

27th September 1937

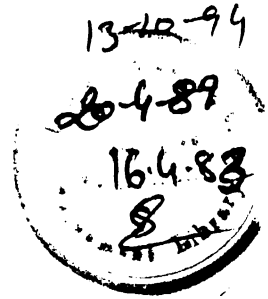
**THE  
LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

**Volume VI, 1937**

*(18th September to 29th September, 1937)*

**SIXTH SESSION  
OF THE  
FIFTH LEGISLATIVE ASSEMBLY,  
1937**



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# Legislative Assembly.

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## *Deputy President :*

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MR. M. S. ANEY, M.L.A.

MR. M. GHIASUDDIN, M.L.A.

MR. MATHURADAS VISSANJI, M.L.A.

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# LEGISLATIVE ASSEMBLY.

*Monday, 27th September, 1937.*

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

## MEMBER SWORN.

Mr. Hugh Dow, C.S.I., C.I.E., M.L.A. (Commerces Secretary).

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### TERMS OF SETTLEMENT OFFERED TO THE WAZIRISTAN TRIBES.

806. \*Mr. S. Satyamurti : Will the Foreign Secretary be pleased to state :

- (a) whether the terms of settlement offered by the Government of India to the Waziristan tribes, which was announced on the 26th August, 1937, have been accepted by any tribes and, if so, by whom ;
- (b) whether these terms contemplate a change in the policy of Government towards these tribes ;
- (c) what the reasons are why certain additional areas are now to be treated as protected areas ;
- (d) whether Government propose to treat them as parts of the settled districts ;
- (e) the reasons why Government do not introduce there the regular administration as in the settled districts ;
- (f) whether Government propose to pursue this policy consistently with regard to all the tribes ; and
- (g) whether Government have received any evidence of the likely success of this policy in contrast with their past policy ?

Lieut.-Colonel A. E. B. Parsons : (a) The Mahsud and Tori Khel Wazir Jirgas to whom the terms have been so far announced are reported to have accepted them.

(b) The terms do not contemplate any radical change in the policy of Government towards the tribes.

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(c) Certain additional areas are now to be treated as protected areas because it is considered that the protection afforded to the inhabitants of these areas will render them more amenable to civilising influences and remove one of the main causes of the existing heavy tribal armament.

(d) No.

(e) Government do not propose to introduce in the protected areas regular administration as in the settled districts because such administration would be incompatible with the existing tribal organisation, would be deeply resented by the tribes, would in many cases involve the breach of our engagements with them, would be very expensive to introduce, and would be more likely to provoke tribal unrest than allay it.

(f) Government have so far only considered this policy as regards Waziristan.

(g) Yes. The policy is not a new one. Protected areas have existed for 40 years or more in the Malakand and Kurram Agencies and in the Lower Tochi Valley. The peace and prosperity which have prevailed in these areas during this time have encouraged Government to extend the system.

**Mr. S. Satyamurti :** With reference to the answer to clause (a) of the question, may I know if the two tribes whose names my Honourable friend has mentioned are the only two tribes to whom these terms have been offered ?

**Lieut.-Colonel A. E. B. Parsons :** The answer was that Government have so far only considered this policy with regard to Waziristan. There is also a protected area in the tribal area of the Ahmadzai Wazirs. I did not mention it among the areas into which it has already been introduced. The policy is being considered with reference to the whole of Waziristan.

**Mr. Abdul Qaiyum :** Is it not a fact that these terms have already been announced to the Waziri tribe ?

**Lieut.-Colonel A. E. B. Parsons :** I presume the Honourable Member is referring to the Wazirs ?

**Mr. Abdul Qaiyum :** Yes.

**Lieut.-Colonel A. E. B. Parsons :** Terms have been announced to the Tori Khel who are Wazirs.

**Mr. Abdul Qaiyum :** Is it proposed to offer these terms to certain other parts of the Wazir tribe ?

**Lieut.-Colonel A. E. B. Parsons :** I think that no other section of the Wazirs is having terms offered to it, because it is only the Tori Khel Wazirs who have been in opposition to the Government.

**Mr. M. Asaf Ali :** May I take it that the difference between the administration of the protected areas and that of the settled districts will be merely in name ; otherwise they would be treated more or less alike ?

**Lieut.-Colonel A. E. B. Parsons :** The Honourable Member may not take it so. (Laughter.)

**Mr. M. Asaf Ali :** In that case, with reference to the answers to clauses (d) and (e), the Honourable Member has said that the extension of the treatment of the settled districts to these protected areas would be resented by the tribes. May I take that this treatment on the basis of protection will also be resented by them ?

**Lieut.-Colonel A. E. B. Parsons :** I do not think so.

**Mr. M. Asaf Ali :** Why not ?

**Lieut.-Colonel A. E. B. Parsons :** Because it is entirely a different business.

**Mr. M. Asaf Ali :** Is it not a fact that the whole trouble in Waziristan has been largely due to the circular road that you are driving through that area, and the circular road is really a forerunner to protection and that is why these tribes are resenting it ?

**Lieut.-Colonel A. E. B. Parsons :** No.

**Mr. Abdul Qaiyum :** Certain areas have been treated as protected areas for 40 years. What is the ultimate object of the Government ? How long is it intended to keep them as protected areas ? Why not confer the benefits of settled administration on them ?

**Lieut.-Colonel A. E. B. Parsons :** I thought that the Honourable Member's Party did not consider that the benefits of settled districts administration were worth having. (Laughter.)

**Mr. Abdul Qaiyum :** The reason advanced for protection was that the tribes wanted it. Is it not a fact that the tribes prefer an administration like that we have in the settled districts at present, and not what we had before 1935, and this would extend the benefits of self-government to them ?

**Lieut.-Colonel A. E. B. Parsons :** The question is entirely hypothetical, but I have no doubt that Government would be very pleased but there is no prospect of the tribes asking for it.

**Mr. Abdul Qaiyum :** Why have not the Government extended the laws of the settled districts to the Kurram agency which has been very peaceful and has been settled for a number of years ?

**Lieut.-Colonel A. E. B. Parsons :** Most of the laws are already in force in the Kurram agency but they are administered tribally.

**Mr. Abdul Qaiyum :** I mean the Government of India Act, the benefits of self-government in local areas and all that.

**Lieut.-Colonel A. E. B. Parsons :** The Government of India Act applies to British India.

**Mr. S. Satyamurti :** What is the evidence or what are the facts in the possession of the Government, on which they have come to the conclusion, as I read from the answer given by my Honourable friend, that the present system of administration, which neither recognises their independence nor is that of settled districts, is not likely to cause as much resentment on the part of tribes as the suggestion contained in clause (c) of the question, that is, regular administration ? Have Government any information in their possession on which they have come to the conclusion that the present policy they are pursuing, which is neither the one or the other, is not likely to cause resentment among them ?

**Lieut.-Colonel A. E. B. Parsons :** Naturally Government can only go by the opinions of their most competent advisers.

**Mr. S. Satyamurti :** May I know, apart from their own advisers, if any representatives on behalf of the tribes themselves have given them any indication that the present system of administration will be likely to meet with their approval ?

**Lieut.-Colonel A. E. B. Parsons :** The present system of administration probably does not meet with the approval of anybody but the tribes would undoubtedly prefer it to the extension of the system of full administration.

#### INDIANISATION OF HIGHER POSTS IN THE GOVERNMENT OF INDIA DEPARTMENTS.

807. \***Mr. S. Satyamurti :** Will the Home Secretary be pleased to state :

- (a) whether his attention has been drawn to an article entitled "The present policy of Indianisation" by Mr. Sachidananda Sinha, ex-Finance Member of the Bihar Government and published in the *Amrita Bazar Patrika* of the 14th July and in several other newspapers ;
- (b) whether it is a fact that in the Defence Department there is not a single Indian today down to the post of Under Secretary ;
- (c) whether the audit of military expenditure is proposed to be handed to a civilian of British nationality and the post of the Financial Adviser to the Department is to be filled by an imported officer from the War Office of England ;
- (d) whether in the Foreign and Political Department there will shortly be no Indian holding any office of Secretary or Deputy or Under Secretary ;
- (e) whether it was understood on the Report of the Lee Commission that at least 25 per cent. of the annual recruits to these departments would be Indians ;
- (f) whether it is a fact that between 1924 and 1930, of the 47 recruits to these departments, only five were Indians and since 1931 no Indian has been taken ;
- (g) whether to the post of Budget Officer which had been held by members of the Indian Audit Service since the period of the Montagu reforms, a member of the Indian Civil Service has been appointed, and if so, why ;
- (h) the reason why no Indian has ever been appointed Finance Secretary ;
- (i) the reason why in the Home Department there is no Indian today above the rank of Under Secretary ;
- (j) whether it is a fact that the new post of Economic Adviser is to be entrusted to a British officer imported from abroad, and if so, why ;



- (k) why in the Commerce Department more Indians are not appointed to the higher posts ;
- (l) the reason why the only Indian on the Railway Board was sent away and Sir Basil Blackett's promise that there would be an Indian on the Railway Board has been violated ;
- (m) why the posts of Secretary and Joint Secretary to the Legislative Department usually go to British officers, except for brief periods ;
- (n) why a British journalist has been appointed Director of Public Information and another Britisher has been appointed News Editor of the Delhi Broadcasting Station ; and
- (o) whether there is any policy of Europeanising higher offices at the centre as against the coming of Federation ?

**Mr. J. A. Thorne :** Sir, before replying to the question itself, it is my duty to refer to the suggestion which you made in the course of discussion on the original answer which I gave to this question on the 24th August last. You suggested that the Home Department might help Honourable Members to ascertain the Department to which they should address questions of this kind, by issuing an explanatory circular. Generally speaking, the Home Department is concerned with rules and policy in a matter of this kind—namely, recruitment for the services with which the Government of India are concerned : but the detailed control of services and the application of policy is the responsibility of the administrative Department concerned.

If a Member wishes to obtain particular information from various Departments with a view to addressing a question on general policy to the Department concerned with such policy, there appear to be two possible methods of procedure. The most convenient course is for the Member first to obtain the information by questions addressed to the particular Departments, and then to put his general question to the Department concerned. The alternative is for the Member to address all the particular questions to the Department concerned with general policy. If the latter procedure is adopted, however, it will often be necessary to reply that information is being collected and will be laid on the table later.

I have now collected the material for reply to this question, and lay a statement on the table.

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*Statement.*

- (a) and (b). Yes.
- (c) As regards the first portion no change is contemplated in the existing arrangements whereby the audit of Military expenditure is conducted by officers of the Indian Audit Department. As regards the second portion the Honourable Member's attention is invited to the reply given on the 24th August, 1937, by the Honourable Sir James Grigg to his starred question No. 52.
- (d) No. So far as the External Affairs Department is concerned, there will be one Indian Under Secretary. The Political Department is no longer the concern of the Governor General in Council.
- (e) A full explanation of the position as regards Indianisation was given by Mr. H. A. F. Metcalfe during the budget discussion of 1933, *see* Legislative Assembly Debates of March 8, 1933.

