navalrai : Some of the terms are given in my question. I only wanted to know whether it is not the duty of the Government of India to draw the attention of Local Governments in such cases.

The Honourable Mr. H. G. Haig : On the general question, the Government of India addressed a letter last May to all Local Governments calling their attention to the general principles and inviting them to follow them carefully.

Mr. Lalchand Navalrai : Will the Honourable Member lay a copy of that letter on the table ?

The Honourable Mr. H. G. Haig : No, Sir, the letter is confidential.

Sir Cowasji Jehangir : Will the Honourable Member tell me whether there have been serious complaints that certain Local Governments have not followed out in the spirit or in the letter the principles laid down in the communication referred to by my Honourable friend ?

The Honourable Mr. H. G. Haig : It is quite true that an Association in which my Honourable friend is interested addressed the Government of India early in the year on this subject. It was in consequence of that representation that we addressed the letter I have just mentioned to all Local Governments.

Sir Cowasji Jehangir : Will my Honourable friend be able to tell the House whether they have ascertained as to what action Local Governments have taken on the statement made by the Western India Liberal Association. I have not heard of any action having been taken. Specific cases were quoted in the statement. The principles laid down by Government were also quoted, also the action taken by Local Governments. The public up to now have not heard the result of my Honourable friend's kind intervention in the matter.

The Honourable Mr. H. G. Haig : I wish to make it plain that we addressed the Local Governments merely on the question of general principle and to satisfy ourselves that there was no misunderstanding between us and Local Governments as to the general principles to be observed. So far as concerns individual cases, they are left to Local Governments to be dealt with in accordance with the general principles.

Sir Cowasji Jehangir : Then I have the Honourable Member's assurance that the Local Governments will follow the Honourable Member's instructions.

The Honourable Mr. H. G. Haig : The Local Governments all sent replies to our letter and those replies indicated that there was no misunderstanding about the general principles.

12 Noon.

CASUALTIES DURING COMMUNAL RIOTS IN BOMBAY.

109. ***Mr. Lalchand Navalrai :** (a) Will Government be pleased to state the number of persons injured and killed on each day during the Bombay riots ?

(b) Has the attention of Government been drawn to the leading article in the *Tribune*, dated 25th May, 1932, stating : " The authorities do not seem to have made the most effectual use of the force that was actually available ; and the rounding up of the hooligans was attempted at a very late stage of the disorder " ?

(c) Are Government in a position to state what was the cause of the riot ?

The Honourable Mr. H. G. Haig : (a) and (c). The Honourable Member is referred to the answer to Mr. Gaya Prasad Singh's question No. 73 of today's date.

(b) I have seen the article.

Mr. Lalchand Navalrai : Will the Honourable Member please answer the second part, namely (b), of that question, more fully ? Is the statement that " the authorities do not seem to have made the most effectual use of the force that was actually available ; and the rounding up of the hooligans was attempted at a very late stage of the disorder " correct ?

The Honourable Mr. H. G. Haig : The Honourable Member's question was whether the attention of Government had been drawn to that article. My reply was that I had seen the article.

Mr. Lalchand Navalrai : I am now putting a supplementary question, namely, is the statement which I have just now quoted correct ?

The Honourable Mr. H. G. Haig : No, Sir. I think the Government of Bombay were faced with a very difficult situation and they did everything possible. With regard to the details, I would ask the Honourable Member to await the official report which I hope will be available shortly.

Mr. Lalchand Navalrai : Do I understand that that report will also bring out at what time action was taken, whether late or at the proper time ?

The Honourable Mr. H. G. Haig : I have no doubt that the report will go fully into all the details.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Frank Noyce (Member for Industries and Labour) : Sir, I lay on the table :

(i) the information promised in reply to part (b) of starred question No. 745 asked by Rao Bahadur M. C. Rajah on the 9th March, 1932 ;

(ii) the information promised in reply to unstarred question No. 132 asked by Rai Bahadur Lala Brij Kishore on the 4th March, 1932 ; and also

[Sir Frank Noyce.]

- (iii) the information promised in reply to starred question No. 696 asked by Mr. Muhammad Anwar-ul-Azim on the 7th March, 1932.

NUMBER OF RECORD SORTERS AND DAFTRIES EMPLOYED IN NEW DELHI IN THE GOVERNMENT OF INDIA SECRETARIAT AND ITS ATTACHED AND SUBORDINATE OFFICES.

745.

Department.	Record sorters.	Daftries.
Home	4	10
Director, Intelligence Bureau	1	5
Director of Public Information .. .. .	..	3
Finance	3	10
Central Board of Revenue	1	6
Auditor General	1	6
Director of Railway Audit	1	1
Audit Officer, Indian Stores Department	1	6
Accountant General, Central Revenues	1	10
Foreign and Political	5	10
Legislative and the Local Clearing Office	3	6
Legislative Assembly	3	6
Commerce	2	8
Railway (Railway Board)	3	11
Controller of Railway Accounts	1	3
Central Standards Office for Railways	1	1
Education, Health and Lands	5	11
Director General, Indian Medical Service .. .. .	..	4
Director General of Archæology .. .. .	..	1
Office of the Keeper of the Records	3	6
Industries and Labour	4	10
Office of the Director of Civil Aviation	1	3
Chief Engineer, Central Public Works Department .. .. .	..	16
Director General of Posts and Telegraphs	22	13
Controller of Printing and Stationery, India	1	3
Chief Controller, Indian Stores Department .. .. .	..	14
Imperial Council of Agricultural Research	1	3
Army	6	14*
Financial Adviser, Military Finance	1	5
Military Accountant General's Office	3	6
Royal Air Force, Headquarters	2	6
General Staff Branch (Army Headquarters)	2	3
Adjutant General's Branch (Army Headquarters)	4	9
Quarter Master General's Branch (Army Headquarters)	2	5
Military Secretary's Branch (Army Headquarters) .. .. .	..	2
Military Secretary to the Commander-in-Chief	1	..
Medical Directorate .. .. .	..	1
Master General of the Ordnance in India .. .. .	..	1
Engineer-in-Chief's Branch .. .. .	..	2
Total	89	240

* Including one temporary daftry.

APPOINTMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE RAILWAY MAIL SERVICE.

132. The reply to the first two parts of the question is in the affirmative. As regards the last part, the memorandum issued by the Superintendent, Railway Mail Service, 'A' Division has been cancelled.

RETRENCHMENTS IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

696. (a) and (b). Since the issue of the instructions to which the Honourable Member refers only two men holding permanent posts have been discharged from the Aligarh Press, and these were technical men employed in the power house. The Honourable Member is possibly referring to the discharge in May, 1931, of a number of men holding temporary posts or working in an officiating capacity; the instructions in question were issued subsequently, and in any case men permanently employed have a better claim to retention than men doing similar work who have no permanent appointments.

(c) There were no posts in which the men could be re-employed.

(d) There are 21 employees with at least 28 years' service. No question of retrenching these men arose.

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

- (i) the information promised in reply to unstarred question No. 249 asked by Lala Rameshwar Prasad Bagla on the 23rd March, 1932 ;
- (ii) the information promised in reply to unstarred questions Nos. 65, 66 and 67 asked by Mr. S. C. Mitra on the 16th February, 1932 ;
- (iii) the information promised in reply to part (c) of unstarred question No. 233 asked by Lala Rameshwar Prasad Bagla on the 23rd March, 1932 ;
- (iv) the information promised in reply to unstarred question No. 35 asked by Mr. S. C. Mitra on the 10th February, 1932 ;
- (v) the information promised in reply to starred questions Nos. 630 and 632 asked by Mr. Bhuput Sing on the 4th March, 1932 ; and
- (vi) the information promised in reply to unstarred question No. 295 asked by Pandit Satyendra Nath Sen on the 29th March, 1932.

GRANT OF CONCESSIONS TO CLERKS OF NORTH WESTERN RAILWAY OFFICES FOR ATTENDING OFFICE ON SUNDAYS AND HOLIDAYS.

249. On the North-Western Railway, clerical staff attending offices on Sunday or any other holiday, are ordinarily considered eligible for compensatory casual leave. Tonga hire is allowed only when clerks are called to office from their homes without notice. Government do not consider it necessary to issue any further orders to the North-Western Railway on the subject.

The staff employed in the offices of the East Indian, Eastern Bengal Railways and under the Chief Mining Engineer, Railway Board, are allowed only the actual tram or bus hire incurred by them together with compensatory casual leave for attending office on Sundays and other holidays.

PROMOTION OF ASSISTANT STATION MASTERS IN THE DELHI DIVISION OF THE NORTH WESTERN RAILWAY.

65. No. At present there are 2 permanent and 3 officiating Indian Assistant Station Masters, Grade V.

PAY OF ANGLO-INDIAN AND INDIAN ASSISTANT STATION MASTERS AT DELHI AND GHAZIABAD.

66. Out of nine posts of Assistant Station Masters at Delhi in Grade V, three posts were converted into Grade I as it was found that the work of these Assistant Station Masters was similar to that of Train Despatchers employed at other junction stations, who were in Grade I. The posts in Grade V have not always been filled by Europeans or Anglo-Indians but by Indians also. There is no racial discrimination. As regards Ghaziabad, out of three posts in Grade V, two posts were reduced to Grade I during the recent economy campaign.

PAY OF THE ASSISTANT STATION MASTER AT SIMLA.

67. The grade of Assistant Station Masters at Simla is Rs. 40—5—60—3—75 and no station clerk is employed under him.

RETRENCHMENT OF WORKS MANAGERS, ETC., OF THE LOCO. AND CARRIAGE SHOPS, NORTH WESTERN RAILWAY.

233. (c) (i) One post of Assistant Works Manager, Karachi has been abolished.

(ii) One post of Senior Scale Production Engineer at Moghalpura has been reduced to Junior Scale.

(iii) Two posts of Foremen at Moghalpura have been held in abeyance.

(iv) In Moghalpura Workshops nine posts of Senior Chargemen have been held in abeyance.

COMMUNITIES OF CHARGEMEN APPOINTED IN THE EAST INDIAN RAILWAY WORKSHOPS AT LUCKNOW.

35. (a) The number of vacancies which occurred, and were actually filled, in the grade of Chargemen during the years 1928—1931 were as follows :—

	1928.		1929.		1930.		1931.	
	Perma- nent.	Tempo- rary.	Perma- nent.	Tempo- rary.	Perma- nent.	Tempo- rary.	Perma- nent.	Tempo- rary.
<i>Chargemen.</i> (Rs. 185—15— 350).								
Vacancies oc- curred.	1	10*	3	3				
Actually filled ..	1	10*	2	3				
<i>Chargemen T. T.</i> (Rs. 110/150—20 250).								
Vacancies oc- curred.	..	..	..	..	..	..	1	
Actually filled ..	..	..	..	..	..	..	1	..

* Permanently absorbed in 1930 in the grade of Mechanics on Rs. 160—15—220 per mensem.

(b) & (c). Suitable men from other shops were transferred to the posts that were filled. No ex-apprentices of the Lilloah Workshops or outsiders were appointed.

APPOINTMENT OF APPRENTICES OF THE LILLOOAH RAILWAY WORKSHOPS.

630. (a) and (b). Five vacancies which are usually filled by those trained as apprentices occurred in Lillooah Workshops in 1931. Of these only four were filled, one being left unfilled for reasons of economy. Messrs. R. Sim, W. Smith, A. C. Nandy and S. N. Ojha were appointed against these vacancies. Each of these men had, during his apprenticeship, received special training to fit him for the post to which he was finally appointed. Other apprentices, including those who passed out in 1930, not specially trained, were not suitable and could not have been considered for these posts.

Mr. Platts, who is stated by the Honourable Member to have been appointed, was discharged on completion of his training.

In addition to these four vacancies, two temporary appointments for the purpose of part numbering were required to be filled by men qualified as C. & W. Draughtsmen. The apprentices who had completed their training in 1930 were not considered to have the necessary qualifications for the posts and the vacancies were therefore advertised. Two Indian applicants were offered the appointments; one refused and the other accepted. Mr. Gibbons who completed his apprenticeship in January, 1931 was then appointed to the second post as he had exceptional abilities in this particular work.

APPOINTMENT OF APPRENTICES OF THE LILLOOAH RAILWAY WORKSHOPS.

632. (b) The Honourable Member's attention is invited to the reply given above to his Question No. 630.

CONFIRMATION OF PROBATIONERS IN THE CHIEF ACCOUNTS OFFICE, EAST INDIAN RAILWAY.

295. Instructions have been issued to all Chief Accounts Officers of State-managed railways that the men recruited on the results of the competitive examination should be treated as permanent employees though on probation for a year and entitled to increments in the ordinary course.

Mr. H. A. F. Metcalfe (Foreign Secretary) : Sir, I lay on the table the information promised in reply to starred questions Nos. 997, 999 to 1003 and 1005 to 1019 asked by Mr. S. C. Mitra on the 29th March, 1932.

CONFISCATION OF THE PRIVILEGE OF INTERVIEW OF CERTAIN POLITICAL PRISONERS.

997. 94 prisoners convicted of offences in connection with the civil disobedience movement have been punished for offences against Jail discipline with deprivation of the privilege of interviews in accordance with the provisions of the Jail Manual.

CONFINEMENT IN A DARK CELL OF A PRISONER IN THE AJMER CENTRAL JAIL.

999. It is not a fact.

HUNGER STRIKE OF A PRISONER IN THE AJMER JAIL.

1000. It is not a fact. He is not and has not been on hunger strike.

REMOVAL UNDER THE ORDINANCE OF PRIVATE MONEY BY THE AJMER POLICE.

1001. In executing search warrants issued under sub-section (4) of Section 7 of Ordinance No. IV of 1932, the Police Officers concerned in one or two cases took possession of money suspected to form part of the funds of an unlawful association. All this money was returned in the course of a few days when as a result of enquiry the evidence was considered insufficient to justify its retention.

AUCTION OF PRIVATE PROPERTY IN THE GANDHI ASHRAM AT HATUNDI.

1002. (a) Yes.

(b) Some of the articles found in the Gandhi Ashram, which were believed to have been used for the purposes of associations declared to be unlawful, were forfeited and auctioned. Other articles, which are believed to be the private property of inmates of the Ashram, have been kept for return to their owners when they come forward to claim them, which they have not yet done.

ARREST OF A SHOPKEEPER FOR FLYING THE CONGRESS FLAG.

1003. A congress flag was found flying on Seth Kalyan Mal's house. Enquiries were made by the Police and he was called to the Kotwali and detained there for about 4 hours for the purpose of this enquiry. When the enquiries showed that he himself was not responsible for hoisting the flag, he was allowed to go. He was not abused by the Sub-Inspector or asked to apologise.

ARREST OF YOUNG BOYS IN AJMER.

1005. (a) This is not being done.

(b) Six boys were prosecuted and convicted under Section 448 of the Indian Penal Code, 1860 (XLV of 1860) for committing trespass in the District Kutchery and hoisting a congress flag on the flag-staff. Being juveniles, they were sentenced to whipping (9 stripes each) as it was considered desirable to avoid, if possible, sending boys of their tender age to Jail. Unfortunately the punishment failed to have the desired effect and the same offenders had to be prosecuted for subsequent offences committed a few days later and were sentenced to imprisonment.

(c) The punishment was awarded in the interest of the boys themselves under the Whipping Act, 1909 (IV of 1909).

CLASSIFICATION OF PRISONERS IN THE AJMER CENTRAL JAIL.

1006. (a) There are at present 122 prisoners convicted for offences in connection with the civil disobedience movement in the Ajmer Jail. Nine of these are classified in "A" class and the remainder in "C" class, as having regard to their social status and the mode of living to which they were accustomed—so far as these could be ascertained—it was not considered that they were eligible for inclusion in a higher class. Most of the persons convicted of taking part in the civil disobedience movement in this district are persons who have come for this purpose from other districts or States. Nothing is known about them in this district and as in many cases they give fictitious names or refuse to answer the questions put to them by the Magistrates, in whose Courts they are tried, it is not possible to ascertain what their antecedents have been.

(b) Mistakes in classification were made in 1930-31. Of the persons mentioned, Narsingh Das is in "A" class. The others were not considered to be entitled to inclusion in "A" or "B" classes.

CLASSIFICATION OF PRISONERS IN THE AJMER CENTRAL JAIL.

1007. Magistrates have already been instructed to classify prisoners provisionally at the time of conviction. The classification is subject to confirmation by the Local Administration.

CLASSIFICATION OF PRISONERS IN THE AJMER CENTRAL JAIL.

1008. No. Sobha Lal Gupta's wife, Mst. Vijya Devi, was convicted by the City Magistrate, Ajmer, of an offence punishable under section 17 (2) Criminal Law Amendment Act, 1908 (XIV of 1908), on the 21st January 1932, and was sentenced to rigorous imprisonment for one year. She was charged with organising a congress meeting held at Ajmer. As she refused to take any part in the proceedings in the City Magistrate's Court or to reply to the questions put to her, the Magistrate made no recommendation for her inclusion in a higher class and she was accordingly classified as a "C" class prisoner. When it became known that her husband had been classified in "A" class, orders for her classification as an "A" class prisoner were about to issue, but in the meanwhile Mst. Vijya Devi was reported to be about to give birth to a child and as it was considered desirable in these circumstances to release her, orders for her unconditional release from the Central Jail, Ajmer, have now been issued by the Local Government under Section 401 of the Code of Criminal Procedure, 1898 (V of 1898).

STANDARD OF DIET OF "C" CLASS PRISONERS IN AJMER.

1009. "C" class prisoners are given the diet provided for ordinary prisoners. This has recently been changed with a view to improving it. The description of the present diet contained in the question is inaccurate.

CORN-GRINDING LABOUR GIVEN TO POLITICAL PRISONERS.

1010. (a) and (b). "C" class prisoners are usually given grinding work in the mills in the ordinary course for a few days after admission to the Jail. No prisoner, who is not fit to perform this labour, is made to do it. Prisoners classified in "A" class are not given this work.

(c) No.

HUNGER STRIKE OF POLITICAL PRISONERS IN AJMER.

1011. Six prisoners convicted for offences in connection with the civil disobedience movement refused to take food for six days. They discontinued the "hunger strike" at the end of that period.

COMPLAINT ABOUT THE TREATMENT OF PRISONERS IN THE AJMER CENTRAL JAIL.

1012. (a) These are not facts.

(b) These are not facts.

(c) Six prisoners were punished for refusing to take Jail food. They were deprived of six days' remission.

CONDITIONS OF INTERVIEWS WITH POLITICAL PRISONERS IN THE AJMER CENTRAL JAIL.

1013. Sunday is the day fixed for interviews in the Ajmer Jail. Undertrial prisoners are allowed interviews on other days also. In order to facilitate interviews, a new interview room has been constructed near the Jail office. All interviews take place there.

ALLEGED HARASSING OF PRISONERS IN THE AJMER CENTRAL JAIL.

1014. The suggestion made in the first part of the question is incorrect. As regards the second part, articles for "A" class prisoners are only disallowed if they are considered objectionable or if the quantities are unnecessarily large.

RECORD OF WEIGHTS OF POLITICAL PRISONERS IN THE AJMER CENTRAL JAIL.

1015. (a) This would involve an unnecessary amount of clerical labour for the Jail staff, which is already over-burdened with work. Out of 126 prisoners convicted in connection with the civil disobedience movement, 115 have either gained weight or their weight has remained stationary after admission to the Jail.

(b) No.

DISALLOWANCE OF A RELIGIOUS BOOK TO A PRISONER IN THE AJMER CENTRAL JAIL.

1016. Prisoners are not allowed to have an unlimited number of books. If this particular book was disallowed, it could only have been under this rule.

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PROVISION OF A NON-OFFICIAL VISITOR FOR THE AJMER CENTRAL JAIL.

1017. Mr. D. H. Vakil and Syed Ale Rasul Ali Khan have been appointed as non official visitors for the Central Jail, Ajmer, with effect from the 17th June, 1932.

LACK OF SOAP AND OIL IN THE AJMER CENTRAL JAIL.

1018. Oil is supplied but soap is not provided for ordinary prisoners except for washing clothes.

**ALLEGED OBJECTIONABLE METHODS IN SEARCH FOR CONGRESS FUNDS
ADOPTED BY THE POLICE INSPECTOR, AJMER.**

1019. (a) So far as this question is not covered by the reply to question No. 1001, the suggestions contained in it are incorrect. Government do not intend to hold an enquiry into the matter.

(b) All account books have been returned.

Mr. President : Mr. Amar Nath Dutt.

Mr. Amar Nath Dutt : I do not move it,* Sir.

Mr. President : Mr. Piracha.†

Sir Cowasji Jehangir : I rise to a point of order, Sir. I understand that the Honourable Member has given up his right to move Resolution No. 1. Do I take it that he gives up his right for all time ?

Mr. President (The Honourable Sir Ibrahim Rahimtoola) : The Honourable Member, Mr. Amar Nath Dutt, was deputed by Mr. M. R. Puri to move the Resolution in his absence. The Chair must, therefore, take up the next item on the order paper. Mr. Piracha.†

“ This Assembly recommends to the Governor General in Council that at the forthcoming Statutory Enquiry under Section 3 of Act III of 1927, the following be included among the points to be investigated and reported upon by the Tariff Board in regard to the working of the Tata Iron and Steel Works, Jamshedpur :

- (i) what proportion do the total assets of the Company bear to the aggregate value of the protection so far enjoyed by it by way of bounty and tariff, together with the value of the various concessions, such as reduced railway freight for raw materials and manufactured products, enjoyed by the Company ever since it started its operations ; and whether in view of the large contributions thus made by the State and the people towards the maintenance of this firm, some amount of supervision and control should not be assumed by Government over its management in the event of the policy of protection being further continued ;
- (ii) whether and how far the process of Indianisation is being carried on, and how far this policy has succeeded in finding employment for the best talents in the country, and whether there has been any favouritism at the cost of efficiency ;
- (iii) what relations have subsisted between the firm and the labour employed by it ;
- (iv) whether and to what extent the purchase of raw materials and machinery is being conducted on economic lines ;
- (v) whether and to what extent the sale of finished materials, semi-finished materials and scrap and rejected materials are being carried on in the best interests of the Company and consumers in India ;
- (vi) whether the sale policy of pig iron is conducive to the best interests of the country ; and
- (vii) whether the management has rendered every possible assistance to subsidiary and dependent industries, directly and indirectly, so as to help in the growth and expansion of such industries, and particularly to eliminate the necessity of protection to those subsidiary concerns that may now be enjoying it.”

†The Honourable Member was absent.

RESOLUTION RE RATE FOR COASTAL PORT PASSENGER TRAFFIC.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : Sir, I beg to move that :

“ This Assembly recommends to the Governor General in Council to take the necessary steps for the purpose of fixing the minimum rate for the passenger-carrying trade by sea between the coastal ports of India.”

Sir, I move this Resolution which has been balloted in my name. In this Resolution I do not want that the Government should interfere in trade. I do not want in this Resolution that the Government should follow the recommendations of the committee of 1923 and reserve the coastal traffic for Indians alone, but I make a very modest request, namely, to stop incessant ‘ rate-war ’, which the Government have already accepted in principle. Sir, the Honourable the Leader of the House, who represents the railways of India, had been the first victim of this rate-war in the year 1890-91 which was referred to by Rai Bahadur Tarit Bhushan Roy, in his speech before the Legislative Assembly, on the 12th February, 1927. He pointed out the rate-war that continued between the State-owned steamers and the Inland Navigation Companies, and he said :

“ Is it not a fact that for ousting the State service from Eastern Bengal handkerchiefs and sweets were offered to us and no fares were charged ? ”

Sir, on account of this rate-war the Government had to give up their connection with steam navigation and gave up the whole concern to an inland navigation company but imposed one condition, namely, that the fares should be printed on the ticket, of which they had bitter experience in the ‘ rate-war ’. But what followed ? The same Inland Navigation Company, which was carrying passengers free of cost, immediately increased its fare by 50 to 150 per cent. and in the case of freight it increased ten times.

Sir, this question of rate-war was taken up by the Deck Passengers Committee in 1921 and, in paragraph 35, the committee said that ‘ some official and some non-official witnesses had stated that new capital was debarred from entering the shipping trade through fear of rate-war, and it is common knowledge that in the past attempts were made to enter the trade, but they failed ’. The committee admitted that one or two shipping concerns had the monopoly and the committee was certain that if the rate-war could be avoided, a stimulus might be afforded to fresh enterprise. The majority on the committee recommended that the Government should consider the question whether a minimum rate ought not to be prescribed. This subject was taken up again by the Mercantile Marine Committee in 1923 and 1924. This committee went much further and it pointed out that in section 736 of the English Merchant Shipping Act of 1894, there is a provision conferring power upon the legislature of a British Possession to make their own coastal arrangements by means of ordinances and regulations. Following this special privilege, the Australian Government made certain regulations to regulate the coastal traffic, and this Mercantile Committee was so strong on this particular point that they said that whatever the results of the experiment made by Australia may be, it is very desirable that in India we ought to regulate coastal traffic and take advantage of this particular privilege. They said very forcibly that ‘ it does not

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follow that if the Australian system has been unsuccessful, the system we propose for the Indian coastal trade will not be a success'. Soon after this report was written, Mr. S. N. Haji, whose name is very familiar in this House wrote a book called the "Economics of Shipping" and on page 257 of this book he said :

"With a view to stop the ruinous rate-war in the passenger-carrying trade, which would then benefit by the flow of new capital now held back through fear of a total loss, the writer, in 1921, advocated before the Indian Deck Passenger Committee the fixing of a minimum rate of fare by law so that fresh Indian enterprise may be forthcoming in the world of shipping. The following is the official summary of the oral evidence :

'What kills new enterprise in the shipping field is the necessity of standing a fierce rate-war at the outset. Witness considers that Government would be justified in intervening in order to prevent a rate-war, one reason being that the passenger-carrying trade deals with human beings and is, therefore, in principle different from the selling of material commodities.' "

No step was taken on the recommendations of this committee but the question was taken up by Mr. Neogy who presented a Bill, called "The Bill further to amend the Inland Steam Vessels Act of 1907". He presented the Bill on the 1st February, 1927 ; a year later it came up for discussion when the motion that it may be circulated was passed. Another year passed away and then it was referred to a Select Committee and in the fourth year this particular Bill was passed by the Assembly and it received the assent of the Governor General and became law. I do not want to take the time of the House by going through the details of the discussion on this particular Bill and I do not like to quote *in extenso* the speeches that were delivered by my Honourable friend, Mr. Neogy, who had been the pioneer in this particular field. He himself will probably defend this particular motion of mine. But I would like to quote from a speech made by Mr. Haji because he is not here to defend this particular case. When the question was being discussed that the Bill be circulated, Mr. Haji said as follows :

"Now, Sir, the scandal of rate-wars against Indian companies has been of such a long duration and there are so many cases of such rate-wars being carried on against Indian companies that I will not waste the time of the House by quoting any examples. But attention must be drawn not merely to the rate-wars which are public, however abominable, but to the private pressure put upon Indian shipowners by British companies and their representatives in this country in order to induce them to wind up their concerns, occasionally with the temptation of large bribes and sometimes with the threat of the impending rate-war if the company does not cease to run its steamers along the routes which have been monopolised by these foreign organisations."

While this Bill was being discussed, Sir George Rainy on behalf of the Government practically accepted the terms of this Bill. In the earlier stages he said, as reported in the Legislative Assembly Debates, Volume 1, 1929, that 'the Government were not prepared to say that the Executive Government of the country ought not to have the power to intervene for the protection of the public'. Then he said that we should protect indigenous companies and not harm old shipping companies simply because

they are Europeans. On the 23rd January, 1930, Sir George Rainy on behalf of the Government said :

“ I frankly admit that at various times, the Government have had their doubts as to this Bill, and as Mr. Neogy himself admits, it is something of a novelty, and it remains to be seen how exactly the experiment would work. But Government have already accepted the principle of the Bill and they believe that the measure in the form in which it has emerged from the Select Committee is workable and that it can be administered so as to give fair play to all and to cause injustice to none.”

So, this is the principle which Sir George Rainy has already accepted in connection with this Bill. The Bill to which I have already referred, which was moved by Mr. Neogy, applied only to the navigation in inland waters and, unfortunately, he did not include in his Bill the coastal trade. And, now, today, in this Resolution I request that the principle that has already been accepted for inland trade may also be extended to the coastal trade. I wish to establish today that the conditions in the coastal trade are just the same as the conditions in the inland trade and the reasons which I will advance today are just the same as were advanced by Mr. Neogy and by his supporters when they pressed for this particular Bill. Sir, when the circumstances are the same and when the conditions are the same, I hope, Government will apply the same principle to the coastal trade which they have already accepted in case of the inland trade. I repeat once more that I am not asking the Government to accede to any new policy ; I am simply requesting them to extend the already accepted policy to the coastal trade where the conditions are of a similar nature.

Now, Sir, I will proceed to make out my case and give the reasons why I request that this particular privilege ought to be extended to the coastal trade also. Sir, I refer particularly to the service between Chittagong and Rangoon. For many years a British Indian Steam Navigation Company had the monopoly, but they treated the passengers so very badly that they became disgusted and they themselves requested the Asiatic Company in 1880 to come to the field. They thought that probably a kind of competition will be advantageous to the passengers. But they found that this new company which they themselves brought in made terms with the old company and the conditions remained as they were before. When the people of Bengal were tired of the bad treatment accorded to the passengers by the authorities and the officers of the new company, they themselves started a company in 1905 under the name of Bengal Steam Navigation Company which ran its ships between Chittagong and Rangoon. Now, as soon as this company came into existence, the same rate-war immediately began. They reduced the fares from Rs. 12 to Rs. 6 and they reduced the freight from Rs. 14 per maund to Rs. 4 per maund so that the new company might not be able to prosper. The old theory of giving sweets and handkerchiefs was also practised in this particular case. I understand the mentality of the people of Bengal, I suppose it is the case with everybody and I myself would not have refused cheap passage and present of sweets and handkerchiefs. The result was that this new company struggled for five years and in 1910 it went into liquidation and disappeared. As soon as the company went into liquidation, what happened ? The British India Steam Navigation Company, immediately raised their fares and their freights. They raised their fares to Rs. 14 ; previously the fares were Rs. 12. They raised the fares by Rs. 2 in order to compensate themselves for the loss they incurred in competition with the Bengal Steam Navigation Company. They also increased their freight immediately. This thing continued for a very long time.