(f) No. Between 1924—1930 inclusive, 17 Indian officers were recruited. In 1931 all recruitment (European and Indian) to the Department was suspended. In 1932 recruitment was curtailed by 50 per cent. In 1932—1936 inclusive, five Indian officers have been recruited.

(g) The attention of the Honourable Member is invited to the reply given on the 25th August, 1937, by the Honourable Sir James Grigg to part (e) of Mr. C. N. Muthuranga Mudaliar's starred question No. 107. The post is not reserved for members of any particular service.

(h), (i) and (k). The qualifications of all officers, whether Indian or European, for the posts mentioned, are fully considered. The difficulty in appointing Indian officers of the requisite seniority and experience has been fully explained in the speech of the Honourable Mr. Maxwell in the Council of State on the 15th March, 1937.

(j) An offer of the appointment has been made to a European economist but the Government of India are not yet aware whether it has been accepted.

(l) If the reference in the first part of the question is to Sir Raghavendra Rau, he relinquished charge of the post of Financial Commissioner of Railways as his tenure expired in April last. As regards the second part, presumably the Honourable Member is referring to the speech of the Honourable Sir Basil Blackett recorded on pages 1541 and 1542 of the Legislative Assembly Debates, dated 25th February, 1925. If so, I do not think that the statement amounts to a promise in the terms suggested.

(m) Vacancies in the posts referred to are filled by the selection of the officer conceived to be best fitted for one appointment. Since 1920 there have only been three permanent vacancies in the office of Secretary, three in the office of Joint Secretary and two in the office of Additional Joint Secretary. One of the permanent vacancies in the office of Additional Joint Secretary was filled by an Indian.

(n) So far as the first part of the question is concerned, Government have appointed Mr. Henessy as Director, Public Information, because, having regard to all the qualifications required, they consider him the most suitable selection. As regards the second part, the post of the News Editor, All-India Radio, was simultaneously advertised in England and in India. The Federal Public Service Commission reported that they were disappointed with the quality of candidates who appeared before them and could recommend only two as being possibly suitable for the appointment. The Selection Committee in the High Commissioner's Office interviewed seven candidates and strongly recommended Mr. C. J. Barns. After full consideration the Government of India decided to appoint Mr. Barns to the post.

(o) No.

**Mr. S. Satyamurti** : May I know what is the answer to part (i) of this question ?

**Mr. J. A. Thorne** : The reply to parts (h), (i) and (k) is this :

“The qualifications of all officers, whether Indian or European, for the posts mentioned are fully considered. The difficulty in appointing Indian officers of the requisite seniority and experience has been fully explained in the speech of the Honourable Mr. Maxwell in the Council of State on the 15th March 1937.”

**Mr. S. Satyamurti** : May I know what attempts are being made to get over these difficulties, and to secure a more adequate supply of qualified Indians in the various departments of Government ?

**Mr. J. A. Thorne** : I think the difficulty will remedy itself in a short space of years.

**Mr. M. Asaf Ali** : Are there any Indians under training now for these posts ?

**Mr. J. A. Thorne** : There are none under training in the Home Department of the Government of India.

**Mr. T. S. Avinashilingam Chettiar :** What are the difficulties that Mr. Maxwell expressed ?

**Mr. President (The Honourable Sir Abdur Rahim) :** The Honourable Member had better read that statement.

#### REFORMS FOR AJMER-MERWARA.

808. **\*Rai Bahadur Seth Bhagchand Soni :** (a) Is the Home Secretary aware that the citizens of Ajmer-Merwara are greatly concerned and agitated over the fact that while other Provinces in British India are enjoying a very large measure of responsible administration they are to remain deprived of any democratic form of Government ?

(b) Will the Home Secretary explain for what sins of omission or commission, if any, are the people of Ajmer-Merwara not being treated on a par with their brethren in other British Indian Provinces ?

**Mr. J. A. Thorne :** (a) I am not aware of any general concern or agitation.

(b) None, either of omission or commission.

**Mr. Abdul Qaiyum :** Is it the intention of the Government to force the people of Ajmer-Merwara to follow the example of the Frontier Province ? That is the way whereby Government will become aware of the agitation—to rise in open rebellion, before you grant reforms ?

**Mr. J. A. Thorne :** I do not understand the question.

**Mr. Abdul Qaiyum :** The Honourable Member said that he was not aware of any desire on the part of the people in the area for reforms. I want to know whether the object of the Government is to force these people to follow the example of the Frontier and start a new movement like the Red Shirt movement, before they become aware of the agitation ?

**Mr. President (The Honourable Sir Abdur Rahim) :** That is an argument.

**Mr. S. Satyamurti :** Is the fact that there are no sins of commission or omission on the part of the people of Ajmer-Merwara the reason why they are not placed on the same footing as other provinces with respect to reforms ?

**Mr. J. A. Thorne :** Well, Sir, that is a big question to which, I think, an answer cannot easily be given in reply to a supplementary question. But there are later questions the answers to which will throw a light on this subject.

#### ADMINISTRATION OF AJMER-MERWARA.

809. **\*Rai Bahadur Seth Bhagchand Soni :** Will the Home Secretary lay on the table a comprehensive statement of how Ajmer-Merwara is

governed at present in all its various departments and what is the precise significance of its administration having been transferred to the Home Department ?

**Mr. J. A. Thorne** : I am prepared to give an oral answer. The position is that any particular subject arising in the Province is dealt with in the Government of India Secretariat by the department which is concerned with that subject. Matters of general administration are dealt with by the Home Department. The Foreign and Political Department ceased to have any dealings with the administration of the Province on the introduction of the Government of India Act, 1935, because neither the Political Department nor the External Affairs Department is now concerned with it.

#### REFORMS FOR AJMER-MERWARA.

810. **\*Rai Bahadur Seth Bhagchand Soni** : (a) Is the Home Secretary prepared to consider the question of reforms for the Province of Ajmer-Merwara ?

(b) If so, will he state whether the matter is likely to receive his attention in the near future ?

**Mr. J. A. Thorne** : With your permission, Sir, I will answer this question and No. 812 together.

As the Government of India Act was passed so recently and the position of Ajmer-Merwara in the new constitution was decided, after careful consideration of all points of view, the Government of India consider that it would be premature to examine the question.

**Mr. Abdul Qaiyum** : Did the Government consult the people of Ajmer-Merwara before they decided to exclude them from the benefits of this Act ?

**Mr. J. A. Thorne** : I do not think there was any direct consultation between the Government of India and the people of Ajmer-Merwara but certainly the views of the people were conveyed to them by the Agent to the Governor General.

**Mr. Abdul Qaiyum** : What in direct methods did the Government of India adopt to ascertain the wishes of the people ?

**Mr. J. A. Thorne** : The method was through the head of the Local Government.

**Sir Cowasji Jehangir** : Is the present administration of Ajmer-Merwara in keeping with the recommendations of the Round Table Conference ?

**Mr. J. A. Thorne** : I must ask for notice.

**Mr. S. Satyamurti** : Did the Agent to the Governor General recommend that the people of Ajmer-Merwara should not come within the scope of these reforms ?

**Mr. J. A. Thorne :** He recommended that the position should be as it is under the Government of India Act.

**Seth Govind Das :** What was the reason for it ?

**Mr. J. A. Thorne :** One of the reasons was the impracticability of any alternative that had been suggested at the time.

**Mr. Lalchand Navalrai :** May I know whether the reason is that Ajmer-Merwara is considered a backward province ?

**Mr. J. A. Thorne :** It is treated exactly like other Chief Commissioners' Provinces.

**Mr. M. Asaf Ali :** As Delhi happens to be exactly in the same boat as Ajmer-Merwara but slightly more advanced, I think, and not in close proximity to any States, is anything likely to be done to that province ?

**Mr. J. A. Thorne :** I suggest that the position of Delhi does not arise.

**Mr. S. Satyamurti :** Is the fact that Ajmer-Merwara has the States of Princes adjoining it, the reason why no progress is being made ?

**Mr. J. A. Thorne :** I do not think that is correct.

**Prof. N. G. Ranga :** Have any representations been received from local associations asking for an extension of the reforms to Ajmer-Merwara.

**Mr. J. A. Thorne :** We received a report of a meeting held, I think, in February last, but the recommendation of that meeting was, to the best of my recollection, that Ajmer-Merwara should be merged in the United Provinces.

**Mr. Abdul Qaiyum :** Did the Government consult the rulers of the neighbouring States when the question of reforms was being discussed for this province ?

**Mr. J. A. Thorne :** I must ask for notice.

**Mr. S. Satyamurti :** Have the Government consulted people of the Ajmer-Merwara about their own political future ?

**Mr. J. A. Thorne :** I have already answered that.

**Seth Govind Das :** The Honourable Member has just said that the Government have received representations asking for the amalgamation of Ajmer-Merwara with the United Provinces. Are Government going to do that ?

**Mr. J. A. Thorne :** I think that will more suitably be asked on an answer which I am giving later.

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

REPORT OF THE ASHWORTH COMMITTEE ABOUT ADMINISTRATIVE AND JUDICIAL REFORMS IN AJMER-MERWARA.

811. \*Rai Bahadur Seth Bhagchand Soni : (a) Will the Home Secretary please state whether it is a fact that as far back as 1921 a committee under the Chairmanship of Mr. Ashworth was appointed by the Government of India to consider and report about administrative and judicial reforms in Ajmer-Merwara ?

(b) Will the Home Secretary state what action was taken on the recommendations made by the Ashworth Committee ?

**Mr. J. A. Thorne** : (a) Yes.

(b) The principal proposal of the Committee was that Ajmer-Merwara should be merged in the United Provinces. The Government of India consulted the Government of the United Provinces on this proposal. The latter Government opposed it : and the proposal was dropped.

**Mr. S. Satyamurti** : Will the Government now consult the United Provinces Government on the proposal of this Committee to include Ajmer-Merwara in the United Provinces ?

**Mr. J. A. Thorne** : That will be considered.

**Pandit Lakshmi Kanta Maitra** : May I ask what is the date when the United Provinces Government was consulted as to the amalgamation of Ajmer-Merwara with the United Provinces ?

**Mr. J. A. Thorne** : The Committee reported in 1921, I think, and the United Provinces Government were consulted shortly after that.

**Pandit Lakshmi Kanta Maitra** : Was no proposal made to the United Provinces Government after 1921 for the amalgamation of Ajmer-Merwara with that Government ?

**Mr. J. A. Thorne** : No proposal was made by whom ?

**Pandit Lakshmi Kanta Maitra** : By the Government of India ?

**Mr. J. A. Thorne** : I think not, but I am not certain.

**Sir Muhammad Yakub** : Have the Government considered the scheme of transferring the Benares and Ghazipur Divisions of the United Provinces to Bihar and giving Ajmer-Merwara to the United Provinces Government and will Government consult the Government of the United Provinces on this scheme ?

**Mr. J. A. Thorne** : I should like to have a notice of that. I am not certain what the answer is.

**Mr. Mohan Lal Saksena** : Am I to understand that if the United Provinces Government had not opposed the recommendations of the Committee, the Government of India would have given effect to them ?

**Mr. J. A. Thorne** : I cannot say.

## REFORMS FOR AJMER-MERWARA.

†812. \***Rai Bahadur Seth Bhagchand Soni** : Does the Home Secretary propose to consider the advisability of appointing another expert Inquiry Committee to suggest how best Ajmer-Merwara can participate in the reforms granted to other British Indian Provinces under the Government of India Act, 1935 ?

## HILLS STATIONS WHERE BRITISH TROOPS GO IN SUMMER.

813. \***Mr. Badri Dutt Pande** : Will the Defence Secretary be pleased to state the name and number of hill stations in India where British troops go during summer ?

**Mr. C. M. G. Ogilvie** : There are 17 hill stations to which British troops are sent every year, *viz.* :

Cherat.	Chakrata.
Murree Hills Area.	Landour.
Dalhousie.	Ranikhet Area.
Jutogh.	Darjeeling Area.
Solon.	Pachmarhi.
Dagshai.	Purandhar.
Kasauli.	Mount Abu.
Swathu.	Wellington.
Kailana.	

**Seth Govind Das** : May I ask how much does it cost for sending the British troops every year to these hill stations ?

**Mr. M. Asaf Ali** : May I ask if there are no hill stations for the Indian troops ?

**Mr. C. M. G. Ogilvie** : There are no hill stations specifically set aside for Indian troops.

**Mr. K. Santhanam** : What is the proportion of the British troops that are stationed in these hill stations ?

**Mr. C. M. G. Ogilvie** : If the Honourable Member waits till the subsequent question is answered, he will get a reply to his question.

**Mr. S. Satyamurti** : May I ask if all these hill stations are used every year and if all these British troops go to these hill stations at one time or the other during the year ?

**Mr. C. M. G. Ogilvie** : No, Sir. Those hill stations are used every year, but all British troops do not go to them by any means.

## BRITISH TROOPS GOING TO HILL STATIONS.

814. \***Mr. Badri Dutt Pande** : Will the Defence Secretary please state the number of British troops that went to the hills during the last three years and the cost of movement of troops to those hill stations ?

†For answer to this question, see answer to question No. 810.

**Mr. C. M. G. Ogilvie :** The movement of troops is carried out by Army Headquarters when the number to be moved is over 20. If it is less than that number the movement is made under the orders of the local military authority. Without consulting all local military authorities it is not possible to supply the information asked for. There are no statistics available for 1934-35 as this item was not shown separately in the accounts in that year. The number of British troops moved to the hills by Army Headquarters in the years 1935-36 and 1936-37 were 14,127 and 13,426. These constitute by far the greater part of the movements.

As regards the cost of these moves during the two years the accounts do not show separate figures for troops and families of the troops. The figures for both items altogether in the years 1935-36 and 1936-37 were, respectively, Rs. 4,09,191 and Rs. 3,86,999.

**Seth Govind Das :** In view of the fact that the Provincial Governments are now thinking of stopping the hill exodus and even a proposal is going on to stop the Simla exodus, will Government think it desirable to stop this movement of military from the plains to the hills and thus stop this useless expenditure ?

**Mr. C. M. G. Ogilvie :** This matter is not parallel to the example quoted by the Honourable Member.

**Seth Govind Das :** Is it or is it not a fact that only a small proportion of the British Army is being sent to hill stations and is it not a fact that most of it still remains in the plains ? If it is so, will it not be advisable to stop this exodus of British troops and thus stop this useless expenditure ?

**Mr. C. M. G. Ogilvie :** No, Sir. The expenditure is not useless.

**Mr. Abdul Qaiyum :** Will it not be cheaper to send the British troops to England during the summer ?

**Mr. C. M. G. Ogilvie :** No, Sir.

**Pandit Lakshmi Kanta Maitra :** May I know from the Honourable Member why a particular portion of the troops is not being sent to the Hills and what is the principle behind it ?

**Mr. C. M. G. Ogilvie :** There is no selected portion. It depends largely upon whether the cantonments in which British troops are stationed are (a) very hot and (b) fairly close to a hill station.

**Sir Cowasji Jehangir :** Is it not a fact that these troops are sent to the hills to recoup their health ?

**Mr. C. M. G. Ogilvie :** Yes, Sir.

**Seth Govind Das :** Even from these cantonments which the Government consider to be very warm, only a small portion of British troops are sent to the hills and not all. Under those circumstances, will it not be advisable to stop this hill exodus and save the money ?

**Mr. C. M. G. Ogilvie :** No, Sir.

**Mr. President (The Honourable Sir Abdur Rahim) :** The Honourable Member had already put that question.



**Mr. S. Satyamurti :** With regard to the number of British troops who were sent last year and who were, I think, removed under the orders of the Army Headquarters, may I know, if, in addition to them, any other troops were moved to the hill stations under the command of the local Army Commanders and, if so, what is their number ?

**Mr. C. M. G. Ogilvie :** I have answered that question.

**Mr. M. Asaf Ali :** These British troops, as my Honourable friend has admitted, were moved to the hill stations on account of health. May I take it, then, that the health of the British forces in India is generally very low and therefore they are unsuitable for staying in India ?

**Mr. C. M. G. Ogilvie :** No, Sir.

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

#### CIVILIAN EXECUTIVE OFFICERS IN CANTONMENTS.

815. **\*Mr. K. M. Jedhē :** (a) Will the Defence Secretary please state the total number of civilian Executive Officers employed in the Cantonment Department at the present moment with the following particulars in respect of them :

- (i) rate of salary ;
- (ii) present age ;
- (iii) educational qualifications ;
- (iv) length of service ;
- (v) how many of them were appointed before the Cantonment Amending Bill of 1936 was passed ; and
- (vi) names and the cantonment they are attached to ?

(b) Do Government propose to exempt any of the Executive Officers from the next departmental examination who have been appointed as Executive Officer from a subordinate position and have been employed in the Cantonment Department for many years ?

(c) Is it a fact that young graduates related to high Government officials or military contractors are being directly appointed to the post of civilian Executive Officers with a nominal training only ?

(d) Are Government aware that for want of training and intimate knowledge of Cantonment Acts and regulations these Executive Officers are entirely dependent on their staff ?

**Mr. C. M. G. Ogilvie :** (a) 36.

(i), (ii), (iii), (iv) and (vi). I lay on the table a statement containing the required information.

(v) 29.

(b) No. It is not permissible under rule 8 (1) of the Cantonment Executive Officers Service Rules, 1937.

(c) No, the Honourable Member is misinformed.

(d) In view of reply to part (c), the question does not arise.

## Statements.

Serial No.	Name.	Cantonment to which attached.	Rate of salary.	Present age.	Educational qualifications.	Length of service.
			Rs.	Years.		Years.
1	Captain H. R. Wise	Kirkee ..	500	48	Educated and passed through "Reese Hill" School in England.	11
2	Mr. T. M. Naser	Abbottabad ..	430	42	Upto Senior Cambridge Examination.	8
3	Mr. Mohd. Subhan	Sangor ..	310	50	Upto Matriculation standard ..	7½
4	Mr. Shahbaz Khan	Ambala ..	400	35	M. A. ..	7
5	Subedar Mela Ram Sondhi	Chakrata ..	400	43	Matriculate ..	6
6	Jemadar Attar Singh	(On leave)	340	41	Higher Standard English Examination of the Army.	6
7	Mr. Mahesh Prasad Tiwari	Shillong ..	300	46	Matriculate ..	6
8	Captain H. C. Levitt	Aurangabad ..	400	42	English Architect and chartered surveyor. Has English Public School education.	6
9	Mr. C. Pearce ..	Belgaum ..	330	51	Army first class certificate of Education.	4½
10	Mr. Mohd. Abdulla Khan	Allahabad ..	300	36	Matriculate ..	4

11	Mr. I. C. Gray	..	Ahmednagar	..	500	36	Architect and Engineer	..	1
12	Rai Sahib Risaldar Lekhmi Chand Dutt.	..	Naini Tal	..	200	54	Matriculate	..	8½
13	Rai Sahib Mansa Ram	..	Jutogh	..	180	53	Non-Matric	..	7
14	Bakhshi Prailad Singh	..	Hyderabad (Sind)	..	250	35	B. A.	..	7
15	Mr. Menohar Lal	..	Benares	..	250	52	Matriculate	..	6½
16	Mr. Mohd. Zaman Khan	..	D. I. Khan	..	250	33	B. A., LL.B.	..	6
17	Mr. M. A. Ahsd	..	Jhelum	..	300	50	No university qualifications	..	6
18	Mr. Anant Ram	..	Mardan	..	200	42	Matriculate	..	5½
19	Mr. Khushdil Khan	..	Cherat	..	200	44	Matriculate	..	5½
20	Mr. M. M. Shourie	..	Amritsar	..	200	34	B. A.	..	5½
21	Mr. Nand Lal Bery	..	Dalhousie	..	175	47	No university qualification	..	5
22	Mr. Sardar Ali	..	Risalpur	..	250	40	Upto Matriculation Standard	..	5
23	Mr. S. L. Uobery	..	Bakloh	..	170	45	B. A.	..	4
24	Mr. Rewail Singh	..	Dharamasala	..	165	48	Matriculate	..	3½
25	Mr. Narottam Singh	..	Kamptee	..	165	31	B.A., LL.B.	..	3½
26	Mr. M. G. Kaber	..	Dehra Dun	..	160	23	B.A.	..	2
27	Mr. Panna Lal Kumar	..	Delhi	..	155	25	B.A., LL.B.	..	2
28	Mr. Karamatullah	..	Murree	..	155	30	B.A., LL.B.	..	1½

Serial No.	Name.	Contonment to which attached.	Rate of salary.	Present age.	Ednoational qualifications.	Length of service.
			Rs.	Years.		Years.
29	Mr. Astar Singh Puri ..	Ferozepore ..	155	26	B.A., LL.B. ..	1½
30	Mr. Bhagwant Singh Kohli ..	Kohat ..	155	26	B.A., LL.B. ..	1½
31	Mr. Satya Dev Bogra ..	Bannu ..	150	22	B.A. ..	1
32	Mr. Ram Dev Handa ..	Muttra ..	150	27	B.A., LL.B. ..	8 months.
33	Mr. B. Sarn Dutt ..	Kasauli ..	150	28	M.A. (Contab.) ..	8 months.
34	Mr. Gajendara Singh ..	St. Thomas Mount ..	150	24	M.A. ..	7 "
35	Mr. Masud Ali Khan ..	Campbellpore ..	150	26	M.A. ..	7 "
36	Mr. S. K. Rizvi ..	Shahjahanpur ..	150	24	M.A., LL.B. ..	5 "

**APPOINTMENT OF CIVILIAN EXECUTIVE OFFICERS IN CANTONMENTS AND FEE CHARGED BY THE DOCTOR OF THE CANTONMENT HOSPITAL AT DAGSHAI FROM MILKMEN AND HAWKERS OF FOODSTUFFS.**

816. \***Mr. K. M. Jedhe** : (a) Will the Defence Secretary please state if the appointments of civilian Executive Officers are made at present by the Director of Military Lands and Cantonments and whether he is prepared to appoint a selection committee composed of officials and non-officials for the selection of civilian Executive Officers ?