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The people of Bengal repeatedly requested this company to reduce their fares and accord human treatment to passengers, but there was no response to their request. They had the monopoly and they were certain that by exercising this rate-war, they could bring down any company. On account of the bad treatment which the people were receiving, they got so much disgusted that they moved in the matter. Even the poor people wanted to do something to put an end to this state of affairs. Then the small people who earned their livelihood in the field and the small businessmen all combined together and they floated a company with 26,000 shares. The entire sum was subscribed for by the lower middle classes. This company came into existence in 1928. At that time the excitement among the people was so great, that they signed an agreement to the effect that they would only travel in this new company and would not travel by the other company. What was the result? Immediately rate-war began. The British India Steam Navigation Company reduced their fares from Rs. 16 to Rs. 6 and they reduced the freight to Rs. 4 per ton. Not only this, they have also been spending Rs. 40,000 per month in propaganda that people might travel in their own boats. They supplied motor cars free at the residence of passengers to carry them from their houses to the ports and the same old game of giving free handkerchiefs and sweets was started again. But the new company that was just started continued to have the rates which they fixed originally, that is, Rs. 14, and the result was that this new company which has just been started incurred, on account of unfair competition, a heavy loss during the last five years to the extent of Rs. 6,87,000. This is not the whole story. It goes a little bit further. This new company which was started in Bengal purchased three steamers from Messrs. Turner, Morrison and Company, and they used them between Chittagong and Mongdow and Chittagong and Cox-Bazaar. As soon as this company purchased these three boats, the British India Steam Navigation Company, put a special steamer called the Daregata and reduced the fare immediately from Rs. 3 to twelve annas for passengers and from Rs. 2 to annas six per ton for luggage. This was the rate-war that was going on and the conditions in this particular case are just the same as those which existed in inland traffic which my Honourable friend, Mr. Neogy, so ably described in four of his speeches between 1927 and 1930. I may say at once that I am not against European administration nor against European companies coming to India. I do not propose that the Britishers should be excluded from coastal traffic. All I want is trade and navigation should not become the monopoly of any one company. I really move a very modest proposal. If the Europeans come out here to trade, they should not turn out the Indians who are now struggling to come into this field. I appeal to the Honourable Members of the European Group and to Government that they should consider this fact that this particular trade ought not to be the monopoly of Europeans. If at all it is to be a monopoly, it should be the monopoly of the Indians, and not of the Britishers. If this Government exists for the benefit of the Indians, then they should come forward to give a little aid to the Indians so that they may also exist in this field. No doubt the Indians have just started in this field. They cannot even walk and if at this stage they are crippled by the superior skill and by the larger capital of the British companies, it is impossible for any Indian company to thrive. Therefore I request

the Government to extend a little help and save the Indian companies from this rate-war. I admit there might be fair competition in every trade, but there should not be unfair competition. If there is unfair competition, the Government must interfere. As an example I may cite the case of the textile industry. On account of the rapid fall of the yen, the Government have fixed a higher rate of duty for non-British textile and this was really a case of unfair competition. Therefore, in all cases of unfair competition, it is really the duty of Government to protect the interests of their own people. This is all that I demand in this Resolution. I do not ask the Government to adopt any new policy. I do not ask the Government to go out of their way and formulate any new policy. I simply ask them to take the facts as they are and to help us against this rate-war which has been waging for a long time and which has been crippling every effort which the Indians are putting up and in a matter like this, it is the Government and the Government alone to whom we can look forward for help and we may also appeal to the European companies through the Honourable Members of the European Group that they should assist the Indians in this particular matter and not drive out the Indians by unfair competition which may at present be legally right, but which certainly is morally wrong. With these words, I move my Resolution.

Mr. President (The Honourable Sir Ibrahim Rahimtoolah) : Resolution proposed :

“ This Assembly recommends to the Governor General in Council to take the necessary steps for the purpose of fixing the minimum rate for the passenger-carrying trade by sea between the coastal ports of India.”

Mr. Abdul Matin Chaudhury (Assam : Muhammadan) : Sir, I have got an amendment standing in my name, but I am not going to move that.

Mr. N. M. Joshi (Nominated Non-Official) : Why ?

Mr. Abdul Matin Chaudhury : For the simple and sufficient reason that if I move that amendment, the Honourable the President will at once come down upon me and rule it out of order ; because, it widens the scope of the original Resolution.

Mr. N. M. Joshi : Leave it to the President to do so.

Mr. Abdul Matin Chaudhury : In giving notice of that amendment, all I wanted was to bring out the true implication of the original Resolution. I think my Honourable friend, Dr. Ziauddin Ahmad, will agree with me that it is as much necessary to fix maximum rates to prevent profiteering as it is necessary to fix minimum rates to prevent unfair competition. By this Resolution we are not proposing any new principle and we are not suggesting any new procedure for the acceptance of Government. This fixing of minimum and maximum rates in passenger traffic and goods traffic has been the accepted policy of Government. They have done it in the case of the State-managed railways, they have done it in the case of the company-managed railways and by passing Mr. Neogy's Bill, the Inland Steam Vessels (Amendment) Bill, they have accepted the same principle, in case of inland navigation. What we now propose is simply this. We make a recommendation to the Government that they should apply the same principle in the case of coastal traffic as well. If the case for fixing rates in the

[Mr. Abdul Matin Chaudhury.]

case of inland navigation was a strong one, strong enough to justify the enactment of Inland Steam Vessels (Amendment) Act, I submit that the case for fixing rates in the case of coastal traffic is overwhelming. The past history of coastal traffic in India has been the history of unfair and unequal struggle between the powerful British India Steam Navigation Company, with its unlimited resources and the tiny Indian concerns, a struggle in which the weaker Indian companies have inevitably gone to the wall. Every attempt made by the Indian companies to cut into the coastal trade has been foiled by the ruthless and relentless rate-war waged against them by the British India Steam Navigation Company. Dr. Ziauddin has given an instance of how the Bengal Steam Navigation Company was crushed by the British India Steam Navigation Company. He has also referred to the case of the Bengal-Burmah Steam Navigation Company which, I believe, is fairly on its way to liquidation because of this unfair competition by the British India Steam Navigation Company. I should like to supplement these remarks only by reading out an extract from the opinion of Mahatma Gandhi on this question of rate-war between the British India Steam Navigation Company and the Chittagong Company. Speaking in the second Round Table Conference in the Federal Structure Committee, this is what Mahatma Gandhi said :

“ Some of you may have heard of a budding company between Chittagong and Rangoon. The directors of that company, poor struggling Muhammadans, came to me in Rangoon and asked me if I could do anything. My whole heart went out to them, but there was nothing to be done. What could be done? There is the mighty British India Steam Navigation Company simply underselling this budding company and practically taking the passengers without any passage money at all. I could quote instance after instance of that character. Therefore it is not because it is a British company. If it were an Indian company that had usurped this thing it would be the same. Supposing an Indian company was taking away capital, as to-day we have Indians who instead of investing their capital in India invest their capital or invest their monies outside India. Imagine that there was a huge Indian corporation that was taking away all its profits and investing them in some other parts of the world, fearing that the National Government was not going along a correct policy, and therefore in order to keep their money intact they were taking away that money outside. Go a little step further with me and say that these Indian directors in order to organise in a most scientific, finished and perfect manner brought all the European skill that they could bring there and did not allow these struggling corporations to come into being, I would certainly have something to say and have legislation in order to protect the companies like the Chittagong company.”

So much about the east coast competition. In the west coast also the British India Steam Navigation Company is carrying on a rate-war against the small Indian concerns. In the west coast there are four small Indian companies, the Eastern Navigation Company, the Malabar Steamship Company, the Merchant Steam Navigation Company and the National Steamship Company. Just at present the British India Steam Navigation Company is engaged in a furious rate-war against these four companies. Quite recently when the “Hydari” a steamer of the Eastern Navigation Company berthed at Bombay to take cargo for Tuticorin, the British India Steam Navigation Company reduced its rate from 12 annas to 3 annas per bag to Tuticorin. No company can stand against this cut-throat competition, and afterwards when this British India Steam Navigation Company will succeed in killing the Indian concern they will at once raise their rates and dominate the situation. Government, Sir, are well aware of these facts. Representations have been made to them by the Indian Merchants' Chamber and the

members concerned. Now what I want to know is this. What are Government going to do in this matter? Are they going to stand aside as a passive spectator and allow these Indian companies to be ruined, or do they recognise that they have got a duty and a responsibility in this matter? Government, Sir, are not only watching as a silent spectator. That would be bad enough; but what is still worse is that they are acting as accomplices of the British India Steam Navigation Company in this matter. They pay a huge subsidy to that company for carrying mails and being fattened at the expense of the Indian taxpayer and the company uses these resources to crush the Indian concerns. Then again the Assam Bengal Railway,—I draw the particular attention of my Honourable friend Mr. Rau to this matter,—gives through booking facilities to the British India Steam Navigation Company but they refuse the same to the Indian concern. These, Sir, are the facts of the situation.

Now, Sir, for the past few years this question of rate-war has been before the Indian Government. The Indian Mercantile Marine Committee recommended that there should be a licensing board to license ships engaged in coastal trade and the licensing authority should have power to deal with matters like rate-war. But Government have ignored that recommendation. Then again in the year 1928 this House by referring to Select Committee by an overwhelming majority Mr. Haji's Coastal Traffic Reservation Bill accepted the principle of having the entire coastal trade reserved for Indian shipping. That was a very legitimate and aggressive policy to which this House committed itself. But unfortunately today this House is distinctly poorer by the absence of those stalwarts who used to tackle John Bull by the horns. Today in this tame and timid House we have brought forward a very tame and timid Resolution and our demand is very simple and very modest. What we want is that Government should arm themselves with power to prevent the elimination of Indian shipping from the coastal trade. Sir, in 1929 Government themselves declared that they would explore all avenues for securing adequate participation of Indian shipping in coastal and overseas trade. We want them to implement that promise and to honour that pledge which they gave to the Indian public.

I have one last word to say to the Honourable the Commerce Member. I believe he was one of those patriotic Indians who pleaded before the Round Table Conference for equality of trading rights for India. That was what he preached in London. Let him practise it in Simla.

Mr. N. M. Joshi : Sir, the decision taken by my Honourable and esteemed friend, Mr. Abdul Matin Chaudhury, not to move his amendment and take upon himself the duties which properly belong to the Chair makes it incumbent upon me to oppose the Resolution as it is worded. Sir, the Honourable Member who moved the Resolution stated that he did not want Government to intervene in this trade or industry. I do not know what he was asking for when he asked Government to fix minimum fares and rates. The Honourable the Mover must either believe that the trade and industry of this country must be based upon the principle of competition and take all the consequences of competition or believe that the important industries and important sections of trade in this country should be under the control of Government in order that the interests of the public

[Mr. N. M. Joshi.] should be properly safe-guarded. If the Honourable Member believes that the industry and trade should be based upon competition then what he complains about, namely, ruthless and relentless war or cut-throat competition is only an incidence of that competition. If you believe in war you cannot have a war which is not ruthless, you cannot have a war which is not relentless. So, if you believe in competition you cannot have a competition which is not cut-throat. Sir, I am frankly one of those people who believe that in the interests of the people of this country Government should always exercise proper control over the industries and trade in this country. The coastal trade is a trade which is very important from the point of view of those people who have invested their money, but more so from the point of view of those people who have to travel along the coast line of this country. This country has a very large coast line and the number of people who have to travel by steamers along the coast is a very large one. I have been one of those people who have to travel frequently along the coast. I have known sometimes the consequences of the competition that exists ; but some times the passengers have been exploited on account of want of competition. Therefore if gentlemen opposite believe in competition, let them at least give the people the benefit of the competition. It is not always that the passengers will get free motor drives or sweet-meats or handkerchiefs ; let them at least get the benefit when they do ; but I do not believe that the passengers care for these handkerchiefs or for sweet-meats, the passengers want comfortable passage and cheap fares. If Government can assure them of this, the passengers will be satisfied. But it is not right that any Member in this Assembly who says that he is an independent member and belongs to a party called the Independent Party should move a Resolution which is absolutely one-sided. I believe that the Government should intervene to regulate the coastal traffic of this country ; but the Government cannot regulate only to protect the capitalists of this country. If Government is to intervene, let Government intervene to regulate competition between shipping companies as well as to protect passengers in this country from being exploited by the capitalists. I assure you, Sir, that if Government begins to regulate industries in this country and if they do it properly with an eye to safeguard the interests not only of those who have invested their small amounts of money, but of those much larger sections of the people who make use of these trades and industries, I shall welcome it. I believe in the principle of Government intervention, especially in those industries which are concerned with the welfare of the people of this country. But the Resolution, as it is moved, leaves me no option but to oppose it.

Mr. E. Smith (Bengal : European) : Sir, the Mover of this Resolution as well as the Honourable Member who followed him both said that they were asking for something very modest. This itself is about the most modest statement I have ever heard, because the Resolution embodies a principle which is inherently vicious and which must be opposed without qualification or reserve.

In the first place, some of us are old-fashioned enough to think that the less Government interference and control there is in industry and commerce the better for the country and the better also for Government itself.

But looking at the matter more specifically, let me take a point made by the second Honourable Member who spoke on the Resolution. He said that this principle had been accepted in regard to railways. Now, what is a railway? A railway is essentially a carrier of certain goods and passengers and it has to acquire certain rights which it can only get from Government. Having got those rights, if it gets them, it is then in a monopolistic or quasi-monopolistic position; and that gives some ground for Government control over railways. The same can also be said of certain other industries; if you take an electric supply company, it has a right to supply current for power and for lighting in certain areas. It gets this by some form of licence. There again there is ground for suggesting that there should be control and limitation....

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : Who fixes the rates in these cases of electric companies and railways?

Mr. R. Smith : I cannot tell you who fixes in detail.

Sir Cowasji Jehangir : Have you never seen a Government licence in your life?

Mr. R. Smith : I suggest that I am quite capable of making my own speech without assistance from the Honourable Member.

An Honourable Member : He is making his maiden speech.

Sir Cowasji Jehangir : I beg your pardon.

Mr. R. Smith : Thank you. Having made these few points of comparison or rather contrast with electric supply companies and railways I think we come to the point of principle and it is this : If the House accepts this Resolution, it is accepting in principle the fixation of rates for any sort of commodity and service; and if it accepts the principle of Government fixation of rates for any commodity, it ought to accept it for all. I do not think that is possible. If this principle is accepted it means fundamentally the acceptance of a principle which would upset the entire economic system throughout the country or for the matter of that in any country. Then again suppose minimum rates are fixed; they are not going to be fixed unalterably. Sooner or later there will be a demand to have them changed; the very people at whose initiative these rates are fixed might later consider them too high and find themselves in a different position. The result of this will be that you will have constant bobbying and manœuvring. You will practically be allowing politics to interfere with business and business to interfere with politics and the results will, I think, be entirely deplorable. In principle, therefore, I think that ought to be utterly resisted and, therefore, this Resolution should be opposed.

Mr. R. S. Sarma (Nominated Non-Official) : Mr. President, I am afraid that this debate has taken so far a barren and fruitless course; because neither the eloquence of my friend, Mr. Abdal Matin Chaudhury,

[Mr. R. S. Sarma.]

nor the very laborious arguments of Dr. Ziauddin Ahmad were necessary to convince the House of the soundness of this proposition ; and, if I am opposed to this Resolution, it is because this is neither the time nor the place for pressing this. (An Honourable Member : " Why ? ") I am coming to that. Because this Resolution relates to the relationship that should subsist between British industrial concerns and companies and Indian-owned companies and it is exactly the matter that is now engaging the attention of the Round Table Conference. One of the most vital and important things the Round Table Conference is asked to solve is about this relationship between British and Indian companies...

Mr. B. Das (Orissa Division : Non-Muhammadan) : I do not think you have understood the purpose of the Round Table Conference.

Mr. R. S. Sarma : Anyway that is one of the most important things that is already engaging the attention of the Round Table Conference, and I think it will come before the November session of that Conference. Secondly, even if effect is given to this Resolution, I do not think that Indian companies will be able to compete with British companies which have much better capital and bigger organisations. Therefore the only way to effect a compromise is to come to some sort of working arrangement with these British companies ; and that is exactly what the Round Table Conference is doing ; and I think, therefore, the Resolution is ill-timed and wholly out of place.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Mr. President, when I entered this Assembly to-day I had no intention of speaking on this Resolution. As my Honourable friend pointed out, neither the Mover of the Resolution nor the seconder, Mr. Abdul Matin Chaudhury, has any interest in the coastal traffic, and I may also confess at the outset that I come from a place which is far removed from any coast and neither myself nor any of my constituents has got any interest in this coastal traffic. But I rise on account of the speech made by my Honourable friend, Mr. Joshi. He found fault with the Honourable Mr. Abdul Matin Chaudhury for not pressing his amendment for fixing both maximum as well as minimum rates. Sir, the Resolution is intended to see that the Indian companies do survive the competition. It is only after the Indian companies survive the competition, it is only after some of them actually exist after such competition, that we can think of fixing the maximum rates, because when the few Indian companies are actually struggling for their very existence, it is hardly right and proper that we should ask for the fixing of maximum rates. My Honourable friend, Mr. Joshi, in his enthusiasm for the poor classes, said that the present competition should continue so that these poorer classes might travel from place to place at cheaper rates, but I am afraid he is cutting his own throat, he is cutting the throat of India, because I might tell him,—I see he is not in his place here,—that if

this competition is allowed to continue, the mighty British companies which have practically the monopoly of the coastal trade could easily kill the few Indian companies that are already struggling, because, as has been pointed out by the Honourable the Mover himself, immediately after the Indian companies go to the wall as a result of this competition, as they are bound to, the English companies will at once raise their rates, and that will not in any way benefit the people, and naturally the continuance of this kind of cut-throat competition will be distinctly to the detriment of the poorer people. Therefore, Sir, after listening to the arguments of the Honourable the Mover himself and also to the instances quoted by him, I have come to the conclusion that this Resolution ought to be supported by all sides of the House. With these few words I commend this Resolution.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division : Muhammadan Rural) : Sir, my only justification for intervening in this debate is that I come from one of the eastern districts of Bengal which lie on the shores of Bay of Bengal—and where the Bengal-Burma Steam Navigation Company have got their headquarters now. I need not be suspected by anybody here as having any interest in furthering the cause of any indigenous shipping company there or elsewhere, though there is the shipping company by the name of the Bengal-Burma Steam Navigation Company having its headquarters at Chittagong. I was really surprised to find that some of my Honourable colleagues on both sides of the House tried to misread the purport of this innocent Resolution moved by my Honourable friend, Dr. Ziauddin Ahmad. The only point to which the attention of this House should have been directed was to find out, in the words of my friend, Mr. Sarma, some sort of working compromise with the big shipping concerns like the British India Steam Navigation Company to stop the rate war. It is far from the minds of the sponsors of this Resolution that with the help of the Government of India here they might do things which might injuriously affect the interests of others. But in any case I think, if this House wants to be logical, if this House is not ashamed of its own decision of the past few years, I think, in all logic, they ought to support this Resolution, because the Government of India by their actions have accepted the principle of coming to the rescue of Indian concerns when they find that the indigenous companies are placed in a very awkward position by these under-sellings. My friend, Mr. Abdul Matin Chaudhury, has quoted a passage from the speech of Mahatma Gandhi before the Round Table Conference, and it is a credit to Mahatma Gandhi. I know that certain people who are interested in the existence of the Bengal-Burma Steam Navigation Company did approach Mahatma Gandhi in Rangoon, because they thought that he might be able to bring to bear his wide influence on the Incheape group of shippers to come to some sort of compromise and that with the headquarters of the British India Steam Navigation Company in London for the benefit of this infant company in Chittagong, but somehow no good appears to have come out of their efforts. My only interest in this is this, that we are peaceful citizens living in the eastern districts of Bengal, and we do not like that there should be any room for race hatred, or breaches of the peace, which might lead to many bigger disasters, for I think if the Government of India, as well-wishers of all classes of people who are carrying on peaceful trade in this country, were to intervene in this matter of rate wars, they might be able to bring pressure to bear on

[Mr. Muhammad Anwar-ul-Azim.]

the British India Steam Navigation Company and do something to stop this unfair competition. There is certainly a great amount of truth in what Dr. Ziauddin has said and what my friend, Mr. Abdul Matin Chaudhury, has said with regard to the many sided activities of some of these companies in their earnest desire to get fares for their own steamers. I know, and it is known also to everybody here, that peace at certain times has been disturbed by the activities of some of the agents of the British India Steam Navigation Company and also of those of some of the indigenous companies, and if Government do not come to the rescue of peaceful citizens, I am afraid their quarrel will continue, and I do not know for how long it can be tolerated by peaceful people. Coercion and undue influence do not pay in the long run anywhere.

Certain observations were made by some speakers that some companies were in alliance with Government, but I know from personal experience that the Government of India in the Commerce Department had, at my invitation, tried to do good to this indigenous concern at Chittagong. As a matter of fact, it should be said to the credit of the Commerce Department that, on account of their timely intervention, this company was saved from a loss of about Rs. 30,000 or Rs. 40,000. So I say, Sir, if the Government of India were to kindly come to the rescue of these warring companies, they will be able to find out some *modus operandi* to stop this rate war, because I am certain the Government of India can certainly do more in this matter than any of us can hope to do either in this Assembly or outside.

My Honourable friend's predecessor, Sir Joseph Bhore, gave very good hopes to these Indian concerns, and perhaps that may not be unknown to the Leader of the House. That being the case, I think, Mr. President, that this is a very fit case which the Government of India should take up and try to come to the rescue of the indigenous concerns. I do not know what is the state of affairs in the south and west of India, but I believe it is more or less the same. I, therefore, hope and trust that this Assembly will consider this Resolution seriously and support it.

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris : Muhammadan) : Mr. President, I am not interested in the maritime trade, but I find one thing. This small industry is the seed of a great industry out of which India is to get her navy and her maritime power. Honourable gentlemen on the opposite side were just telling us not to mingle this industrial question with politics. I regard the question as political, because it is out of this seed that our navy is to grow, that our maritime power is to grow, and they do not want to see us becoming a naval power and a maritime power. The policy underlying this rate war is to put a stop to our naval growth. Then I was wondering why Mr. Joshi, a man who has been fighting for the interests of labour, a man who has been fighting for the interests of the poor, wanted to fix the maximum also. I heard him say that he was opposing the Resolution because my Honourable friend, Mr. Abdul Matin Chaudhury, did not move his amendment. To fix the maximum would have been helping the capitalists. (*Mr. N. M. Joshi* : "Passengers.") If the small Indian companies and the big British companies were to agree and levy the highest rate which the Assembly is asked to fix, then the poor man would suffer. If no maximum

is fixed, the two companies would act against each other and keep down the freight to the minimum. (*Mr. N. M. Joshi* : " They may combine. ") It is impossible for them to combine, but if they do combine, then we can come and ask the Assembly to fix the maximum also. Generally, it is very rare that such companies agree to fix a maximum. (*An Honourable Member* : " It is very common. ") If it is common, we are here, the Assembly is here, the Government are here, and we can certainly come and ask them to prevent the rates from going up. So I heartily support the Resolution.

Mr. B. Das : I congratulate my Honourable friend, Mr. Smith, on his able maiden speech, but I wish that he had exercised a little caution. He propounded certain outlandish principles in defining public utility concerns. He thought of railways and electric supply companies being public utility concerns, but not shipping concerns. I wish that he could get hold of a copy of the Incheape Committee's report, wherein he will find a recommendation, a very wise recommendation which the Government have not so far accepted. Lord Incheape recommended that one Member of the Executive Council of the Government of India should be in charge of the portfolio of communications. That Member should be in charge of railways, posts and telegraphs, inland and external navigation. I think Lord Incheape who was himself a shipowner, a great shipping magnate, knew that these inland and external navigation were public utility concerns. I do not know whether my Honourable friend is a shipowner or a shipping magnate, but may I ask whether he does not enjoy the benefit of concessions that the Government of India confer on these shipping companies ? Does he not enjoy the benefit of the lighthouse fees and other advantages that are conferred by the Commerce Department under the various Acts that are passed by this House ? I hope the Leader of the European Group, my Honourable friend, Mr. Morgan, will rise later on to join in the debate, he being a friend who has lived in Calcutta most of his time and who knows the pros and cons of this controversy that are being again revived by this Resolution, and which, as my Honourable friend Mr. Abdul Matin Chaudhury pointed out, were so admirably and so thoroughly discussed when my Honourable friend Mr. Neogy introduced his Bill and saw it through, in which the Government agreed with every word that Mr. Neogy stated—that they are certainly serious charges, serious causes for complaint by the travelling public and the indigenous ship-owners. I am sorry that my Honourable friend Mr. Joshi was so hard on my Honourable friend Mr. Abdul Matin Chaudhury. Mr. Abdul Matin Chaudhury ought to have moved his amendment and waited to see the result. Mr. Joshi does not oppose the principle of this Resolution ; he only wanted to see that the maximum rates also are fixed, and I cannot understand why my Honourable friend Mr. Reddi thinks that Government should not fix the maximum rates. I think it is the primary function of the State to fix maximum and minimum rates. My Honourable friend says that the Indian shipping companies will not survive if maximum rates are fixed, but as far as I know, the Indian shipping companies in their tariff always start with the maximum rates because they have to exist, they have to survive. I feel some sympathy with the amendment and I am sorry it was not moved. But I think Government should not play any more into the hands of European commercial interests. I am sorry that my friend Mr. Sarma should have made

[Mr. B. Das.]

that wild and fanatic speech he made on the floor of this House. He talked of reference of equality of trading rights to the Round Table Conference. He was ex-editor of a paper which we now find, fortunately for his pocket, transferred to another syndicate. My friend said that this subject is under discussion. Why did he not advise Messrs. Benthall and Villiers as to what they should do at the Round Table Conference? Did Mr. Benthall or Mr. Villiers or any of the European delegates in London bring forward the silly argument that Mr. Sarma has brought forward on the floor of this House? Here we ask a legitimate question of the Government—to exercise their right to control the cut-throat competition that my friend, Mr. Abdul Matin Chaudhury, has referred to. We are proud we have got an Indian Commerce Member and being a politician, as most of us are, he cannot forget his own training. He knows how Indian shipping industries have not succeeded in the past. Is it not a shame that European magnates will again bring out that cut-throat competition—distribution of sweets and handkerchiefs as Mr. Neogy called it two years ago and my old friend, a former Commerce Member, Sir George Rainy, entirely agreed that such incidents took place. I do hope that my Honourable friend the Commerce Member will see the justice of the demand contained in this Resolution. I do not agree with every word of the Resolution. We have to see the spirit of it, which is contained in the Bill which my friend Mr. Neogy passed in this House so successfully. It only asks one particular thing—the fixation of maxima and minima rates. It does not raise the bigger issue which was raised by Mr. Haji's Bill—the reservation of the coastal traffic over which the gentlemen who represented European interests in the Round Table Conference went wild, over which India is losing Burma. India never asked that Burma should be part of India. Burma was conquered and subjugated with India's money and Burma is being snatched away to satisfy the interests of our European friends there, the interests of the oil syndicates and the ruby mines syndicate, so that they may remain perpetually in British hands, so that Benthalls and Villiers can always exploit India and Asia.

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.

MEMBER SWORN.

Sir Leslie Sewell Hudson, Kt., M.L.A. (Bombay : European).

RESOLUTION RE RATE FOR COASTAL PORT PASSENGER TRAFFIC—*contd.*

Mr. President (The Honourable Sir Ibrahim Rahimtoola) : The Assembly will now resume further consideration of the Resolution moved by Dr. Ziauddin Ahmad.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Mr. President, I rise to support this Resolution, and I would have gladly supported a more comprehensive amendment of which notice was given, but unfortunately it has not been moved. I am sure

you, Sir, would be the last person to have disallowed the House to discuss a more comprehensive measure, and there would perhaps have been no opposition from the Government as well.

Mr. President (The Honourable Sir Ibrahim Rahimtoola) : Order, order. I think it is but fair that the point should be explained. If Honourable Members will take care to study the rules bearing on the point, they will see that no amendment can be allowed which widens the scope of the original Resolution. I would now ask Honourable Members to read the amendment and see how far it comes within the purview of that Standing Order. It is not only that the amendment wants the maximum as against the minimum rates to be fixed for passenger traffic but it proposes such rates for goods traffic also. The Resolution is definitely restricted to minimum rates for passenger traffic, and surely Honourable Members will recognize that an amendment so far widening the scope of the original Resolution cannot but be out of order.

Mr. S. C. Mitra : Sir, my partiality for the amended Resolution was because that it would have brought it on all fours with the other Act, the Inland Navigation Act. However, Resolutions are merely advisory and if the Government is convinced by the decision of the House on this motion, there will be no bar to their bringing in a Bill that will cover the whole matter. As regards this Bill, I know that all the elected Members on this side of the House will be for this Bill, but I shall be surprised if I find any European Member supporting it. Why? It is very natural that the European Members will oppose this Resolution, but it is not known what the attitude of the Government will be. Sir, if it was a national Government, there would have been no doubt about it, but it will be presently shown what sort of Government we now have. As regards the Members who have already spoken on this Resolution, I find that two Indian Members have opposed it, but fortunately or unfortunately both of them are nominated Members. I cannot, however, dismiss the opposition of Mr. Joshi, the Labour Member, lightly on that account. I think his over-anxiety for the masses has misled him in this matter, because it is an elementary thing now-a-days to raise that classical question about free trade *versus* protection. I do not think Mr. Joshi has quite forgotten the arguments about nascent industries; and even a free-trade country like England is of late going under the wings of protection. In one breath Mr. Joshi was speaking of his anxiety for some control by the Government, while in the next breath he is for out and out competition. One can understand competition between equals, but it is a recognized principle even in games, amongst those who are not equals there should be a handicap before the competition can find its free play. If we go into the ancient history of Indian shipping, we know how the shipping industry in India has been crushed not always by fair means. Now speaking particularly on the point raised by Mr. Joshi, he thinks that if there is fair competition, that will conduce to the advantage of consumers. But he has been told what was the rate prevailing before the advent of the Indian company and when the indigenous shipping companies came in the field, the foreign companies at once became reasonable; and I can assure him that if this ruthless competition is allowed to wipe out the indigenous concerns, in no time he will find these foreign companies raising their rates too high and the consumers will then be the real sufferers. So it is a suicidal policy for men like Mr. Joshi to support, for the so-called advantage

[Mr. S. C. Mitra.]

of a few months perhaps, to allow the indigenous industries to be wiped out by unfair competition. No arguments are needed to convince this side of the House on this point. At the same time no amount of argument on our side will convince the Europeans and those who are not free to vote according to their conscience on the official side ; but it is beyond all doubt that, ultimately, if this indigenous industry finds scope to develop, it always leads to the advantage of consumers in the long run, for whose interests Mr. Joshi professes to oppose this Resolution. I am particularly interested in speaking on this Resolution because in my constituency of Chittagong, an Indian company is now badly suffering from unfair competition and they are vitally interested in this question, and I know from past experience that there was a similar cut-throat competition for a long time about rates. When this House strongly supported the very same principles in the case of inland navigation, I do not see what special reason there can be for opposing the proposition with regard to coastal shipping. I congratulate the Honourable Mr. Smith on his maiden speech. I tried to follow his arguments. He very ingeniously differentiated between the railway monopoly and the steamship companies, but I could not follow him about his theories about electrical companies. Anyway he very discreetly left out the case of inland navigation Act which has been passed by this House. I hope when the Honourable Mr. Morgan will speak later, he will try to elucidate that point,—how it differs from other cases. With these few words, I support the Resolution.

Sir Abdur Rahim (Calcutta and Suburbs : Muhammadan Urban) : Mr. President, we should have liked to hear the Government case first, and then we should have been in a better position to know how to meet it. But the question that is now under discussion or rather the principle of it has been so thoroughly discussed in this House and in the country that really very little argument is needed on our part on this occasion.

I want first of all to point out one broad fact. India has an extensive coast ; it has got some very good ports and harbours and there are other places where more harbours and ports could be developed. But this vast country, unlike any other country, has no shipping at all, or none worth speaking of, of its own. This is, to my mind, a most significant fact which the Government cannot and should not ignore. We all know that the carrying trade is one of the most important trades and a most lucrative trade of vital concern to any country. The vast carrying trade between India and the rest of the world is in the hands entirely of non-Indians. Even the coastal trade with very small exceptions is their monopoly. Sir, no nation in the modern world can hold up its head in self-respect which has no shipping industry and no carrying trade of its own either sea-borne or coastal. Sir, the destiny of India has been in charge of the greatest maritime nation of the world, the British nation, and what do we find to-day ? We have absolutely no shipping, no shipping industry and no carrying trade. Has anything been done so far to develop the shipping of India or the carrying trade of India ? Nothing at all has been done. On the contrary, big companies with large capital which India cannot easily find have stood in her way. This is, I submit, a disastrous state of things.

We on this side of the House are not hostile to British trade or British commerce. We have repeatedly expressed that sentiment. The Indian delegates to the Round Table Conference made their position quite clear on this point. But we do want that Britain should always remember in dealing with us that motto—Live and let live. We do not want to stand in the way of Britain's commercial prosperity, but we do want and we insist that India should also have full opportunities for her own industries, her own commerce and her own carrying trade.