(b) Will Government please state if any additional remuneration is granted to Head Clerks of Cantonment Offices who are training the Executive Officers in their work ?

(c) Will Government please state why the doctor in charge of the Cantonment Dispensary at Dagshai cantonment has been allowed to charge his fee from milkmen and other hawkers of foodstuff, and is it a fact that he draws an allowance from the Cantonment Fund besides his pay as an Indian Subordinate Medical Department officer ?

**Mr. C. M. G. Ogilvie** : (a) No. I refer the Honourable Member to rule 5 of the Cantonment Executive Officers Service Rules, 1937, under which appointments to the Service are made by the Central Government by selection from among candidates recommended by the Federal Public Service Commission.

(b) No. The Executive Officers are not trained by their head clerks.

(c) I have called for the required information from the local authorities concerned and will lay it on the table as soon as it is received.

**MEAT ALLOWED TO SOLDIERS AND CATTLE KILLED FOR THE PURPOSE.**

817. \***Mr. Ram Narayan Singh** : Will the Defence Secretary be pleased to state :

(a) the amount of meat allowed to every soldier, Indian and British, every day ;

(b) the average amount of meat of all sorts required for the army in India every year ;

(c) the average number of animals required to be killed for the purpose mentioned in part (b) above every year and their kinds ; and

(d) the cost required for the purpose ?

**Mr. C. M. G. Ogilvie** : (a) A British soldier receives one pound of fresh meat per day. The Indian soldier receives a daily ration of two ounces of *ghee* and he is entitled to substitute meat for half of that ration if he so desires.

(b), (c) and (d). Enquiries are being made and the answer will be laid on the table in due course.

**Seth Govind Das** : Will Government please say how much beef and how much mutton are given to British soldiers ?

**Mr. C. M. G. Ogilvie** : All beef.

**Babu Baijnath Bajoria** : Why can it not be replaced by mutton ?

**Mr. C. M. G. Ogilvie** : It costs twice as much.

**Babu Baijnath Bajoria** : What is the extra cost ?

**Mr. C. M. G. Ogilvie** : I want notice.

**Mr. Lalchand Navalrai** : Are Hindu soldiers also supplied with beef ?

**Mr. C. M. G. Ogilvie** : No, Sir.

**Mr. Lalchand Navalrai** : How much mutton is given ?

**Mr. C. M. G. Ogilvie** : I want notice.

**Manvi Abdur Rasheed Chandhury** : In the case of Indian soldiers, why is *ghee* substituted for mutton ?

**Mr. C. M. G. Ogilvie** : It is not substituted. The Indian soldier, as the Honourable Member would have heard if he had listened to my answer, has the option of substituting meat for half his ration of *ghee*.

#### SEPARATION ALLOWANCE ALLOWED TO BRITISH SOLDIERS.

818. **\*Mr. Ram Narayan Singh** : Will the Defence Secretary be pleased to state whether separation allowance is allowed to every British soldier serving in this country and also the purpose underlying this allowance ? Does an Indian soldier get this allowance, and if not, why not ?

**Mr. C. M. G. Ogilvie** : Separation allowance is not granted to every British soldier in India. It is granted only to *married* British other ranks up to and including the rank of sergeant when separated from their families owing to exigencies of military service. It has not been found necessary to make this arrangement in the case of Indian troops.

**Mr. M. Asaf Ali** : Is it not a fact that no less than 36 lakhs are given away only in the shape of separation allowance ?

**Mr. C. M. G. Ogilvie** : It is certainly not a fact.

**Pandit Lakshmi Kanta Maitra** : Will the Honourable Member say how many British soldiers are given this separation allowance ?

**Mr. C. M. G. Ogilvie** : The number is fairly small. I cannot give the exact figures without notice.

**Mr. M. Asaf Ali** : Are there other allowances besides separation allowance—some 14 kinds of allowances ?

**Mr. C. M. G. Ogilvie** : I submit that question does not arise.

**Pandit Lakshmi Kanta Maitra** : What is the cost of separation allowance given by the Government ?

**Mr. C. M. G. Ogilvie** : The amount given by way of separation allowance in the case of Lance Corporal is six annas a day, in the case of Corporal and Lance Sergeant  $4\frac{1}{2}$  annas and in the case of Sergeant three annas a day.

**Mr. S. Satyamurti :** What is the principle or purpose underlying this allowance ?

**Mr. C. M. G. Ogilvie :** It is given when soldiers, who are married on the strength and who ought to have accommodation in barracks, have to find accommodation for their families outside. It so happens that in a number of British barracks there are not as many married quarters as there are married men on the strength, that is to say men who have been officially allowed to marry and keep their families in barracks. When that is the case, they are given this small separation allowance as compensation. They are also given this allowance when they are moved to non-family stations.

**Mr. S. Satyamurti :** May I know whether the actual allowance paid to each one of them who gets a separation allowance is based on the extra expenditure which the gentleman who gets the allowance has got to incur, because he cannot accommodate his wife and family in the quarters ?

**Mr. C. M. G. Ogilvie :** I think this must have been the fact.

**Mr. S. Satyamurti :** What is the fact ? Is the allowance merely a kind of additional payment in addition to the salary and other allowances, or is it based on the actual expenditure he has to incur ?

**Mr. C. M. G. Ogilvie :** I should say that that question is quite impossible to answer as conditions in different stations vary very greatly indeed. All that I am prepared to say at the moment is that the allowance has obviously been fixed as low as possible.

**Mr. Lalchand Navairai :** May I know the reason why Indian soldiers are not being given this separation allowance ?

**Mr. C. M. G. Ogilvie :** The main reason is that in the lines of Indian regiments, ample accommodation for all those married on the strength exists and also the number of men married on the strength in an Indian regiment is considerably larger than that in a British regiment. The other reason is that when a move takes place to non-family stations, the families of Indian troops are conveyed at Government expense to their homes.

**Mr. Mohan Lal Saksena :** Is similar allowance given to the army in England ?

**Mr. C. M. G. Ogilvie :** Yes, Sir.

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

**Mr. K. Santhanam :** I want to put a supplementary question.

**Mr. President (The Honourable Sir Abdur Rahim) :** Next question has been called.

**Mr. K. Santhanam :** It is difficult to catch your attention. I do not get any chance to put supplementary questions.

**Mr. President (The Honourable Sir Abdur Rahim) :** Every Member is not expected to put supplementary questions. The Honourable Members belonging to the Honourable Member's party put most of these questions. Next question.

**PRISONERS WHO DEVELOPED TUBERCULOSIS OR BECAME INVALIDS IN THE CELLULAR JAIL AT PORT BLAIR.**

819. \***Mr. Mohan Lal Saksena** : (a) Will the Home Secretary be pleased to state how many prisoners in the Cellular Jail at Port Blair developed tuberculosis or became invalids during the last three years ?

(b) How many of them were repatriated ?

(c) How many of them are still in jail and what is their present condition ?

(d) Are Government prepared to recommend their release to the Local Governments ?

**Mr. J. A. Thorne** : (a) Twenty-six, including five who showed signs of tuberculosis.

(b) All.

(c) None in the Andamans.

(d) The question of release is not one in which the Government of India have any right to interfere.

**Mr. Mohan Lal Saksena** : Are there no prisoners in the centrally administered areas to be released ?

**Mr. J. A. Thorne** : I do not quite understand what my Honourable friend means.

**Mr. Mohan Lal Saksena** : The Honourable Member just now said that Government have no voice in the release of these prisoners. Am I to understand that there are no persons among these from the centrally administered areas ?

**Mr. J. A. Thorne** : I believe that is so.

**Pandit Lakshmi Kanta Maitra** : Are there no tubercular patients among the prisoners in the Andamans ?

**Mr. J. A. Thorne** : That is correct.

**Pandit Lakshmi Kanta Maitra** : Is it not a fact that a few weeks ago there were two such patients ? Have they been repatriated in the meanwhile ?

**Mr. J. A. Thorne** : That follows from my answer.

**GOVERNMENT ADVERTISEMENT GIVEN TO NEWSPAPERS.**

820. \***Mr. Mohan Lal Saksena** : (a) Will the Home Secretary be pleased to state the total amount of money spent by the various departments of Government on advertisement in the year 1936-37 ?

(b) What are the names of the papers to which the advertisements were given ?

(c) How many of the above mentioned papers had a circulation exceeding five thousand copies ?

(d) Which of the aforesaid papers had the lowest circulation ? What is its circulation and how much money was given by Government to it on account of the cost of advertisements ?



**Mr. J. A. Thorne :** I am collecting the information and will lay it on the table in due course.

**Manvi Abdur Rasheed Chaudhury :** When was notice of this question given and when was it received by the Honourable Member ? Why could he not collect information by this time ?

**Mr. J. A. Thorne :** Because of the physical impossibility of doing so.

CENSORSHIP OF CORRESPONDENCE.

821. **\*Mr. Mohan Lal Saksena :** (a) Will the Honourable the Home Member be pleased to state under what law the correspondence of persons is censored ?

(b) Is it done under the orders of the Government of India or of the Provincial Governments ?

(c) Do the Local Governments order the censoring of the correspondence of any persons without disclosing any reasons to the Government of India ?

(d) What is the total number of persons whose correspondence was under censorship in India in July last and of this how many have been ordered by the Government of India ?

(e) Is it a fact that the correspondence of some of the Congress Ministers is still being censored ? If so, under whose orders ?

**Mr. J. A. Thorne :** (a) Section 5 of the Indian Telegraph Act : Sections 25, 26, 27A, 27B, 27C and 27D of the Indian Post Office Act and rules 15 and 180 of the Indian Telegraph Rules.

(b) A reference to the provisions I have quoted will show the authorities empowered to take action.

(c) Where Provincial Governments are competent to take action under these provisions, there is no obligation on them to consult the Government of India.

(d) and (e). It is contrary to the public interest to give any information of the kind asked for.

**Mr. Mohan Lal Saksena :** Am I to understand that the Bombay Government can censor foreign letters that are addressed to the Honourable Members of the Executive Council of the Government of India ?

**Mr. J. A. Thorne :** I cannot say what the Bombay Government have done, Sir.

**Mr. Mohan Lal Saksena :** I want to know whether under the Rules, the Bombay Government is entitled to censor all the foreign *dak* that is addressed to the Honourable Sir James Grigg, for instance, without consulting the Government of India.

**Mr. President** (The Honourable Sir Abdur Rahim) : That is not a question with reference to what happened. It is a hypothetical question.

**Mr. Badri Dutt Pande :** May I know if the Central Government have deputed some more C. I. D. men to open the letter of political workers ?

**Mr. J. A. Thorne :** The Central Government have no control whatever over the C. I. D.

**Mr. S. Satyamurti :** With reference to clause (e), may I know whether my Honourable friend says that it is against public interest either to confirm or to deny the statement made here, namely, that the correspondence of the Congress Ministers is still being censored ?

**Mr. J. A. Thorne :** My answer was that it is contrary to the public interest to give any information of the kind asked for in clauses (d) and (e).

**Mr. S. Satyamurti :** May I know, therefore, if the Government refuse to deny that even the correspondence of Congress Ministers is still being censored ?