Sir, the history of this case has been recited to you and I am not in a position to add anything further to that history. Indian opinion is solid and insistent on this subject and I do hope that the Government will take full note of the fact. The Commerce Department is now in charge of a brilliant Indian with whose career I am perhaps more familiar than anybody else in this House. I know he is a great advocate. I have known him from his younger days when he was just beginning to make his mark in the profession and I know very well that there is no case, however hopeless or bad it may be, to which he cannot lend plausibility by his eloquence, by his rhetoric and by his ingenious arguments. But I wish to tell him that as a Member of the Government his business is not to examine the wording of the Resolution meticulously and to say this will not do or that the implication of this Resolution is impracticable. That sort of argument will not hold water in this Assembly and I do hope he will avoid altogether that line of argument which may be all right in court but has no place in this Assembly. Sir, I know what he will say. I think I can fairly anticipate what Sir C. P. Ramaswami will say. He will say that if you are going to fix a minimum rate, all sorts of difficulties will arise. There will be many possibilities of evading it. He will say: supposing you fix the minimum rate, the tickets will be issued at those rates but the company, after issuing the tickets, may make a present of that amount to every passenger or distribute sweets and handkerchiefs to which reference was made by Dr. Ziauddin. That sort of argument will not do. The Government must look at what this Resolution really demands from the broad political and economic point of view. The principle underlying the Resolution is this; these big companies, English or foreign, should not be allowed to stand in the way of India developing her own shipping industry and her own carrying trade on the coast. That is the point. We have no company which can possibly compete with a company like the British India Company, but it is absolutely vital for this country that we should be allowed an opportunity to start shipping companies which will carry on the coastal trade. It must not be the monopoly of only one nation, even though it be a friendly nation and a nation with which we have such close relations. They must realise that India must also live, that Indian people must also be able to raise their heads in the comity of nations. Sir, that is the fundamental point which we have got to bear in mind in dealing with this Resolution. And if the Government pay any heed to public opinion in the country, they will be well advised not to brush aside the Resolution and say that we cannot accept it because there are all sorts of technical difficulties. We want all those difficulties to be met and it is not beyond the ingenuity of Government to find out the ways and means of meeting those difficulties. We are in a position to suggest many methods by which whatever difficulties there are in fixing the minimum rates can be surmounted. There may be other means. Let there be an inquiry into the matter. Let a committee

[Sir Abdur Rahim.]

be appointed to inquire into the matter and lay down the proper policy. That is what the Resolution wants and it is not merely the wording of the Resolution with which we are concerned. It is with the principal object behind the Resolution that we are concerned and it is that we have to look to and which the Government ought to be able to carry out. Sir, I was rather surprised that my Honourable friend Mr. Joshi should have declared his determination to oppose this Resolution because it did not include the amendment which was intended to provide also for the maximum rates. Sir, you have pointed out, and I wish Mr. Joshi was here to hear you, the difficulty in the way of the amendment. It was really out of order. That in itself is conclusive, but there are other reasons also. If the amendment was allowed to be moved, it would have raised a much wider question with which we are not concerned at present. It would have almost taken us to the borders of communism which the House would not be inclined to discuss. That was a very good and substantial reason why my Honourable friend Mr. Abdul Matin Chaudhury did not move his amendment. I am very glad that my Honourable friend Mr. Joshi has just come in and I wish to appeal to him to reconsider his decision. We attach great importance to the cause which he represents in this House and I do hope that in course of time his cause will gather many more supporters and will be represented by many more Members in this House. I am very much in earnest that the cause which Mr. Joshi represents now will be supported far more largely than it is at present. I would say to him only this, I want him to remember that the Chair has ruled that the amendment has a wider scope than the Resolution itself and could not be allowed. It was ruled out of order. That is the one reason and the other reason which I just mentioned to the House, the more substantial reason was that the amendment would have raised issues of far more comprehensive and complicated character than the Resolution itself. In that light I should like Mr. Joshi to reconsider his decision. I should like to point out to him that if a shipping industry and a proper carrying trade is established in India, that will redound far more to the advantage of the masses in the long run than the present state of things. It has been pointed out that directly the smaller companies struggling for existence were put out of life, the rates were increased at once. Naturally so, because that was the very object of this monopoly. But can that be to the advantage of the general public? Most certainly not. It is the general public, the masses and the poorer people who have to travel from one place to another whose interests Mr. Joshi has at heart. I ask, is it not in their interest that this monopoly should not be allowed to continue any longer. Sir, I do not think I should be justified in taking up any more time of the House, but I would ask the Honourable Member in charge of the Commerce Department not to say, 'no' to this Resolution, an irrevocable 'no'. It is not a matter which can be irrevocably shut out. It is a matter which is going to be fought out from day to day and I hope it will be properly fought out at the Round Table Conference. The Honourable the Commerce Member might say, 'yes, it is the concern of the Round Table Conference and let it go before the Round Table Conference': I think I made it quite clear the other day that we, the Members of this Assembly, are not going to be treated in this way: It is our duty and right to speak out on behalf of the public and it is for this purpose that we have been sent here.

We have to insist upon the Government to listen to us, to listen to the public demand. Sir, if Government turn a deaf ear to us, if the Government say 'no', and say, this state of things, this 'free trade' and this *laissez-faire* must continue, then in that case, they will find that whatever conferences they may hold, it will have very little effect on this House. Sir, it may be that we are more or less helpless in the matter, in this sense that we are not in a position to start big companies in order to compete with the British India Steam Navigation Company, or other companies like that. But there are other remedies which weak people have and they may have to resort to those remedies sometimes, if they are driven to it, if no other course is left open. I hope the Government will not drive them to have recourse to a remedy like that. Surely this is a very serious position and in fact I would not have taken part in this debate and taken up the time of the House in arguing this matter, if I did not feel that it raised a very serious question indeed requiring serious and careful consideration of the Government.

Sir Leslie Hudson (Bombay: European) : Mr. President, I rise to oppose this Resolution. I regret that as I have but just arrived in Simla my absence from this House this morning has prevented me from hearing in full the arguments which have been put forward by the Mover and his supporters. But, it seems to me, Sir, that looking at this matter from a general point of view, it cannot be to the interest of any one that there should be any fixation of rates, minimum or maximum. The underlying point of trade is efficiency and if there is to be fixation of minimum rates, it must do away with efficiency. Interested people will take advantage of fixed minimum rates to furnish service of a minimum efficiency and there they will stop and they will take no trouble towards improving their methods of transport or organisation and so forth.

I understand that certain references have been made to the competition of the British India Steam Navigation Company, with a company that is working from Chittagong. The Chittagong to Burma service, I am informed, has been in working for some years past in connection with the postal contract, which the company referred to carries out for the Government. The passenger trade from Chittagong to Burma is not a very big one, but it appears that it occurred to certain parties a few years ago that there might be enough of this small orange to cut up and another line of ships was started in competition. Now, Sir, fair and free competition is certainly for the benefit of the public. It is for the benefit of the public in that they are enabled to obtain the lowest possible rates for their own transport and for the transport of their goods. But that can only be if there is fair competition. It is not fair competition when an opposing line takes such steps to interfere with the trade of their competitors as to inform intending passengers that if they travel by the British India Steam Navigation Company, they would not be able to obtain employment in Rangoon, that they would be refused shelter everywhere, that they would be ostracised by their fellow countrymen, a system of tyranny which I take it is very similar to the boycott which is at present administered to people in the Presidency from which I come, that they would receive no assistance in distress and that they would receive no attention in sickness, that they would be denied the use of the burial ground and that the maulvis would refuse to recite the last

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funeral prayers for them. Mr. President, I maintain that that is not fair competition. Proof can be brought forward that such arguments were used and are still in use; not only that, but personal violence has been laid upon people who were strong minded enough to still insist on travelling by a company by which they have travelled and with whose service they have been satisfied for many years. I do not wish to stress this point, and I would sooner deal with the argument in its general sense and that is that you cannot have efficiency, and efficiency is what we all want, even those of us who are so desirous of seeing the coastal trade of India entirely under the Indian flag.

I think, Sir, that I am correct in stating that a minimum rate was fixed by Government in another direction and that the outcome of that fixation turned out to be most disastrous to the people whom it was intended to help, that is to say, the shippers of agricultural produce. I do not think, Sir, that the broader question of the coastal reservation should be brought into this debate. The debate is on a specific item of the fixation of minimum rates on the carriage of passengers in coastal lines, and I would again reiterate that such fixation will not react to the benefit of the people whose first consideration this Assembly should have, that is to say, the passengers themselves.

The Honourable Sir C. P. Ramaswami Aiyar (Member for Commerce and Railways) : Sir, let me at the beginning thank the Honourable the Mover of the Resolution for the very reasonable manner in which his argument was couched. It will also be my duty, speaking for the moment entirely personally, to acknowledge with thanks and gratitude those very kind words which fell from the Leader of the Independent Party when he indulged in pleasant,—shall I dare to call them pleasant or shall I call them partly unpleasant?—reminiscences of the days when I used to practise before him when he was a Judge, and a very distinguished Judge, of the Madras High Court. He made an appeal to me and paid a left-handed compliment regarding the manner in which I would make the worse appear the better cause. Let me assure him at this stage that while acknowledging that tribute I do not propose to follow that programme. May I commence by saying immediately that Government are not opposed to the root idea of this Resolution. When I say that I mean this, that Government are particularly anxious to facilitate the growth and the expansion of the coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital. Having said that I am absolved from answering those other observations which fell from another quarter of the House when one or two Honourable Members referred to the possible and very great contrast between the statements that were made by me in another capacity at the Round Table Conference regarding trading rights and my attitude as a Member of Government. I am happy to say that the Government of India are solicitous of giving the utmost encouragement to the coasting trade of India. But,—and unfortunately there is often a “but” in these matters and I only hope that when I conclude my few remarks the “but” will not be taken to overwhelm the previous portion of my speech,—the only point that I am going to make—the line I am going to take is this that it is not possible for Government, for the reasons which I shall presently

indicate, to start legislation or action on the lines indicated in the Resolution practically at once as is suggested. Let me go into the history of the matter and the attitude of Government ; and before doing so let me point out that the passenger coastal trade of India is confined to three routes,— what has been called the coastal trade of Bombay-Sind which really absorbs one million passengers out of a total of nearly 1,800,000 passengers in all ; then there are Calcutta-Burma and others which may be called the Burma coastal traffic, and then the Madras and Coromandel traffic also to Burma. In regard to these routes and analysing the particulars what we find is that the great bulk of the passenger traffic in the Bombay Presidency is carried by the Bombay Steam Navigation Company who have 20 small steamships and the Indian Co-operative Navigation Company which has a small fleet. Although there is competition between the Bombay Steam and the Indian Co-operative Companies, there do not appear to have been any destructive rate wars there. At all events the Commerce Department have no knowledge of such rate wars. The complaints that have been received and indeed the gravamen of the charges made by the Honourable the Mover of the Resolution related to the trade between Burma and Bengal. Let me *in limine* deal with the question of Burma. If and when Burma becomes separated from India this would cease to be a coastal trade altogether. The question would thereupon assume a different shape and a different complexion. It would be a matter between Burma and India dealing practically independently, and as separate entities, and for that reason any steps that are now being taken will not really be effective for the purpose aimed at by the Mover ; and that is why there is a very great deal in the argument which fell from some quarters of the House but was treated, if I may use that expression, with scant courtesy, namely, that the proper way of dealing with this matter is by a kind of arrangement, a *modus vivendi* between the various agencies concerned. No legislation by India would be really effective if Burma were not to be bound by such legislation. It is not necessary for me to go back to the negotiations and the history of what may be called the coastal traffic question. It is not necessary for me to refer to Mr. Seshagiri Iyer's efforts, to Sir Purshotamdas Thakurdas's efforts and to Mr. Haji's efforts. But I shall content myself with referring to the great endeavour made during the Viceroyalty of that illustrious statesman Lord Irwin to bring about some kind of arrangement, some kind of compromise, between the British India Steam Navigation Company and certain other companies for the purpose of ending the kind of feud that exists and arriving at a compromise which will be useful and profitable to all parties concerned. That conference was inconclusive but at that time Government made it abundantly clear that they were not going to rest there. They do not even now propose to rest there. They still hope that it will be possible to bring the parties together and to arrive at a compromise. That is the only way in which this problem can be finally and satisfactorily solved and that is the reason why some stress was laid on the Round Table Conference as a means of bringing the parties together when the whole question of the future of British commercial relations with India is being deliberated upon. It is not for the purpose of brushing aside the opinion of the House or of treating this House,—which undoubtedly is largely representative of India,—with unconcern that a reference to the Round Table Conference was made ; and, moreover, in the Round Table Conference itself a very important step was taken by the representative of the European community in regard to this policy of

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harmonious co-operation for the purpose of arriving at fruitful results. Let me quote the remarks that fell from Mr. Benthall. Speaking on this matter when the question arose in the Round Table Conference, Mr. Benthall stated as follows :

“ To ensure a fair deal for small Indian companies Government would be fully empowered to exercise control over rates so as to ensure that a weak company would not be squeezed out by a strong company cutting rates unfairly.”

That was the statement made by Mr. Benthall speaking on behalf of the European community at the Round Table Conference. I am only quoting it for the purpose of showing that the members of the European community represented at the Round Table Conference were alive to this circumstance, that cases may arise when if there was a rate war of an unfair or discriminative or murderous character, it is possible to take action and that action will not be regarded as out of the range of practical politics.

But there is one aspect of the matter which has to be considered and with the great forensic skill of the Honourable the Leader of the Independent Party that point has already been made. It is all very well to talk of fixation of minima rates ; but I have the authority of one of those concerned in this trade itself for saying that he does not consider that the fixation of minima rates would really meet the situation as what are really complained of are hidden rebates and concessions.

Mr. B. Das : Would you kindly give us the name of that individual—whether he represents an Indian or European Chamber of Commerce ?

The Honourable Sir C. P. Ramaswami Aiyar : He is an Indian.

Mr. B. Das : What is his name ?

The Honourable Sir C. P. Ramaswami Aiyar : I do not propose, with all respect to my Honourable and learned friend, to disclose the name.

Sir Abdur Rahim : Then, what weight does it carry ?

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : May I know whether it was with reference to the passenger trade or goods traffic ?

The Honourable Sir C. P. Ramaswami Aiyar : That particular statement was with reference to goods traffic.

Mr. K. C. Neogy : This Resolution has nothing to do with goods traffic.

The Honourable Sir C. P. Ramaswami Aiyar : It is rather easy to dismiss it that way ; but I should like to know the difference between hidden rebates and concessions in passenger traffic and in goods traffic. If a passenger going on a particular steamer is given a handkerchief or sweets as suggested by the Honourable the Mover of the Resolution, or if a certain rebate or extra concession is given in the case of goods, does it matter very much ? What is the real distinction ? I am only concerned to point out that the fixation of minima rates alone is a very ineffective means of dealing with this matter, because it can very easily be evaded if people are anxious to evade.

Thus, while it is perfectly true that the Government, as indeed is apparent from Sir George Rainy's declarations on the subject and from his

speech during the progress of Mr. Neogy's measure and his later declarations, are anxious to facilitate coastal trading, they do not consider that the fixation of minima rates is going to serve the purpose which the Honourable the Mover has in mind. What I really wish to emphasise very strongly is this : that this particular question is bound up as a matter of practical politics with the question of the separation of Burma. If Burma is separated then this question really becomes academic as a legislative proposition ; and it appears to me therefore that it would be an apt matter for the purpose of negotiations between the interests concerned for the purpose of arriving at a *modus vivendi*.

Secondly, I wish to re-emphasise what I have already stated, that there is, and I still hope there is, a possibility of settlement in this matter and there is one more aspect to be considered. Supposing you fix minima rates, there is such a lot of shipping idle in the world just now that many will rush in and there will be competition which will be enhanced instead of being lessened. A number of companies will be started as we know from experience in other branches and spheres of business ; and many of these may not be substantial and a kind of debacle will result as it will be difficult at all times to compete as against companies more powerfully organised and having more capital behind them. I do not mean for a moment to say that the particular allegations made by the Honourable the Mover are correct or that the allegations to controvert them on the other side are correct—we are not called upon to decide this question now and here—but we do know that there has been a rate war ; there is no getting away from that. It is also true that there are obvious limits to Governmental interference where competitive struggles take place although when they transcend certain boundaries they may become matters of public policy, and Government may have to step in. All that I wish to point out is that the method now proposed will probably enhance the evil by encouraging the initiation of mushroom companies which will really not have any substance and might further attract towards this trade a lot of shipping which is now lying idle in the world to-day. If this happens the last case will be worse than the first.