**Mr. President (The Honourable Sir Abdur Rahim) :** He has given the answer ; the Honourable Member can form his own conclusions.

**Mr. S. Satyamurti :** He says he will not answer.

**Mr. President (The Honourable Sir Abdur Rahim) :** I understood him to say that any person's correspondence is liable to be censored.

**Mr. S. Satyamurti :** Sir, it is a matter of great public importance, and I want to know and I want your good offices.....

**Mr. President (The Honourable Sir Abdur Rahim) :** The answer was given ; perhaps the Honourable Member did not follow it.

**Mr. S. Satyamurti :** The answer was that in the public interest he refuses to answer clauses (d) and (e).

**Mr. Bhulabhai J. Desai :** I will ask a more direct question with reference to clause (e). Will Government state whether in fact the correspondence of some of the Congress Ministers is being censored ?

**Mr. J. A. Thorne :** I have said that it is contrary to the public interest to give any information of the kind asked for. It is obvious that if in this House one had to reply to questions about class A, class B, class C, or any other class of the public, by a process of elimination it would be possible to obtain the information which it is not in the public interest to give.

**Mr. S. Satyamurti :** Are the Congress Ministers only a " section of the public " and do they not occupy a peculiarly strong position ? Does my Honourable friend think they are only ordinary members of the public, and no information can be given ?

**Mr. J. A. Thorne :** That is a matter of opinion and argument.

**Mr. Mohan Lal Saksena :** Will Government consider the advisability of issuing instructions that if the correspondence of the Ministers is being censored, it should not be censored any further ?

**Mr. J. A. Thorne :** That is entirely hypothetical.

**Sir Cowasji Jehangir :** Will Government consider the advisability of censoring the correspondence of Ministers of the Central Government ? (Laughter.)

**BRITISH INDIANS KIDNAPPED BY THE TRIBES ON THE NORTH-WEST FRONTIER PROVINCE.**

822. \*Mr. Abdul Qaiyum : (a) Will the Foreign Secretary please state how many British Indians were kidnapped by the tribes on the North-West Frontier Province ?

(b) How many of those kidnapped were either killed or wounded ?

(c) How many among the kidnapped persons have returned and how many are still in captivity ?

Lieut.-Colonel A. E. B. Parsons : (a), (b) and (c). An up-to-date statement containing the information is laid on the table.

*List of Persons kidnapped by the Tribes on the North-West Frontier Province.*

Item No.	Date and place of kidnaping.	Names and other particulars.
1	18th February, 1937. Mobali Barakzai—6½ miles S. W. of Bannu on the Mirian Road.	Tehl Ram and Asa Nand, sons of Bhawans Dass—Gold-smith. Asa Nand was returned through the Jani Khel on 19th May, 1937 and Tehl Ram released on 20/21st June, 1937. One Devi Dayal, son of Tehl Ram, was wounded in the course of the struggle with the dacoits.
2	17th March, 1937. Bannu Kohat Road, 6 miles from Bannu near Domel.	Three Muslims named Bahadur Sher, Muhammad Haasan and Muhammad Din and one Hindu Bogha Ram were kidnaped. All three Muslims were subsequently released and Bogha Ram retained. He is still in captivity.
3	19th March, 1937. Bhart, Police Station Saddar, Bannu District.	Parmanand, Hindu, uncle of one Rama Nand, was kidnaped. He was released as a result of military operation on the night of the 20/21st June, 1937, near Baramand Shaktu.
4	19th March, 1937. Lakki Bazar, Bannu District.	Five Hindus named (1) Naubat Rai, Booking clerk, Lakki Station; (2) Sadho Ram; (3) Wishan Dass; (4) Milap Chand and (5) Khan Chand were kidnaped. Babu Naubat Rai was returned on 19th May, 1937 and Wishan Dass was released in early May. Milap Chand and Sadhu Ram were returned on 24th May, 1937. Khan Chand is still in captivity.
5	23rd March, 1937. Two miles from Bannu on the Tochi Road. Raid on Mamash Khel Ramnohi village.	Two Hindus Guli Chand and Gopi Chand were kidnaped. Both subsequently escaped.

Item No.	Date and place of kidnaping.	Names and other particulars.
6	6th April, 1937. Two miles north of Razmak, Tochi Agency.	A lorry was looted on the Razmak Road and 2 Hindus named Ganisham and Lorinda and one Sikh Atma Singh were kidnaped. Ganisham and Lorinda were released on 18th June, 1937 and Atma Singh on 10th April, 1937.
7	8th April, 1937. Nikori Khassadar post, Jani Khel, 18 miles S. W. of Bannu.	One Muslim District Board Overseer named M: Abdullah Khan and one Hindu Uttam Chand, Agent of Diwan Jodharam, contractor were kidnaped. Both were returned on 13th May, 1937. The Jani Khel were charged with complicity in this case and on threat of severe action it is understood they themselves paid ransom of Rs. 1,500 for the release of these persons.
8	16th April, 1937. Behram Khel village, near Takori, Lakki Tehsil, Bannu District.	One Hindu Nirmal Dass kidnaped. He was returned on 29th April, 1937.
9	23/24th April, 1937. Gul Imam village, Tank Sub-Division.	Two Hindus Duni Chand <i>alias</i> Tala Tam, son of Note Ram and Tara Chand, son of Karam Chand, were kidnaped. They were recovered on 31st May, 1937.
10	26th April, 1937. Nari Wala Narai, Tochi Agency.	Two drivers Harnam Singh, Sikh and Topan Ram, Hindu were kidnaped on 26th April, 1937. They were released on 11th June, 1937
11	2nd May, 1937. Paharpur, D. I. Khan District.	One Hindu Gokal Chand and Harnam Singh were kidnaped. Both were handed over to the Political Agent at Sararogha on 24th May, 1937.
12	19th May, 1937. Umar Tittar Khel, Bannu District. 10 miles east of Bain Pass.	Four Hindu girls daughters of Mussammat Puni Bhai. Names (1) Mst. Lokar Bai, (2) Mst. Benser Bai, (3) Mst. Makhan Bai, (4) Mst. Gupal Bai were kidnaped. Mst. Bensari Bai returned on 24th May, 1937 and remaining three girls on 20th June, 1937.
13	19th May, 1937. Brogi village, Bannu District.	Eight Muslim boys named (1) Abdul Karim, son of Ghulam Haider; (2) Said Khan, son of Lal Khan; (3) Begu Khan, son of Sher Jangi; (4) Almar Gul, son of Sher Gul; (5) Sardar Khan, son of Akbar Ali; (6) Gul Wali, son of Sarmast; (7) Said Khan, son of Gul Khan; and (8) Ismail Khan, son of Khan Muhammad, were kidnaped. All returned by 16th June, 1937.

Item No.	Date and place of kidnapping.	Names and other particulars.
14	3rd July, 1937. Village Passanai, Bannu District.	One Hindu boy named Devi Dayal was Kidnapped. He was released on the 7th September, 1937.
15	13/14th July, 1937. Darraka Sulaiman Khel, 4 miles North West of Police Station Tajori, Bannu District.	Remaldass, Hindu, was kidnapped. He is still in captivity.
16	1/2nd August, 1937. Village Pai, Tank Sub-Division.	One Hindu woman, wife of Chabil Das and daughter of Tehl Ram was kidnapped. She is still in captivity.
17	10th August, 1937. Near Haved, Bannu District.	One Muslim girl and one Muslim boy names not known were kidnapped. They were returned on 18th August, 1937.
18	13/14th August, 1937. Umar Khel, Tank Sub-Division.	Two Hindus Asa Nand and Kotu Ram and one Hindu girl Mst. Janni were kidnapped. Asa Nand was released on the 7th September, 1937. The two others are still in captivity.
19	11th August, 1937 ..	One Adam Khan of Umar Khel, a tracker, was kidnapped. He has since escaped and returned to his home.
20	16th August, 1937. Sheikh Uttar, Dera Ismail Khan District.	Two girls Tilibai and Lorinidibai, two boys Tarachand and Chetandass and one man Lorindaram, all Hindus, were kidnapped. Lorindaram was released on 7th September, 1937. In an action on 10th September, 1937, khassadars and a village pursuit party from Jandola recovered the two boys, one of whom was slightly wounded and the bodies of the two girls who had been stoned to death.
21	10th September, 1937. 12 miles from Tank.	A lorry was held up on the Dera Ismail Khan road. Four Hindus (1) Sunder, (2) Haru Ram, (3) Nanun Singh and (4) a boy of Bhakkar, were kidnapped and one wounded. One Hindu has since been recovered.

**Mr. Abdul Qaiyum :** Surely the number is not large. Cannot the Honourable Member give us the number ?

**Lieut.-Colonel A. E. B. Parsons :** Yes, I can. There were 34 Hindus, three Sikhs and seven Muhammadans.

**Mr. Abdul Qaiyum :** May I have the answer to clause (b) ?

**Lieut.-Colonel A. E. B. Parsons** : That is contained in the statement. To give all the details would take too much time, I am afraid.

**Mr. Abdul Qaiyum** : How many of those who were kidnapped were either killed or wounded ?

**Mr. President** (The Honourable Sir Abdur Rahim) : That is a long statement, I understand.

**Mr. Abdul Qaiyum** : Sir, this is a simple question and the answer has, I submit, been put in the form of a statement simply to avoid supplementaries.

**Mr. President** (The Honourable Sir Abdur Rahim) : It is a long statement covering about three pages.

**Mr. M. Asaf Ali** : Sir, I am afraid I must intervene. The question that is being asked is, how many of them were either killed or wounded ? It must be a simple question.

**Mr. President** (The Honourable Sir Abdur Rahim) : The statement covers 2½ typed pages. It gives the names and dates and all other particulars.

**Mr. Bhulabhai J. Desai** : You may load it as much as you like, but the simple question is this. What is the number of men who have been either killed or wounded ? It is a simple question and one single word or numeral would be sufficient to answer it.

**Mr. President** (The Honourable Sir Abdur Rahim) : He has answered it.

**Mr. Bhulabhai J. Desai** : He did not, Sir.

**Lieut.-Colonel A. E. B. Parsons** : If you will give me time, Sir, to work it out, I will give the figure.

**Mr. Bhulabhai J. Desai** : The answer to the question is very short, though you may load it by saying anything. The short question is, out of these 37 how many were either killed or wounded ?

**Lieut.-Colonel A. E. B. Parsons** : If, I may be given a little time, I will work it out from the statement and give the answer.

**Mr. Bhulabhai J. Desai** : With reference to item (c),—that does not require much calculation,—how many amongst the kidnapped persons have been returned, so that the balance would be in captivity ?

**Lieut.-Colonel A. E. B. Parsons** : Full information is given in the statement. Again, if I am given a little time I can work it out.

**Mr. Lalchand Navalrai** : Out of these 37 how many were men and how many women ?

(No reply.)

**Mr. Abdul Qaiyum** : Is it proposed that the Honourable Member will give the exact figures with regard to clauses (b) and (c) today ?

(No reply.)

**BRITISH INDIANS KIDNAPPED BY THE TRIBES ON THE NORTH-WEST FRONTIER PROVINCE.**

823. \***Mr. Abdul Qaiyum** : (a) Will the Foreign Secretary please state whether it is a fact that each of the persons who were kidnapped on the North-West Frontier Province was only released when heavy ransom was paid by relatives or friends ?

(b) If so, what is the total amount thus paid ?

(c) Are Government prepared to consider the desirability of indemnifying all those who have had to pay ransom ? If not, why not ?

**Lieut.-Colonel A. E. B. Parsons** : (a) and (b). Although, as I stated in answer to starred question No. 69 on the 13th September, 1937, there is reason to believe that ransom has been privately paid in some cases, this has not been the general rule, and many have been released by pressure on the tribes.

(c) No. The acceptance by Government of a general liability to pay ransom, in the negotiation of which they have had no hand, would, they think, only act as an encouragement to kidnapping.

**Mr. Abdul Qaiyum** : Will the Honourable Member take it as a correct statement of fact that the relatives of each person kidnapped had to pay ransom, and even a Government servant, Maulvi Abdullah, had to pay Rs. 1,600 before he was released by the tribesmen ?

**Lieut.-Colonel A. E. B. Parsons** : I cannot take it as a statement of fact. I can point out to the Honourable Member for one thing that the troops released two Hindus from the middle of the Khaisora and they certainly did not pay any ransom.

**Mr. Abdul Qaiyum** : May I know how many persons were released as a result of the benign pressure exercised by Government ?

**Lieut.-Colonel A. E. B. Parsons** : May I ask, Sir, whether the word "benign" is in order ?

**Mr. President** (The Honourable Sir Abdur Rahim) : I think the Honourable Member should withdraw that word.

**Mr. Abdul Qaiyum** : Very well, Sir. I will say,—due to the pressure exercised by Government ?

**Lieut.-Colonel A. E. B. Parsons** : Again, it can be found in the statement I put on the table with reference to the previous question.

**Mr. Abdul Qaiyum** : May I know whether Government are considering the desirability of compensating these persons ? Why is it not possible to pay them from the funds collected from the tribesmen ?

**Lieut.-Colonel A. E. B. Parsons** : I have given the reason in my answer to that part of the question. Government consider that if they were to make themselves responsible for the payment of ransom money to the tribes it would only mean that the tribes would feel quite certain that kidnapping is a paying game.

**Mr. Abdul Qaiyum** : Is it not a fact that these people would not have been released if their relatives had not paid the ransom with the connivance of the authorities.

**Lieut.-Colonel A. E. B. Parsons** : There was no connivance on the part of the authorities, but I should say quite a considerable portion would have been eventually turned out as being useless for ransom purposes.

**Mr. Abdul Qaiyum** : Does the Honourable Member deny that the political authorities were aware of the negotiations about ransom and the actual payment of ransom was made by very poor people who had to go and beg for money to collect it.

**Lieut.-Colonel A. E. B. Parsons** : I have already said that Government have reason to believe that in certain cases ransom has been privately paid.

PERSONS AND HOUSES LOOTED AFTER THE STARTING OF THE WAZIRISTAN CAMPAIGN.

824. **\*Mr. Abdul Qaiyum** : (a) Will the Foreign Secretary be pleased to state whether it is a fact that a large number of persons and houses in the settled districts were looted after the Waziristan campaign was started ?

(b) Is it a fact that a number of villagers lost their lives, either while defending themselves or while engaged in pursuit ? If so, what is their number ?

(c) Are Government prepared to compensate all those who have thus suffered ? If not, why not ?

**Lieut.-Colonel A. E. B. Parsons** : (a) A number of raids have occurred in the Bannu and Dera Ismail Khan Districts since the recent disturbances in Waziristan started, and in the course of them a certain amount of property has been looted or destroyed.

(b) So far as is known, six persons have been killed in the settled districts while defending themselves and one in pursuing raiders.

(c) The matter is under consideration.

**Mr. Abdul Qaiyum** : Will Government consider the desirability of compensating those poor people who have lost all that they had and also those whose relatives lost their lives ?

**Lieut.-Colonel A. E. B. Parsons** : I have already answered that in answer to (c).

BRITISH OFFICERS WITHOUT RANK AT THE WAZIRISTAN OPERATIONS.

825. **\*Mr. S. Satyamurti** : Will the Defence Secretary be pleased to state :

(a) whether Government are aware of the dissatisfaction amongst the Viceroy's Commissioned Officers regarding "Stepping in" of certain British Warrant Officers in the Royal Indian Army Corps to act as British Officers without rank during the recent Waziristan operations ;

(b) under what authority a Viceroy's Commissioned Officer was placed under the command charge, or supervision of a



British Warrant Officer who was "stepped up" to act as a British Officer, without rank and without holding any Commission ;

- (c) whether in this connection the attention of Government was invited to Indian Army Order No. 83 of 1932 and the reasons why that order was not complied with in this case ; and
- (d) the reasons why this chance of "stepping up" to act as officer was not given to any of the Commissioned Officers of the Royal Indian Army Service Corps Supply Branch ?

**Mr. C. M. G. Ogilvie :** (a) No.

(b), (c) and (d). Enquiries are being made and the answer will be laid on the table in due course.

**Mr. S. Satyamurti :** I beg to make a submission. I gave notice of this question long before, at least ten days ago. Officers in the Departments are given five days. These are specific matters on which we ask specific questions, and this question concerns the Army Headquarters. The only way for them to avoid supplementary questions is to say that information is being collected and will be laid on the table, as we are then shut out under the new rules, for the whole Session. I agree that, where the answer is long involving a lot of details and facts, it should be laid on the table, but in this case all the correspondence is in the Army Headquarters, still they say they will collect the information. It seems to me it is becoming fashionable for the Government members to say, 'with regard to this question information is being collected, and will be laid on the table'.

**Mr. President** (The Honourable Sir Abdur Rahim) : Under the rules now in force Government members have only five days. I have sometimes found that they cannot get all the information which is wanted within these five days. It may have to be considered whether they ought not to have a longer time for answering questions.

**Mr. S. Satyamurti :** When amending the rules will they kindly consider giving the Departments a longer time, so that we may be able to ask supplementary questions ?

**Mr. President** (The Honourable Sir Abdur Rahim) : In good many cases it is not practicable to obtain the information within the time available to them : that has struck me in more than one case.

**Mr. S. Satyamurti :** Will you kindly look at this ? This question concerns the Army Headquarters, they are all in Simla, and they should be able to obtain the information.

**Mr. C. M. G. Ogilvie :** The Honourable Member is not correct in stating that this information is available in Army Headquarters. At least it has not been available to me, and I have had to make enquiries from Waziristan.

**Mr. S. Satyamurti :** This 'stepping up' has been going on for months now, since April last. May I know, Sir, why the Army Headquarters have not been kept informed of these matters which took place months before the question was to be answered on the floor of the House ? With

regard to (a) my Honourable friend said 'no': may I know whether that 'no' means they are not aware, or there is no dissatisfaction at all?

**Mr. C. M. G. Ogilvie** : It means that the first time they became aware of any such thing having happened was when the Honourable Member's question was received some four days ago.

**Mr. S. Satyamurti** : May I know if the question has been sent to the authorities concerned for information being supplied to Army Headquarters?

**Mr. C. M. G. Ogilvie** : I have already said so.

**Mr. S. Satyamurti** : Was the information asked for by telegram?

**Mr. C. M. G. Ogilvie** : No.

**Mr. S. Satyamurti** : Why not?

**Mr. C. M. G. Ogilvie** : Because the telegram which this question demands would have cost a considerable amount of Government money.

**Seth Govind Das** : Is there no telephone connection?

**Mr. C. M. G. Ogilvie** : Yes.

**Seth Govind Das** : Could they not have asked for the answer by telephone?

**Mr. C. M. G. Ogilvie** : I think the answer is that the Commands in Waziristan would be otherwise engaged.

#### SCHEME REGARDING THE INDIAN ARMY CORPS OF CLERKS.

826. **\*Mr. S. Satyamurti** : Will the Defence Secretary be pleased to state :

- (a) whether it is a fact the scheme regarding the Indian Army Corps of Clerks introduced by the Deputy Secretary (Revision) in Army Headquarters and Royal Air Force Headquarters is in practice benefitting Britishers at the expense of Indians ;
- (b) the reasons for the striking difference in the starting pay and allowances of British soldiers and Indians on confirmation or enrolment ;
- (c) whether it is a fact that Indians in the Indian Army Corps of Clerks in Army Headquarters on confirmation start on 60 rupees per mensem as against Rs. 325 per mensem approximately paid to a clerk of the British Wing ;
- (d) whether the Deputy Secretary (Revision) at the Army Headquarters applied for leave preparatory to retirement and his application was sanctioned ; and
- (e) the reasons why that sanction was cancelled and he is retained in service ?

**Mr. C. M. G. Ogilvie** : (a) No.

(b) A British soldier before appointment to Army Headquarters has had some years of military experience with his unit and also a few

years clerical training in a Command, District, or Brigade office. There are certain classes of work which it is not possible for him to deal with adequately without this military experience while his clerical training makes him effective from the day he joins Army Headquarters. The civilian clerk on the other hand has had, on joining, neither military experience nor as a rule any clerical training and in consequence is only capable of routine work for some years.

(c) No. The pay of a civilian clerk, whether Indian, Anglo-Indian, or European, in the Indian Army Corps of Clerks is on confirmation, after one year's probation, Rs. 64-13-0 per mensem exclusive of Delhi Moving Allowance or Simla Winter Allowance, as the case may be. A clerk of the British Wing of the Indian Army Corps of Clerks receives the pay of his rank as prescribed for all Departments, *viz.*, Rs. 210 per mensem *plus* compensation in lieu of certain concessions in kind admissible to the soldier which it is not possible to arrange while he is employed at Headquarters.

(d) Yes.

(e) In the interests of the service.

**Mr. M. Asaf Ali :** May I take it that the technical experience which the Defence Secretary says is necessary for all these clerks must also be required of persons who may be employed in all the Directorates, or is it only in just a few Directorates—there are four of them—that this technical experience is required ?

**Mr. C. M. G. Ogilvie :** In all.

**Mr. M. Asaf Ali :** Then what about the Q. M. G. Directorate ? Is that one where technical experience is necessary ?

**Mr. C. M. G. Ogilvie :** Most certainly.

**Mr. M. Asaf Ali :** What is the technical experience required ?

**Mr. C. M. G. Ogilvie :** That would take a long time to state.

**Mr. President (The Honourable Sir Abdur Rahim) :** You may put it down as a question.

**Mr. M. Asaf Ali :** I am simply wanting to know whether the Q. M. G. Directorate requires any technical experience, because it only relates to grass farms, rations and things of that sort. It has nothing to do with any technical matter.

**Mr. C. M. G. Ogilvie :** In answer to the Honourable Member's question. I should say, speaking at random, the Q. M. G. Directorate is in many ways the most technical of all.

**Mr. M. Asaf Ali :** Is the Honourable Member aware of the fact that his predecessor did not regard in answering a question on the floor of this House that the Q. M. G. Directorate is a technical one ?