For all these reasons the Government are not at present prepared to take legislative action in the direction indicated in the Honourable the Mover's Resolution ; but let me end as I began, by saying that the Government are anxious to explore all possibilities of making the smaller Indian concerns thrive and live and will spare no efforts to bring about by settlement, if possible, and otherwise if settlement is not possible, the result which everybody has at heart. (Cheers.)

Sir Hari Singh Gour (Central Provinces Hindi Divisions : Non-Muhamadan) : Sir, I have listened with very close attention to the extremely sympathetic but non-committal speech of the Leader of the House and which once more illustrates what the Leader of the Independent Party pointed out, that my friend is a past master in making the worse appear the better reason. He told us in plain words, that there are certain defects in this Resolution, because if he were to fix minima rates it would draw into the vortex of competition a very large number of companies and that the very object which this House has in view would be defeated by this increasing competition.

As my friend, Sir Abdur Rahim, clearly pointed out to this House in terms unmistakable and unambiguous, the details of this Resolution were of no moment so long as its main purpose was kept in view. We

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know from our forensic practice that if we wish really to laugh our adversary out of court we take up one detail, hang it up and say "Behold this picture which has been presented by my learned friend, the advocate on the other side"; and as often as not the jury forgetting the real issue before them are laughed into giving a verdict for the counsel who laughs his adversary out of court by giving and ridiculing a few details that might occur in the course of his argument. My learned friend, the Leader of the House, has on this occasion followed that course. If he really wanted to deal with the question in a spirit of broad statesmanship, his reply should have been "I am not committed to the details of your Resolution, because I consider that these details are unworkable; but I accept the principle of your Resolution and I shall explore all possibilities for giving effect to the main purpose you have in view". And that, I submit, would have been the course which the Honourable the Leader of the House should have taken in view of his professed sympathy with the main purpose of this Resolution. My Honourable friend has really been drawing a red herring across this simple proposal. It is a very old question. In the very first Assembly we tabled a Resolution and Honourable Members will find that a committee was appointed on which Sir Arthur Froom, one of the Superintendents of the Peninsular and Oriental and the British India Company, was a member. Let me recall a few passages that occur in that report which are apt to be forgotten and to which my Honourable friend, the Leader of the House, has not even made a passing allusion. I suppose the reason for it was that this is a book which contains a number of pledges made and pledges broken, and, therefore, my friend was extremely wise in not referring to this very inconvenient document. Let me explain to Honourable Members what this committee was. The terms of reference of the Government to this committee contained *inter alia* clause 4 to the following effect:

"For the encouragement of shipbuilding and of the growth of an Indian Mercantile Marine by a system of bounties, subsidies and such other measures as have been adopted in Japan."

Then at pages 20, 24 and 27 of this report, they deal with the very purpose we have in this Resolution under discussion. The report says:

"At the same time it is not difficult to see that the system of deferred rebates and rate-wars must operate as an obstacle to the entry of new comers. These two systems have, therefore, been strenuously assailed by practically all the Indian and European witnesses who appeared before us."

Then, at page 24, we find the following:

"The present is, therefore, an opportune moment to re-open the question. The coasting trade of a country is regarded universally as a domestic trade in which foreign flags cannot engage as of right but to which they may be admitted as an act of grace. It is admitted that the policy of British Dominions or Possessions in regard to their own coasting trades must be determined by their local interests, and we are of opinion that in the interests of the growth of an Indian Mercantile Marine it is necessary to close the coasting trade of this country to ships belonging to the subjects of foreign nations."

Then it passes to review the history of the coasting trade of the British Colonies which, as is well-known to this House, is a history of protection of their own domestic vessels. And then at page 27 we have this pregnant sentence:

"As an ideal to be worked up to eventually we accept the above definition but for the present we do not consider that it is capable of practical realisation in full."

What we wish to provide for in our coastal trading regulations is that after a time the ownership and controlling interests in the ship or ships for which licenses are required shall be predominantly Indian and we think that this qualification should be held to have been fulfilled if a ship conforms to the following conditions :

- (a) That it is registered in India,
- (b) that it is owned and managed by an individual Indian or by a joint stock company (public or private) which is registered in India with rupee capital, with a majority of Indians on its Directorate and a majority of its shares held by Indians, and
- (c) that the management of such company is predominantly in the hands of Indians."

These are the recommendations made by this very strong committee appointed in 1923, and one of the members was deputed to go to Japan and to report to the committee the result of his investigations in that country. He went there, but unfortunately he found that Yokohama had been wiped out by the earthquake. He then proceeded to Tokyo and collected this very useful memorandum which he presented to the Mercantile Marine Committee. I do not wish to explain to Honourable Members all the details, but let me point out to them that the Japanese Government within a period of twenty years have constructed a navy and a mercantile marine second to none in the world. And that has been brought about by preferential treatment, by the grant of substantial bounties and subsidies amounting to no less than about a crore and a half of rupees and by fixing certain rates and otherwise encouraging the development of domestic shipping. Now, I wish to ask the Honourable the Leader of the House that since 1923 when this recommendation was made and when pointedly a reference was for the reservation of the coastal trade to indigenous vessels and the development of a mercantile marine along the lines I have indicated, what action has been taken from that date up to this day ? We have been quoted extracts from certain speeches delivered at the Round Table Conference. Sir, the Round Table Conference has been trotted out as if it were a political gospel for India. Well, we shall live and see how far the Round Table Conference justifies the reputation which its sponsors give of it. But what we are concerned at the present moment is not with the broad question of the remote future as to the control of the coastal trade in India by the Indian vessels ; what we are concerned with at the present moment is how to keep the wolf from the door. We find at the present moment four indigenous companies struggling to live against a powerful combine whose unfair competition has brought their very existence into jeopardy. That is a fact which my friend the Honourable the Leader of the House has frankly admitted, that a strong and bitter tariff competition is going on between these struggling companies and a well established old company that has virtually for half a century if not more obtained the monopoly of the coastal trade in India.

The Honourable the Leader of the House has been told that other companies have been extinguished by a similar rate war, and that unless the Government immediately step into the breach, the peril from which the other companies could not escape is now threatening the very lifeblood of these four companies, and that is a short question upon which this House is called upon to record its verdict. We are not here going into the high ethical doctrine of compromises between rival interests in the remote future or of the contingency of what will happen if Burma is separated from India. Those are all questions which may be consigned to the limbo of the future. What we are concerned with at present is the immediate danger

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that is threatening these indigenous concerns and the action that Government propose to take for the purpose of safeguarding their interests.

I think the Mover of this Resolution and everybody else who has spoken on that subject on this side of the House has that in view and nothing more. (Hear, hear.) I quite recognise that there has been a discordant note struck by my old and esteemed friend Mr. Joshi who is more fond of sweets and handkerchiefs than of indigenous shipping. (Laughter.) He told us that he would be whole-heartedly in favour of this Resolution if not only minima but maxima rates had been asked to be fixed. But that would have defeated the very purpose for which this Resolution has been moved, because, as the Leader of the House has pointed out, if there are any objections to any detail that you suggest, the objection would be redoubled if you are to fix up both the minima and maxima rates. These questions are matters of detail, and I submit that the principal point that has been made by the protagonists of this Resolution, the Mover and all other speakers, is the point that on account of this freight war and cut-throat competition of the old established vested interests, which have grown up under the patronage and with the direct subsidy and assistance of the Government of India, the new enterprises are suffering and are in death throes. In that I submit they require assistance, but of what kind we do not know. You are experts in these matters. You have expert advice at your hands, but so long as the purpose of the Resolution in served, namely, that this competition is abated and the existence of these indigenous companies is not seriously imperilled, we shall be satisfied. Is the Honourable the Leader of the House prepared to give an undertaking to that effect? If he does, we are at one with him.

Sir Cowasji Jehangir : Mr. President, I would first like to welcome Sir Leslie Hudson to this House, not only because he is a very old friend of mine, not only because he happens to come from my Presidency, but specially because I feel sure that he will be a tower of strength to his own Party and to the House. But I regret that on the very first occasion that he has spoken I have not the pleasure of agreeing with him. I would also like to apologise to my Honourable friend Mr. Smith who was making his maiden speech this morning, for having interrupted him, but I may congratulate him on the fact that that interruption did not have the slightest effect upon his flow of eloquence.

Now, Sir, coming to my old friend Mr. Joshi, who is the only representative of labour at present in this Honourable House, I regret to say that he appears to me in his anxiety to protect the interests of the labouring population who form the bulk of the passenger traffic, to have confused the issue. The issue really is, whether we want or are in favour of a monopoly, or whether we want real competition. It is because we desire real and true competition which will give my Honourable friend and his many constituents the lowest possible rates when using the ships, that we urge that there should be no monopoly.

Mr. N. M. Joshi : Then you must have cut-throat competition, you cannot escape it.

Sir Cowasji Jehangir : No. Cut-throat competition means for a time getting the benefit of freight under cost, which will only result in profiteering later on and which will cost my Honourable friend and

his constituents a hundred times more if he pursues a penny wise and pound foolish policy.

Now, Sir, this is a simple question. This is not a racial question, this is not a question of discrimination. This is a question of whether the Government and the public are going to allow a monopoly. There are three main kinds of monopolies. One is the monopoly which the Government has itself and which is exercised under statute for the benefit of the nation. The second is the monopoly which the Government grants under licenses and regulates; and the third is the monopoly which powerful companies obtain by their strength in finance, and by having come into the business before anybody else had a chance. It is the third kind of monopoly that this Resolution is trying to aim at. It is just as great a monopoly, just as effective a monopoly, as the monopoly exercised by the Government under statute, or the monopoly exercised by companies under license from the Government. But it is a monopoly which up till now neither the Government nor the public have been able to break, because it has behind it no license, no law, but merely circumstances and financial strength.

Mr. N. M. Joshi : Why not make it a public property ?

Sir Cowasji Jehangir : Do we desire to have such monopolies ? The Honourable the Leader of the House read out a principle laid down at the Round Table Conference, and enunciated by the representative of the European community in India. That is exactly the principle that we are trying to enunciate here to-day and asking the Government to put into practice. No company, no organisation shall by its financial strength deliberately keep out a growing industry or kill a growing industry. It is not a question of European or Indian. It may be that years hence an Indian company may acquire some kind of monopoly in another trade, and it will be the duty of the Government to see that that monopoly is broken. It is bad for the Government, it is bad for the people that such a monopoly exists to-day. Have certain shipping companies deliberately lowered their rates to such an extent that they kill all competition ? Is that a fact or not ? It is a fact I am told. It has been said for years and years that that is a fact, and I have before me serious complaints from Bombay that it exists to-day even on the Western side of India. If that be really so, is it not the duty of the Government to take steps against it ? The point that was discussed at the Round Table Conference was discrimination. I contend that there is no element of discrimination in this case. It is a question of private monopoly. It may be that the best method of breaking this monopoly may not have been given expression to in the Resolution before us, but it is the only method that strikes us after mature consideration, after many conferences, after having seen an amount of evidence on this question within the last number of years, and I do think it is a practical method. We know that a coach and four can be driven through many a law that this Legislature may enact; but the more experience we gain after an Act has been in force, the more are we able to make provisions against the breaking of such laws. Now, Sir, as to passenger traffic, if you do have a minimum rate, and I remind my Honourable friend Sir Leslie Hudson that when he spoke of a minimum rate he confused it with the fixing of rates, it does not mean fixing the rates at certain specific figures. May I also point out to him that it has nothing to do

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with efficiency. We say that you shall not take less. We do not say that you shall not take more. If we said that you shall not take more, I can understand the question of efficiency being effected but if we say you shall not take less and that you shall not rob yourself, I do not see where the point of efficiency comes in. I think my Honourable friend went a little off the rails when he talked of efficiency. At any rate, if there is a minimum rate laid down, companies may be able to evade it by concessions but cannot Government make those concessions illegal and make them penal. Surely, a legislature and a powerful Government, as I see opposite to me, can enact a law and enforce that law. Sir, the principle that we have tried to enunciate for years and years is a principle well known all over the world, that a monopoly not sanctioned by Government or by the Legislature shall not be allowed to exist if it hampers the growth of an industry and in this case unfortunately it keeps out the sons of the soil. It may be that the tables may be turned 20, 30, or 50 years hence when there may be a monopoly in the hands of Indians keeping out Englishmen in the same way and then I feel sure that every Honourable Member from the European Group will protest against these illegal monopolies. I am sure Mr. Morgan's successors will be the first to protest and let me again remind the House that this question has nothing to do with discrimination. That will be discussed and I hope and pray that the Round Table Conference will come to a definite decision acceptable to this Honourable House. I am prepared to admit that my Honourable friend the Leader of the House has given a sympathetic answer, I also regret to have to say that we have got accustomed to hearing such sympathetic answers in such vague and wide terms. I fully realise that my Honourable friend sits on those benches only for a few months and that he is powerless. If he had been a permanent Member of Government, we might have heard perhaps a different kind of speech and, therefore, I have not the heart to complain against the speech he made. He could not do otherwise; but we look forward to the time when he will cross the floor of the House and will place at the disposal of the Opposition his eloquence, his ability and above all his tact, and by means of that tact obtain for us the principle that underlies this Resolution. Now, Sir, although we have received this assurance, I do believe the time has really arrived when some sort of Resolution might be passed in this House with the full approval of Government and the time has arrived when Government should take action. Will the Honourable Member who has another right of reply give an assurance that if this method does not meet with the approval of Government, he and the Government will seriously consider some other method and will wait no longer but place that other method before this Honourable House. Merely saying that he hopes that this grave question can be solved by mutual agreement is, I am afraid, giving us little hope and I assure him that the complaints, the bitter grievances in this connection, in my part of India are voiced as strongly and as earnestly as they are in other parts and if he is under the impression that the Bombay Presidency is perfectly contented and happy with the present situation, I am afraid he is mistaken, for I have before me certain letters and certain Resolutions which show that rightly or wrongly the infant shipping companies in Western India feel that they are being crushed out of existence by the powerful monopoly which exists and with which

my Honourable friend Sir Leslie Hudson was once connected. I feel sure that his speech was not due to that past connection but was due to conviction and that he desires that as the company to which he belonged looked up to Government for support and help in the days of its infancy, and got that support and help so far back as the time of the East India Company, the same support should not be denied to Indian companies. I hope that in future, as a non-official Member of this House he will support the interests of infant growing shipping companies in India.

Mr. K. C. Neogy : I am sorry that I cannot share the exultant mood of my Honourable friend, Mr. B. Das, when he referred to the fact that we have got an Indian Member in charge of the portfolio of Commerce and Railways. Much as my Honourable friend, Sir C. P. Ramaswami Aiyar, is welcome to this House, I have a shrewd suspicion that there is a sort of subtle diplomatic advantage from the point of view of Government in having an Indian in charge of this particular portfolio. When the announcement of the appointment of my Honourable friend's immediate predecessor in charge of this portfolio was made, I harboured a misgiving of some kind. Ottawa was looming very large. There was the question of a Statutory Authority for the Railways, and here certainly the assistance of an Indian Member in charge would be very valuable from the point of view of Government !