**Mr. C. M. G. Ogilvie :** It depends entirely upon what you mean by "technical". I cannot possibly say what the answer of my predecessor referred to, and "technical" is a word capable of many interpretations.

**Mr. S. Satyamurti :** Are Indian soldiers being trained to take the place of British soldiers for these appointments of clerks ?

**Mr. C. M. G. Ogilvie :** Government endeavoured at one time to get Indian soldiers, but failed to get any of the requisite educational qualifications.

(b) WRITTEN ANSWERS.

ALLOWANCES PAID TO SIRDARS MUHAMMAD UMAR KHAN AND MUHAMMAD SARWAR KHAN, AFGHAN DETENUS.

827. **\*Mr. S. Satyamurti :** Will the Secretary for External Affairs be pleased to state :

- (a) whether Sirdar Muhammad Umar Khan and Sirdar Muhammad Sarwar Khan are now detained under Regulation III of 1818 ;
- (b) whether they are so detained, and what their allowances are ;
- (c) whether the needs of these persons have grown since the allowances were fixed with the increase of their families and whether Government have taken that into consideration ;
- (d) whether these two Sirdars have been asking Government to increase their allowances with a view to providing for their increased needs ;
- (e) whether these two Sirdars recently broke their parole and were arrested and treated as common criminals ;
- (f) whether Government have made any arrangement for the education of the sons and daughters of these Sirdars ;
- (g) whether Government are prepared to grant their legitimate requests for increased allowances ; and
- (h) if not, why not ?

**Lieut.-Colonel A. E. B. Parsons :** The attention of the Honourable Member is invited to the answers given by me on the 14th September, 1937, to Mr. Badri Dutt Pande's starred question No. 497 and Maulana Zafar Ali Khan's starred question No. 515 and supplementaries arising from them.

HUNGER-STRIKING DETENUS IN THE DEOLI DETENTION CAMP.

828. **\*Mr. Mohan Lal Saksena :** (a) Will the Home Secretary be pleased to state if the detenus in Deoli camp who had lately gone on hunger strike in sympathy with the Andamans hunger strikers have been awarded any punishment ? If so, what ?

(b) Were their allowances or those allowed to their relations for the month of August reduced ? If so, by how much and for what reasons ?

(c) Are Government aware of the assurance given by the Government of Bengal that there will be no victimisation for the hunger strike, and are Government prepared to remit such deductions in allowances as have been made on this account ?

**Mr. J. A. Thorne :** (a) No detenu was awarded any jail punishment but 17 of the leaders were, during the hunger-strike, prosecuted under section 52 of the Prisons Act and sentenced to four months' rigorous imprisonment.

(b) The monthly and study allowances of the men prosecuted were reduced by Rs. 7-2-6 and Rs. 3-8-0, respectively, from the 16th August to 6th September, 1937. The deductions were not refunded. I have no information regarding the family allowances of these men.

(c) All the sentences were remitted by the Chief Commissioner of Ajmer-Merwara, under section 401 (1), Criminal Procedure Code, on the abandonment of the hunger-strike. The deductions made from the allowances were not refunded as those prosecuted are considered to have lost their status as detenus while the sentences were in force.

**SUBSISTENCE ALLOWANCE PAID TO THE MOTHER OF SRIJUT PANCHANAN CHAKRAVARTY, A DETENU IN THE DEOLI DETENTION CAMP.**

829. **\*Mr. Mohan Lal Saksena :** (a) Will the Home Secretary be pleased to state whether it is a fact that Shrimati Sarla Sundari Devi, mother of Shrijut Panchanan Chakravarty, detenu in Deoli camp, has been getting a subsistence allowance from Government ?

(b) Is it a fact that for August, 1937 she has been paid allowance from the 1st to the 14th July ? If so, for what reasons, and was it done at the instance of the Government of India or the Bengal Government ?

**Mr. J. A. Thorne :** (a) and (b). The granting of family allowances is a matter for the Bengal Government under section 12 of the Bengal Criminal Law Amendment Act, 1930. The Government of India have no information as to the allowances paid.

**ALLOWANCES PAID TO SARDARS MUHAMMAD UMAR KHAN AND MUHAMMAD SARWAR KHAN, AFGHAN DETENUS.**

830. **\*Mr. Mohan Lal Saksena :** (a) Will the Foreign Secretary be pleased to state if it is a fact that pending the orders of the Government of India the local authorities had agreed to supply provisions in lieu of allowances to the Afghan detenus, Sardars Muhammad Umar Khan and Muhammad Sarwar Khan ?

(b) Is it a fact that since 1st September the aforesaid arrangement has been discontinued ? If so, was it done at the instance of the Government of India ?

(c) Is it a fact that the Sardars have become heavily indebted because of inadequate allowances ?

(d) Is it a fact that the Sardars are quite willing to return to their countries ? If so, why do Government not permit them to do so ?

(e) From what funds are the allowances paid to them ? Do the Government of Afghanistan pay any portion thereof ? If not, why not ?

(f) If the reply to part (d) be in the negative, are Government prepared to increase the allowances of the Sardars ?

**Lieut.-Colonel A. E. B. Fansome :** (a) and (b). It has been ascertained from the Provincial Government that at the request of the Sardars, the local authorities undertook to supply provisions to them out of the balance of their allowances, which they had refused to draw. This arrangement was found unsatisfactory and was discontinued with effect from the 1st September, 1937. The Government of India were not consulted in the matter.

(c) to (f). The attention of the Honourable Member is invited to the answers given by me on the 6th September, 1937, to Mr. Kuladhar Chaliha's starred question No. 325, and on the 14th September to Mr. Badri Dutt Pande's starred question No. 497 and Maulana Zafar Ali Khan's starred question No. 515 and to the supplementaries arising from these questions in which the full facts of the case have been set out. The Government of Afghanistan pay no portion of the allowances.

**DISCIPLINARY RULES GOVERNING THE MEMBERS OF THE INDIAN CIVIL SERVICE AND OTHER ALL-INDIA SERVICES.**

**831. \*Maulvi Syed Murtuza Sahib Bahadur :** Will the Home Secretary be pleased to state :

- (a) if there are any statutory disciplinary rules governing the members of the Indian Civil Service and other all-India services ;
- (b) if so, whether under such rules it is permissible for a member of such an all-India service to be reduced for good and sufficient reason and by the competent authority to a provincial or subordinate service ;
- (c) if the same rules govern the members of the provincial service as well ; and
- (d) if so, whether it is permissible for a member of such a provincial service to be similarly reduced to a subordinate service ?

**Mr. B. F. Mudie :** (a) and (c). Yes.

(b) and (d). Yes. Such reduction would in effect be removal from the higher service and appointment to the lower service.

**SITUATION ON THE NORTH-WEST FRONTIER.**

**832. \*Mr. T. S. Avinashilingam Chettiar :** (a) Will the Foreign Secretary state whether there has again been trouble in the Frontier and any attack has been made by the tribes on the Indian Frontier ?

(b) What is the present situation ?

**Mr. C. M. G. Ogilvie :** (a) There has been no appreciable change in the military situation. Since the peace terms were issued there have been only small isolated attacks by a few irreconcilables on piquets and detachments.

(b) Peace terms have been announced to both Mahsuds and Tori Khel Wazirs and have been accepted by the jirgas concerned.

FUNDS KEPT UNDER THE DEFENCE DEPARTMENT

833. \*Mr. T. S. Avinashilingam Chettiar : Will the Defence Secretary state :

- (a) how many separate funds are kept under the Defence Department and what they are ;
- (b) how money is set apart for those funds ;
- (c) whether the matter is brought before the Assembly when money is taken from those funds ; and
- (d) if not, who authorises the expenditure of amounts from those funds ?

Mr. C. M. G. Ogilvie : It is presumed that the question refers to funds controlled by the Defence Department Secretariat and on this basis the answers are as follows :

(a) and (b). (i) *40th Cavalry Regiment Scholarship Fund.*

This Fund was formed on the disbandment of the 40th Cavalry Regiment and its object is the endowment of scholarships for Jat and Rajput boys at the King George Royal Indian Military School, Ajmer. The capital of the Fund is Rs. 19,400 and is invested in the following securities :

	Rs.
5 per cent. loan 1945-55 .. ..	16,000
3½ per cent. loan 1900-1901 .. ..	3,400

in the name of the Secretary, Defence Department. The annual interest is used for the award of two scholarships each year at the rate of Rs. 67-8-0 per annum for the full period of five years which students at that school are required to study.

(ii) *Kitchener College Fund.*

Certain Indian Princes started this Fund for the purpose of commemorating Lord Kitchener and erecting a memorial to him. The Fund was handed over to the military authorities, who used it for establishing the Kitchener College at Nowgong. The balance left over of Rs. 29,200 was invested in 5 per cent. loan 1945-55 in the name of the Secretary, Defence Department. The annual income derived from the interest on these securities is used for the upkeep of the College grounds and properties.

- (c) No.
- (d) Secretary, Defence Department.

INDIANS IN SHANGHAI.

834. \*Mr. T. S. Avinashilingam Chettiar : Will the Secretary for External Affairs state :

- (a) whether Government have made any enquiries and received any replies with regard to the condition of Indians in Shanghai ;
- (b) whether there has been loss of lives and property suffered by them as a consequence of the China-Japanese war ; and

(c) what is the latest information ?

**Lieut.-Colonel A. E. B. Parsons :** The Honourable Member's attention is invited to the reply given by me on the 22nd instant to Mr. M. Ananthasayanam Ayyangar's starred question No. 735. I have no further information to give the House.

**ALLEGED INJUSTICE TO MUSLIMS IN THE MATTER OF PROMOTIONS IN THE GOVERNMENT OF INDIA DEPARTMENTS.**

835. **\*Khan Sahib Nawab Siddique Ali Khan :** Will the Home Secretary please state whether the attention of Government has been drawn to the *Eastern Times*, dated 8th and 17th July, 1937, respectively, and to various other English weeklies, like *the Star* of Allahabad, and vernacular papers, like *Wahdat*, *Zamindar*, etc., bringing to light the inequitable and unjust treatment meted out to Muslims in the different departments of the Government of India in the matter of departmental promotions to Assistant Secretaries, superintendents, assistants' posts, stenographers and clerks carrying special pay and state what action, if any, has been taken to redress the grievances pointed out therein ?

**Mr. J. A. Thorne :** I am aware that such articles have been written ; but Government cannot undertake to redress grievances which proceed on an incorrect assumption, namely, that departmental promotions are to be made on a communal basis.

**UNSTARRED QUESTIONS AND ANSWERS.**

**RULES REGARDING ABSCONDING ACCUSED.**

174. **Mr. Mohan Lal Saksena :** (a) Will the Home Secretary be pleased to state the rules, if any, regarding absconding accused ?

(b) Is it a fact that in certain cases sentences have been remitted after a certain period of time ?

**Mr. J. A. Thorne :** (a) I would invite the attention of the Honourable Member to sections 87, 88, 89, 90 and 512 of the Criminal Procedure Code, 1898.

(b) The Government of India have no information.