Now, having heard my Honourable friend's speech on the present occasion I think I was not altogether wrong in harbouring such an apprehension. My Honourable friend's tenure being so very short, I think the role which he generally takes up during his incumbency of a Government office is that of a Government advocate in charge of a particular Government brief ; and it is in that spirit I dare say that my Honourable friend was speaking while replying to this Resolution. A distinguished lawyer as he is, he will permit me to say that I was rather disappointed with the arguments that he advanced against this Resolution. He did me the honour of making a casual reference to a particular measure which it was my privilege to place on the Statute-book dealing with an analogous subject. Now I expected him, a subtle lawyer as he is, to tell this House in what exact respects the principle that underlay that particular measure differed from the principle to which adherence is sought by this Resolution. (Hear, hear.) Now my Honourable friend has trotted out certain difficulties. I may tell him, because he was not in the House when my particular measure was under discussion, that none of those difficulties were overlooked or forgotten. Therefore, when the Legislature deliberately placed that measure on the Statute-book, they thought that the difficulties were not of an insuperable character. Now let me refer to the question of hidden rebates. Does my Honourable friend realise that it is far easier to go in for a policy of hidden rebates in the case of goods traffic than in the case of passenger traffic ? May I tell him that we had a general discussion with regard to this question in committees and elsewhere when my Bill was under discussion ? A secret rebate ceases to be secret if it is given publicly, as in the case of passenger traffic, either in the shape of sweetmeats or distribution of handkerchiefs. I dare say my Honourable friend realises this. The question of hidden rebates really arises in connection with the question of goods traffic. There may, for instance, be a contract with a big firm which seeks tonnage to the effect that although the nominal rate is such and such, which is well above the minimum, if

[Mr. K. C. Neogy.]

the volume of traffic exceeds a particular figure, then there will be a secret rebate granted at the end of a particular period, say one year or so. That is really the occasion for bringing secret rebates into operation to defeat the fixation of minima rates ; and when my Bill was passed into law, the view taken was this : " let us deal with the evil as it stands to-day. If the question of secret rebates arises in the future, certainly the Legislature has got sufficient authority to counteract that." It is no use trying to draw a red herring like that across one's path unless we know as a matter of fact that this evil has arisen and has got to be grappled with. Now the other point made by the Honourable Member was that if you fix your minima rates, that would be an invitation to incompetent people—people having no financial backing—to come forward and enter the lists, with the result that there would be disaster all round. Certainly, that also was a point which did arise in connection with my measure ; and as the Honourable gentleman knows, that certainly was not considered to be an insuperable difficulty. As a matter of fact what we want is a certain amount of competition. We do want competition, fair competition, as the Honourable gentleman from Bombay, Sir Leslie Hudson said,—fair and free competition. It is really unfair competition to which we object and which we want to be made illegal. Now, what are the circumstances in which Government action is permitted under my enactment ? May I read out just a few lines to show the circumstances in which action could be taken by Government. It is a very brief provision, and Honourable Members will find in one of the clauses the condition laid down which is as follows :

" The Governor General in Council shall not fix any minimum rate * * * * unless he is satisfied that the rates charged on any inland steam vessel or group of such vessels in respect of such passengers or goods have been reduced to such an extent as to disclose an intention to force any other inland vessel or group of such vessels to cease from carrying such passengers or goods."

I am sorry, my Honourable friend, Sir Leslie Hudson, is not in his seat at the present moment. I wanted to put it to him as to whether he could justly take exception to Government action being taken in that particular circumstance. He seemed to me to maintain that there is at the present moment fair and free competition and that what this Resolution is aiming at is to ask Government that they ought to interfere with that free and fair competition. Nothing of the kind. What this Resolution wants to do is to arm Government with the authority to intervene if a dishonest intention like that is disclosed in any particular case. And I may tell this House that the procedure laid down in my measure is that if a company feels aggrieved by any unfair competition on the part of a competing firm, it is up to it to come up to the Government of India and the Government of India has to appoint a kind of committee of inquiry to investigate the matter of such a complaint and it is only after the report of that inquiry committee is received that the Government would take any action by way of fixing minima or maxima rates. I may also tell this House that since my measure was passed into law one case did actually arise under that provision, in which case a reference was made by Government to a very competent committee presided over by no less a person than Sir Narasimha Sarma, who adorned those Benches not very long ago. And yet that Committee found that there was a good deal of substance in the complaint made, with the result that minima rates were actually fixed by Government by means of a notification in the Gazette of India. Now can any fair-minded person in this

House—and when I say ‘fair-minded person’ I include the members of the European Group, I think I may do that—can any fair-minded person in this House raise any serious objection to that procedure being adopted in this particular case? Now my Honourable friend, the Leader of the House, referred to an alternative method of settling these disputes. He said there can be negotiations, there can be friendly arrangements and that the Government will lend their good offices for the benefit of the infant concerns which may feel aggrieved by reason of unfair competition on the part of any powerful combine. Now, as my Honourable friend has referred to an anonymous friend of his (Laughter), I also shall take the liberty of referring to a friend of mine who shall be anonymous for the time being.

I will ask my Honourable friend to look up his official records when he goes back to his office and find out whether what I am stating now is correct or not. I ask him to find out whether it is not a fact that in May last there was a gentleman, a very well known gentleman interested in shipping, cooling his heels in Simla for weeks, waiting the pleasure of the representative of a very powerful combine against whom his concern had preferred certain complaints and in which case also the then Member in charge had suggested the other alternative method, namely, negotiations and friendly arrangements. And may I ask him also to look up the records and find out whether it is not a fact that the Government with all the power and authority with which they are clothed were finding it difficult to get the attendance of the other party—a representative of the other company, to come to Simla to discuss certain matters in the presence of the Member in charge. Will the Honourable Member also look up his records and find out whether it is not a fact that that friend of mine, who shall still be anonymous, was actually asked to accompany my Honourable friend's immediate predecessor to London in search of a more congenial atmosphere for that friendly conference to which he is looking forward with such great expectations. I thought that the Government had some sense of dignity about them. They should not run after my Honourable friend Sir Leslie Hudson's past principals for the purpose of seeking a conference, as they appear to be doing sometimes. Why cannot they come up to this House if they really feel that there is justice in a particular cause? A straight way lies to this House. Come up to this House and ask for any powers that you like, and we will not be chary in granting you powers when those powers are sought in Indian interests. Sir, my Honourable friend said that it will be very difficult to surmount these obstacles, this, that and the other. Well, Sir, a Government which can provide for the punishment of a parent, by way of fine or sending him to jail, for the fault of a child, is not certainly so powerless as not to be able to find a legislative remedy for these difficulties, if and when they arise. The only point which my Honourable friend did make was, I think, about the separation of Burma. Now, we know that the question of the separation of Burma is a live issue at the present moment, but my Honourable friend himself has given away his case. In the first part of his speech he pointed out that the very large bulk of passenger traffic is carried between Bombay and Sind. My Honourable friend, Sir Cowasji Jehangir, whose authority in these matters is certainly undeniable, says that the complaint holds good as much in the case of Western India as in the case of Eastern India.

The Honourable Sir C. P. Ramaswami Aiyar : I was anxious to point out that we had received no complaints.

Mr. K. C. Neogy : If there is a complaint, a very legitimate complaint, on the Western side of India, which provides a very large bulk of the total traffic, let us legislate generally in this case, and if Burma ceases to be a part of India, there would be an end of the matter so far as Eastern India is concerned. The law will still hold good in respect of Western India. I know the question of the separation of Sind is also a live issue, but I do not think it is going to be separated in the same sense as Burma is.

Several Honourable Members : The question be now put.

Mr. President (The Honourable Sir Ibrahim Rahimtoola) : I accept the closure.

The question is that the question be now put.

The motion was adopted.

Dr. Ziauddin Ahmad : Sir, I made it abundantly clear in my opening speech that in this Resolution I do not want to go further than what is contained in Mr. Neogy's Bill and the principles of that particular Bill were accepted by Sir George Rainy on behalf of Government. I quoted in my opening speech certain passages from the speech of Sir George Rainy and I thought that that was an accepted principle and the Government would accept this Resolution immediately. I thank the Honourable the Leader of the House for the sympathetic remarks and we expected an Indian of his reputation occupying his present position to take that view. I am really thankful to him for the kind words that he said about this Resolution. But he put a big "but" which I could not understand. He started with the assumption that Burma will be separated and very soon it may become an alien nation. This is really a question which has not yet been settled. We do not yet definitely know whether Burma will or will not be separated.

The Honourable Sir C. P. Ramaswami Aiyar : I did not assert that.

Dr. Ziauddin Ahmad : I thought that the only "but" which the Honourable Member brought forward against this Resolution was that when Burma is separated, then this traffic between Bengal and Burma would not be a coastal traffic. I think this question of separation is still an open question. And even if Burma is separated from India, we do not know what economic and commercial relations will exist between the two countries. We do not know, even if Burma is separated which in itself is a doubtful question, whether there will or there will not be customs barrier. And if we pass a particular Act, it will still be open to the two countries to carry on or to refuse its terms. Therefore, the question of the separation of Burma ought not to come in the way and we ought to examine the whole question on its own merits. Now, as regards the merits of the case, I understood that the Honourable Member was in favour of the Resolution. My Honourable friend, Mr. Sarma, did not understand the argument put forward from this side. He did not understand and would never understand any argument that is put forward

from this side of the House. He has got a polarised intellect which is sensitive to one side and immune to the other. As regards Mr. Joshi, who is really a representative of the labour, I was a little surprised at his attitude. When Mr. Neogy moved this particular Bill four years ago and the subject of distribution of sweetmeats and handkerchiefs was mentioned, Mr. Joshi interrupted him and said 'what was the harm in it'. These were the words that he used about four years ago. He was then pointed out that the harm was that the sweets and handkerchiefs were not distributed for long. They ceased to exist as soon as the rival company collapsed and the freight was really increased to a higher level and the prices of free gifts were reduced. Therefore, it was not really good in the interests of the labour classes whom he represents, and it is for their interest that I brought forward this Resolution. He practically agreed that he wanted State intervention in industries and commerce. This is the proposition which he advanced and it is just the thing which this Resolution seeks to do. If he admits the general principle that he is in favour of the State interference in trade and industry, then *ipso facto* it implies that he would favour this Resolution also. His opposition was based only on technical grounds, namely, that it did not go far enough. I wish he will bring forward a wider Resolution in the next session and I assure him that he will get the fullest support from this side of the House. So, if we could not get all what we want, we should certainly be satisfied with the little that we could get and I hope he will give us his support on reconsideration. I assure him that when I took up this Resolution a few days ago, I did it only in the interest of the labour classes who travel in the third class, which is really the constituency of my Honourable friend, Mr. Joshi. The real fact is that if my Honourable friend Mr. Joshi gives his support to this Resolution it will serve the cause he has at heart. As regards the speech of Sir Leslie Hudson about efficiency, I am all in favour of efficiency and I appeal to him to say whether reducing the rate, whether the supply of sweetmeats and handkerchiefs and whether the supply of motor cars to the passengers' houses, whether expenditure on propaganda against a rival company have to be put under corruption and or under bribery. If any company stands on its own legs and says, "we do not mind whether the other company lowers the rate of fares or freights, we stand for the comfort of all passengers, we stand for regularity of the service", then the question of efficiency would certainly arise. When a company deliberately lowers the rate of fares, when they deliberately distribute sweetmeats and handkerchiefs, when they spend some money on propaganda work, when they really tamper with the officers of the other company, then certainly it is not efficiency, it is corruption, it is bribery. It is this that I stand against and I hope if my Honourable friend sees these things, he will also support my contention.

My Honourable friend, Mr. Smith, said that there should be no interference of politics in trade and commerce. Really speaking it is impossible for any commerce to thrive without the interference of politics. What is the Conference at Ottawa? It is nothing but interference of politics in industry. I want to know whether my Honourable friend has raised a single word of protest against the Ottawa Conference which is nothing but interference of politics in trade. My Honourable friend calls it an interference when it is against him, but he does not call it an interference when it is in his favour. Interference is interference whether it is in favour or against a particular thing.

[Dr. Ziauddin Ahmad.]

I will sum up and repeat what the Leader of the Independent Party said, namely 'live and let live'. These words mean a good deal. I do not want to draw any inferences from this particular phrase, but any one who has got sense will go to the root and will understand it. I hope that Government and my friends of the European Group will support this motion.

The Honourable Sir C. P. Ramaswami Aiyar : Mr. President, I have not really got very much to say with reference to the observations that have fallen from the various Honourable Members. But, I do not think I shall be justified in passing away from this topic without reference to my Honourable friend Mr. Neogy's allusions to the provisions of his own measure, if that Act may be so termed. I should like to point out to this House that when the Select Committee on Mr. Neogy's Bill considered what penalty should be imposed in respect of these rebates and concessions, they found themselves quite unable to approve of anything and finally really under that Act no sanction has been provided.

Mr. K. C. Neogy : Yet that Act stands.

The Honourable Sir C. P. Ramaswami Aiyar : Yes, it stands on the Statute-book, but no sanction has been provided for. Moreover, my Honourable friend referred to the tribunal indicated by that Act and set up by it and he also referred in passing to the very successful outcome of the labours of a Committee presided over by my esteemed and distinguished friend, Sir B. N. Sarma. I may incidentally say that the dispute referred to is as to a run of about a dozen miles in Eastern Bengal and the Committee cost us Rs. 13,000. That is an incidental factor which I hope will not be forgotten.

Mr. K. C. Neogy : It was a question of important principle, decided at a small cost.

The Honourable Sir C. P. Ramaswami Aiyar : I do not now desire to deal with these smaller details. I desire only to reiterate what I have said that the Government are quite alive to the necessity of taking and taking as speedily as possible and as effectively as feasible measures for the purpose of facilitating this coastal trade. More than that they cannot say at this moment. I cannot give any more pledges than that but surely I should be acquitted of any desire or willingness to be merely evasive when I assert and assert again with a full sense of responsibility that Government are not unalive to the needs of the situation and the necessity to meet it.

Mr. President (The Honourable Sir Ibrahim Rahimtoola) . Resolution moved :

"That this Assembly recommends to the Governor General in Council to take the necessary steps for the purpose of fixing the minimum rate for the passenger carrying trade by sea between the coastal ports of India."

The question is that that Resolution be adopted.

The Assembly divided :

AYES—50.

Abdul Matin Chaudhury, Mr.
 Abdur Reftin, Sir.
 Anwar-uf-Azim, Mr. Muhammad.
 Azhar Ali, Mr. Muhammad.
 Badi-uz-Zaman, Maulvi.
 Bagla, Lala Rameshwar Prasad.
 Bhuput Singh, Mr.
 Das, Mr. A.
 Dutt, Mr. Amar Nath.
 Fazal Haq Piracha, Shaikh.
 Ghuznavi, Mr. A. H.
 Gour, Sir Hari Singh.
 Ibrahim Ali Khan, Lt. Nawab Muhammad.
 Ishwarsingji, Nawab Naharsingji.
 Ismail Ali Khan, Kunwar Hajee.
 Ismail Khan, Haji Chaudhury Muhammad.
 Isra, Chaudhri.
 Jadhav, Mr. B. V.
 Jehangir, Sir Cowasji.
 Jog, Mr. S. G.
 Lahiri Chaudhury, Mr. D. K.
 Lalchand Navalrai, Mr.
 Maswood Ahmad, Mr. M.
 Misra, Mr. B. N.
 Mitra, Mr. S. C.

Muazzam Sahib Bahadur, Mr.
 Murtaza Saheb Bahadur, Maulvi Sayyid.
 Neogy, Mr. K. C.
 Pandian, Mr. B. Rajaram.
 Patil, Rao Bahadur B. L.
 Phookun, Mr. T. B.
 Puri, Mr. B. R.
 Raghurib Singh, Kunwar.
 Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
 Ranga Iyer, Mr. C. S.
 Reddi, Mr. P. G.
 Reddi, Mr. T. N. Ramakrishna.
 Sadiq Hasan, Shaikh.
 Sant Singh, Sardar.
 Sen, Mr. S. C.
 Shafee Daoodi, Maulvi Muhammad.
 Shah Nawaz, Miftu Muhammad.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Gaya Prasad.
 Suhrawardy, Sir Abdulla-al-Mamin.
 Thampun, Mr. K. P.
 Uppi Saheb Bahadur, Mr.
 Yamin Khan, Mr. Muhammad.
 Ziauddin Ahmad, Dr.
 Zulfiqar Ali Khan, Sir.

NOES—44.

Acott, Mr. A. S. V.
 Ahmad Nawaz Khan, Major Nawab.
 Aiyar, The Honourable Sir C. P. Ramaswami.
 Allah Baksh Khan Tiwana, Khan Bahadur Malik.
 Amir Husain, Khan Bahadur Saiyid.
 Bajpai, Mr. G. S.
 Banerji, Mr. Rajnarayan.
 Clow, Mr. A. G.
 Dalal, Dr. R. D.
 Dash, Mr. A. J.
 DeSouza, Dr. F. X.
 Fazl-i-Ilahi, Khan Sahib Shaikh.
 Fox, Mr. H. B.
 Gidney, Lieut.-Colonel Sir Henry.
 Graham, Sir Lancelot.
 Greenfield, Mr. H. C.
 Gwynne, Mr. C. W.
 Haig, The Honourable Mr. H. G.
 Hezlett, Mr. J.
 Hossack, Mr. W. B.
 Hudson, Sir Leslie.
 James, Mr. F. E.

Jawahar Singh, Sardar Bahadur Sardar.
 Lal Chand, Hony. Captain Rao Bahadur Chaudhri.
 Mackenzie, Mr. R. T. H.
 Macqueen, Mr. P.
 Metcalfe, Mr. H. A. F.
 Morgun, Mr. G.
 Mukherjee, Rai Bahadur S. C.
 Naydu, Rao Bahadur B. V. Sri Hari Rao.
 Nichols, Mr. H. L.
 Noyce, The Honourable Sir Frank.
 Pandit, Rao Bahadur S. B.
 Parsons, The Honourable Sir Alan.
 Rau, Mr. P. R.
 Ryan, Mr. T.
 Sahi, Mr. Bam Prashad Narayan.
 Sarma, Mr. E. S.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar, Captain.
 Smith, Mr. R.
 Sorley, Mr. H. T.
 Tin Tut, Mr.
 Tottenham, Mr. G. R. F.

The motion was adopted.

RESOLUTION RE REVISION OF TIME SCALES OF PAY.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras : Muhammadan) : Sir, I beg to move the Resolution which stands in my name :

"This Assembly recommends to the Governor General in Council that even, if it is found necessary to revise the time-scales of pay, no such revised time-scales be introduced in the case of the non-Gazetted establishments unless such revised grades have been brought into effect in respect of the Gazetted establishments and the Covenanted services. This Assembly further recommends that the House be consulted before any revised time-scales are introduced and further that scales of pay should be uniform in respect of Government employees with similar nature of duties and working in the same locality with a view to allay the existing disparity in treatment and consequent discontent."

My Resolution consists of three parts. The first part imposes the necessity of revising the time-scales in respect of the gazetted establishments and covenanted services along with the time-scales of non-gazetted establishments ; the second relates to consultation with this House before any time-scales are revised ; and thirdly, that in respect of appointments involving the same duties and carried on in the same places the pay should be uniform and there should be no difference in it. In moving this Resolution I have in the first instance to point out that of all the services in the world the Indian services are the most highly paid. Throughout India you have top-heavy services and the men in the lowest rung of the ladder,—taking the case of the poorest clerks,—who get a salary of something like Rs. 40 to Rs. 100 find it very difficult to make both ends meet. Again I should say that these are the most low-paid officials not only in this country but in comparison with other officials in other countries as well. I venture to affirm that the services in the lowest rungs of the ladder are the ones most poorly paid. With regard to time-scales in their case, I find that in Madras a revised time-scale has already been introduced in respect of the postal services. The initial salary which was fixed at Rs. 40 sometime back is now fixed at Rs. 30 and the annual increment which used to be Rs. 5 has been reduced to Rs. 3. This has already taken effect in Madras and probably it has been given effect to in other provinces also. That is so far as the Postal Department is concerned.

Then, Sir, with regard to the cuts which we have so much experience of, the House knows that there was no graduation in the cuts and they were applied evenly irrespective of the emoluments attaching to particular posts. In that respect it was the low-paid officials who suffered most ; and in spite of agitation in the country and even on the floor of this House, Government would not budge an inch from the position which they took at the beginning, as they thought that by effecting a graduated cut they would not realise the money with which they expected to balance the budget. That may be so ; but still the very idea that a uniform cut should have been applied is so repulsive, especially in the case of the very low-paid officials, that even now when the matter of the revision of the time-scales is going to be taken up for consideration—and as a matter of fact in some provinces they have been already applied—it should be the duty of Government to consider this matter over again as it deeply affects the public services, especially those in the lower rungs of the service. My Resolution suggests that if there is to be a revised time-scale, that time-scale ought to be uniform and ought to be applied not only to men in the non-gazetted establishments, but equally to those in the gazetted establishments and in the covenanted

services. The objection might be taken that so far as the covenanted services are concerned they are beyond the purview of this House. But it stands to reason that if those in the non-gazetted services which carry a very small pay are to be revised by fixing a smaller initial salary than what they have at present and if their yearly increment also is to be diminished, then it stands to reason that those who are in receipt of higher emoluments ought also to suffer, though they cannot to the same extent to which those lower down the scale will suffer—at least to some extent. Otherwise the exclusive revision of time-scales in the case of the non-gazetted employees alone will create a lot of discontent, added to the already existing discontent caused by the ten per cent. cut in pay irrespective of the amount of salary.

The next portion of my Resolution is that this House should be consulted before any revised time-scales are introduced. By that I do not mean that the whole House should be consulted. I merely suggest that the members of the General Purposes Committee for instance, whom I may call experts in this matter, who have devoted about a year of their labours and who have come into contact with the Government of India officials in almost all departments, who are competent to give an opinion in the matter of fixing scales of pay, may be consulted. I do not suggest that the whole House should be consulted: I merely say that a committee of the House, preferably the very General Purposes Sub-Committee which functioned so well and for so long a time might be consulted.

Then as regards uniform scales of pay, I have observed that in Madras in the Customs Service they have what are called preventive officers and they have divided them into two classes, the lower division and the upper division. What really happens is this: a man of exactly the same qualifications and sometimes with higher qualifications, is taken into the lower division where he starts on a salary of 80 rupees with an yearly increment of five rupees. Those in the higher grade start on Rs. 150 and get an yearly increment of ten rupees. But you might ask, is there any difference in the nature of the duties performed by these two divisions? There is no difference at all. They work in the same place, on the same steamers and perform exactly the same nature of work which a preventive officer of the higher division does. But there is this significant fact that in the higher grade we have a large number of Anglo-Indians—I believe they hold in Madras 50 per cent. of the posts: whereas in the lower division we have more of the Indian element and much less of the Anglo-Indian. To me it appears that in the matter of this division of preventive officers into two classes, attention has been paid not to the nature of the duties which these officers discharge but to the races to which they belong. If as a matter of fact the Anglo-Indian element did loom large in Madras I should not certainly have raised any objection: but even in that respect it cannot be said that they are entitled to preferential consideration at the hands of the authorities in the customs service. What applies to the customs service and to the preventive services does, I believe, apply to other departments of the Government, especially where the duties are such as are not purely ministerial but are executive duties. I say that such a discrimination even as regards the starting pay and annual increments between officers who carry out the same nature of duties and work in one and the same place creates a feeling of discontent

[Mr. Muhammad Muazzam Sahib Bahadur.]

which ought to be allayed by the Government immediately. It is sometimes said that Anglo-Indians are more efficient in the discharge of executive duties than others. That is how this charge is met and I have read so in some old reports of the Assembly. This charge is met by saying that Anglo-Indians are more competent to perform executive duties than Indians and that is why they are preferred to Indians in such appointments. I say that so far as efficiency is concerned and gauging the amount of work and the quality of work turned out by the Indian staff of the preventive services in the Customs Department, it would be clear that far from his turning out work of a better quality it is the Indian that does it and not the Anglo-Indian.

On these grounds, Sir, I commend this motion to the House and I am sure that I will have the support of the Government Benches also in this matter. Sir, I move.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : Is it your pleasure, Sir, that this debate should be continued at this late hour ?

Mr. President (The Honourable Sir Ibrahim Rahimtoola) : The Chair is glad that the Honourable Member has drawn attention to this point. The Chair has often been told and non-official Members have often complained that sufficient time is not allotted for non-official business. The number of days are allotted by the Governor General, but the Chair is prepared to meet the wishes of non-official Members to sit till a late hour on non-official days to enable them to make up to some extent for the paucity in the number of days which in their opinion they are getting. If non-official Members wish to deprive themselves of this opportunity by sitting a little late, then it is their own business. The Chair will respond by adjourning the House if there is consensus of opinion amongst non-official Members to do so.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions : Muhammadan Rural) : Sir, the Resolution that has been brought forward by my Honourable friend is a very simple one. It simply says that gazetted and non-gazetted officers should be placed on the same plane. It also says that there should be no disparity or discouragement in the case of non-gazetted officers. It may be said that it refers mostly to less paid clerks or less paid officials, but still they are all Government servants, and I am sure that Government will not show any great consideration to its highly paid officials while not showing the same consideration to its low-paid officials. That will breed discontent, and there can be no doubt about it at all. This Resolution, Sir, does not introduce any controversial principle. It simply draws the attention of Government to the great disparity that exists and asks them to be fair and equitable to all classes of servants alike. With these words, Sir, I support this Resolution.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Sir, I do not know what would be the attitude of Government on this Resolution. I find that the Resolution is divided into three parts. In the first part an attempt is made to put the covenanted service people in line with non-gazetted establishment. On this point, I know that Indian opinion is very strong, because the covenanted service men are drawing a much larger scale of pay, and if anybody can be asked to accept a lower scale of pay, it should be these covenanted service men first of all. It is admitted on all hands that the covenanted

service men in India are paid a scale of pay which is higher than that prevails in any other part of the world. Therefore, Sir, it is most reasonable that, before we ask our non-gazetted officers to accept a lower scale of pay, people who are in a far better position, I mean the covenanted service people, should be asked to accept this cut and they should also be put on a par with the non-gazetted people about the reduction of their scale of pay. I should like to know what possible objection can Government have to this part of the Resolution. There was a rumour that there was great trouble even to make the Indian Civil Services accept a cut of 10 per cent., and that it was after very great pressure from the Government of India that the Secretary of State was induced to enforce this 10 per cent. cut. We should like to know how these higher services really identify themselves with the best interests of the Indian people. It is a fact, Sir, that due to the trade depression throughout the world the services in every part of the world, not excluding the British Isles, have accepted lower scales of pay, and therefore there can be no possible objection for revising their scale of pay; but certainly our non-gazetted officers can legitimately claim, before their scales are touched, that the scales of other people who are really paid fabulous amounts should be reduced.

Then the second point raised by my friend in his Resolution is that this House should be consulted before any revised time-scales are introduced. I do not know the attitude of Government on this point either, but it is understood that a special officer has been appointed to collect facts and that those facts will be placed before a certain Committee, and therefore I do not find any reason why Government should have any objection to place the considered opinion of that Committee before this Honourable House. As representatives of the people, we will be in a far better position to consider what the reduced scales should be, and as such, it is very reasonable that, before the revised time-scales of pay are finally settled, this House should have an opportunity to state its views.

Now, the third point that is made in this Resolution is that the scales of pay should be uniform in respect of Government employees with similar nature of duties and working in the same locality. I know there will be some heart-burning amongst officers in different departments of the Central Government; for instance a department like the Income-tax, Customs, or Currency Offices where the scales of pay differ from the scales adopted in other offices in the same locality. Some officers argue that they are under the same Central Government and are doing similar work and as such there should be no difference in their scale of salary. As a matter of fact, there is a difference in the grade amongst the attached offices and amongst the assistants of the Government of India. Therefore, Sir, this question also requires looking into as to whether these people are entrusted with the same amount of responsible and arduous work as is entrusted to people in attached offices, and if it is found on examination that it is so, I do not see why there should be any difference in their different scales of pay.

I think these are the few points that have been raised in this Resolution, and if I had a chance to hear the Government side as to whether they will accept this Resolution or not, I would have been in a better position to put forward my views. If Government accepts this Resolution, well and good, and it will require no more argument. The only difficulty is, I understand about the Postal Department, and I heard from my Honourable

[Mr. S. C. Mitra.]

friend Sir Cowasji Jehangir that as regards that department Government have already come to certain conclusions about the grades of pay. The argument is that the covenanted services cover only a very small proportion of the entire pay, but here I should like to urge that it is not so much the amount of pay as the principle that is involved. The people who can afford the largest amount of cut certainly should be the first to come under the cut. But here in India everything is peculiar. Those who can afford to have a cut are always left out of consideration on the ground that the matter is beyond the powers of the Government of India or that it has to be referred to the Secretary of State or the matter is put off on other similar grounds. But I do not know if the matter has got to be referred to the Secretary of State why it is not done in time, and that should be no excuse for delaying the question about the higher services. I think this Resolution is in time, and if our people have to cut their coat according to the cloth because of the falling off of the Government revenue, the scales of pay of officers, high and low, should come under the same principles. On these grounds, I support the Resolution.

The Honourable Sir Alan Parsons (Finance Member) : Perhaps it will shorten the debate and relieve those Honourable Members whom you, Sir, certainly put on the horns of a dilemma if I now explain the attitude of the Government towards this Resolution. Though I am unable on behalf of the Government to accept it in the exact terms in which the Honourable Member has couched it, there is so little difference between the views which are held by the Government on this subject and those which my Honourable friend has incorporated in his Resolution, that I am sure after the assurances that I am in a position to give him that he will see his way to withdraw the Resolution. I will take the three points of his Resolution in the reverse order.

I think in his last clause he is mainly referring to non-gazetted establishments, for it is among those establishments that as a whole we find most similarity of duties and responsibilities in different departments. Provided that that clause is definitely understood to apply only to establishments under the Central Government and not to establishments under Provincial Governments for whom the Government of India are in no way responsible, I have no objection at all to the principle which he there enunciates. It is in fact one of the principles which the officer on special duty who is dealing with these revisions of pay has been, I think, instructed to observe. I should have found it difficult to agree with the second part of his Resolution, namely, that before we introduce any revised time-scales the Assembly should be consulted, not because I have the least desire to keep this matter from the Assembly, but because it would not be very easy to consult a body as large as this House on the details of time-scales

Mr. Muhammad Muazzam Sahib Bahadur : I suggested a Committee.

The Honourable Sir Alan Parsons : But as the Honourable Member has explained that what he really meant was that there should be possibly some consultation before the Government adopted any revised time-scales with some committee of this House, I find myself very much in agreement with him. The position there is actually this. The whole question of revising the scales of pay of officers serving under the Central Government was taken up by the General Purposes Sub-Committee. As far as I understand—I was not then in my present

appointment or even I think Finance Secretary—that Sub-Committee has sent, or some members of it have sent, in certain suggestions as to revised time-scales, and it is my intention to discuss with the Chairman of that Sub-Committee, Sir Abdur Rahim, what further action should be taken to apprise the Sub-Committee as to the work which has so far been done by Mr. Sloan who is the officer on special duty revising these scales. Similarly, with regard to the first part, which is I think the most important point of my Honourable friend's Resolution,—I cannot give an undertaking that in no circumstances whatsoever will we revise the pay of any single non-gazetted establishment before we have undertaken the revision of the scales of pay of all gazetted establishments or covenanted services. But it is quite definitely—and I entirely agree with my Honourable friend—it is quite definitely our view that we cannot revise wholesale the rates of pay of non-gazetted establishments leaving those of gazetted establishments untouched. As a matter of fact, the officer on special duty has been definitely instructed to begin and, if he possibly can, complete his proposals for the revision of the scales of pay of gazetted establishments before he deals as a whole with non-gazetted establishments. I trust that with these assurances the Honourable Member will realise that there is really no difference between him and the Government, and though I cannot accept the Resolution as it is actually worded, I hope that with those assurances he will be prepared to withdraw it.

Mr. Muhammad Muazzam Sahib Bahadur: After the assurances given by the Honourable Member, I beg leave to withdraw the Resolution.

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

Mr. President (The Honourable Sir Ibrahim Rahimtoola): As regards the next Resolution* standing in the name of Mr. Thampan, the Honourable Member has intimated that he drafted it under a misapprehension and that he does not wish to move it. That concludes the business for the day. The House will stand adjourned till 11 o'clock to-morrow.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 8th September, 1932.

*“ This Assembly recommends to the Governor General in Council that with a view to make good the loss sustained by the Indian Exchequer by the decision of His Majesty's Government ‘ that the extraordinary charges of £13,600,000 in connection with the Indian military forces employed in the War should be borne by the Indian Revenues ’, immediate steps be taken to levy a cent. per cent. *ad valorem* duty on all British goods imported into this country.”