**EXISTENCE OF COMPULSORY OR FORCED LABOUR IN ASSAM.**

175. **Mr. Kuladhar Chaliha :** Will the Home Secretary please state :

(a) whether India was a signatory to the International Labour Conference of June, 1930, of the League of Nations ;

(b) whether India was a signatory to the Draft Convention of the said Conference ;

(c) whether the Draft Convention was ratified by the Government of India and whether they undertook to suppress the use of forced or compulsory labour in all its forms within a limited period of five years ;



- (d) whether Government are aware of the existence of compulsory or forced labour for transport and other purposes in the Province of Assam ;
- (e) whether the Government of Assam still practise the use of forced labour in lieu of taxes in the reserved forest areas of the Province under the Forest Department for building camps, transport and other purposes ;
- (f) whether the Government of India have directed the Government of Assam to abolish this practice after issue of their letter, dated the 14th January, 1936, No. F. 187|2|30-Public ; and
- (g) whether the impressment for the purpose of transport is still practised in the hills and other districts of Assam with the implied permission of the Government of India ?

**Mr. J. A. Thorne :** (a) If the Honourable Member means whether India was a party to the International Labour Conference held in June, 1930, the reply is in the affirmative.

(b) No.

(c) to (g). I would invite the Honourable Member to refer to the correspondence relating to the forms of forced labour in the Provinces a copy of which was laid on the table of the House on the 23rd August, 1937. The Government of India have no more information and have nothing to add to the material contained in that correspondence.

#### MOTIONS FOR ADJOURNMENT.

#### SINGING OF " BANDE MATARAM " BY MUSLIM MEMBERS OF THE MADRAS LEGISLATIVE ASSEMBLY.

**Mr. President** (The Honourable Sir Abdur Rahim) : I have received  
12 Noon. notice of a motion for adjournment from Sir Muhammad Yakub in order to discuss a matter of urgent and important public nature, namely, the failure of the Government of India to exercise their supervisory function in the Presidency of Madras, where the Mussalman Members of the Assembly were forced to join in the singing of the " Bande Mataram " which was an attack against the Mussalman religion and an insult to Islam.

I should like to know if it is not an affair for the Speaker of the Madras Assembly to regulate the proceedings of the Assembly and, if that is so, whether the matter can be made one for a motion for adjournment in this House.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions : Muhammadan Rural) : Sir, the matter happened in the Provincial Assembly no doubt, but there are particular instructions in the Government of India Act that the Government of India are also responsible for the protection of the interests of the minorities and they have got to exercise their supervision over such happenings in the provinces.....

**Mr. President** (The Honourable Sir Abdur Rahim) : Where is that power of supervision ? Is there any such power of supervision in the Government of India Act regulating the proceedings of the Provincial Assemblies ?

**Sir Muhammad Yakub** : In the Instrument of Instructions it is clearly laid down that the Government of India have got supervisory powers over matters like these.

**Mr. President** (The Honourable Sir Abdur Rahim) : Under the transitory provisions, the Governor General in Council has no power.

**Sir Muhammad Yakub** : That is the power which is given to the Governor General in Council and it is his duty to exercise his supervisory powers.

**Mr. President** (The Honourable Sir Abdur Rahim) : Are there any powers of supervision left now ?

**The Honourable Sir Nripendra Sircar** (Leader of the House) : Sir, my Honourable friend, Sir Muhammad Yakub, is entirely out of order in moving this motion, or rather in giving notice of this motion. The matter, as you pointed out, Sir, is a matter for the Speaker of that House. The Governor General in Council has no kind of powers of interference with him. It is no good using the expression "supervisory powers". Where is the supervisory power to be found ? In what section of the Government of India Act ?

**Mr. President** (The Honourable Sir Abdur Rahim) : General power of supervision.

**The Honourable Sir Nripendra Sircar** : That is gone : so that we have no supervisory power at all. I would venture to submit that even if we had such a power, it would be a disgraceful interference with the rights of a Speaker....

**Mr. President** (The Honourable Sir Abdur Rahim) : That is rather a strong word to use.

**The Honourable Sir Nripendra Sircar** : I did not use it with reference to the Honourable Member. I said it would be a disgraceful interference on the part of the Governor General in Council to interfere with the Speaker : it is not meant against my friend : it is meant against ourselves.

Then, as regards the argument about protection of minorities, surely, that is a far fetched idea ; my Honourable friend ought to know that that is a matter, in the first instance, for the Governor and then for the Governor General. It has nothing to do with the Governor General in Council.

**Mr. President** (The Honourable Sir Abdur Rahim) : The only thing that I have to see is that it is a matter of public importance within the meaning of the rules....

**The Honourable Sir Nripendra Sircar** : It must be the primary concern of the Governor General in Council.

**Mr. President** (The Honourable Sir Abdur Rahim) : The question I have got to decide is whether it is a matter of public importance within the meaning of this rule, so, far as this motion for adjournment is concerned. It is primarily a matter which has to be decided by the Speaker of the Madras Assembly, and I must hold that it is not a matter

of public concern within the meaning of the rule. I, therefore, rule that the motion is out of order.

**REFUSAL BY THE LAW MEMBER TO ANSWER A QUESTION REGARDING AMENDMENTS TO THE GOVERNMENT OF INDIA ACT.**

**Mr. President** (The Honourable Sir Abdur Rahim) : I have received notice of another motion for adjournment from Mr. Mohan Lal Saksena. He wishes to move the adjournment of the Assembly to consider an urgent matter of public importance, namely, the refusal by the Law Member to answer a question on Friday last regarding the proposed amendments to the Government of India Act, 1935. What was the reason for the refusal to answer ?

**Mr. Mohan Lal Saksena** (Lucknow Division : Non-Muhammadan Rural) : He said it was not in the public interest to answer.

**Mr. President** (The Honourable Sir Abdur Rahim) : Then, that is quite enough : I must rule it out of order.

**STATEMENT LAID ON THE TABLE.**

**AGREEMENT BETWEEN THE GOVERNOR OF THE NORTH-WEST FRONTIER PROVINCE AND THE RESERVE BANK OF INDIA.**

**The Honourable Sir James Grigg** (Finance Member) : Sir, I lay on the table a copy of the Agreement between the Government of the North-West Frontier Province and the Reserve Bank of India.

*Agreement between the Governor of the North-West Frontier Province and the Reserve Bank of India.*

AN AGREEMENT made this fourteenth day of April one thousand nine hundred and thirty-seven, BETWEEN THE GOVERNOR OF THE NORTH-WEST FRONTIER PROVINCE of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937 (hereinafter called "the Act"), with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *inter alia* particularly provided as follows, *viz.* :

- (1) by Section 20 of the Act that the Bank should undertake to accept monies for account of Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and
- (2) by Section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and
- (3) by Section 21 (2) of the Act that Provincial Governments should entrust the Bank, on such conditions as might be agreed upon, with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say :

1. This agreement shall be deemed to have come into force on the first day of April, one thousand nine hundred and thirty-seven.
2. The general banking business of the Government of the North-West Frontier Province (hereinafter referred to as "the Government"), including the payment,

receipt, collection and remittance of money on behalf of the Government shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorised by the Government in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government regarding the receipt, collection payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

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

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time.

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement, the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to banks referred to as "scheduled banks" in Section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under Clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

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

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

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

Provided that loans not directly issued by the Government but issued under the guarantee, of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the North-West Frontier Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Government and reasonable remittance facilities to the public at the said places. The Government shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Government shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

10. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, sub-division or cancellation of any Government security shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the floatation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

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

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

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

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

IN WITNESS WHEREOF Rai Bahadur Chuni Lal, Secretary to the Government of the North-West Frontier Province in the Finance Department by the order and direction of the Governor of the North-West Frontier Province has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said Rai Bahadur Chuni Lal,  
Secretary to the Government of the North-West  
Frontier Province in the Finance Department  
for and on behalf of the Governor of the North-  
West Frontier Province in the presence of—

(Sd.) J. E. L. BRADSHAW,

*Secretary to the Government of the  
North-West Frontier Province,  
Development Department.*

(Sd.) CHUNI LAL,  
*Secretary to the Government  
of the North-West Frontier  
Province,  
Finance Department.*

The Common Seal of the Reserve Bank of  
India was affixed hereto in the presence of Sir  
Purushotamdas Thakurdas, Kt., C.I.E., M.B.E.,  
and Sir Homi Mehta, two of its Directors and  
Sir James Braid Taylor, Kt., C.I.E., its Deputy  
Governor.



(Sd.) PURUSHOTAMDAS  
THAKURDAS,  
(Sd.) HOMI MEHTA,  
*Directors.*  
(Sd.) J. B. TAYLOR,  
*Deputy Governor.*

## THE PATNA UNIVERSITY (AMENDMENT) BILL.

**Sir Girja Shankar Bajpai** (Secretary, Department of Education, Health and Lands) : Sir, I move for leave to introduce a Bill further to amend the Patna University Act, 1917.

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

“ That leave be granted to introduce a Bill further to amend the Patna University Act, 1917.”

The motion was adopted.

**Sir Girja Shankar Bajpai** : Sir, I introduce the Bill.

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## THE INDIAN COMPANIES (AMENDMENT) BILL.

### EXTENSION OF TIME FOR THE PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

**The Honourable Sir Nripendra Sircar** (Law Member) : Sir, I move :

“ That the time appointed for the presentation of the Report of the Select Committee on the Bill further to amend the Indian Companies Act, 1913, for certain purposes be extended up to the 5th October, 1937.”

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

“ That the time appointed for the presentation of the Report of the Select Committee on the Bill further to amend the Indian Companies Act, 1913, for certain purposes be extended up to the 5th October, 1937.”

The motion was adopted.

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## RESOLUTION *RE* REGULATION OF PRODUCTION AND MARKETING OF SUGAR.

**The Honourable Sir Saiyid Sultan Ahmad** (Member for Commerce and Railways) : Sir, I beg to move the following Resolution :

“ That this Assembly recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be ratified by him.”

Sir, there are several amendments, and I would like to know the procedure which the Chair intends to adopt.

**Mr. President** (The Honourable Sir Abdur Rahim) : I will allow the Resolution to be moved first. As regards the amendments, they all practically have the same object. The first and most comprehensive amendment seems to be that of Mr. Ramsay Scott. After the Resolution is moved, Mr. Ramsay Scott will move his amendment, and then there will be a discussion on the Resolution and the amendment. If that amendment is lost, then I will have to consider whether any other amendment can be moved or not. I doubt myself if any of the other amendments would be in order. I should, however, say that there is a point which I will have to point out to Mr. Ramsay Scott : but I will do it when the amendment is reached.

**Mr. T. S. Avinashilingam Chettiar** (Salem and Coimbatore *cum* North Arcot : Non-Muhammadan Rural) : May I say, Sir, unless the Honourable Member speaks we will not be in a position to know why the Government want this Resolution to be moved ?

**Mr. President** (The Honourable Sir Abdur Rahim) : I said the Resolution will be moved, and I take it the Honourable Member in charge will make a speech in support of the Resolution.

**The Honourable Sir Saiyid Sultan Ahmad** : Sir, I have already moved the Resolution which aims at recommending to the Governor General in Council to ratify the international agreement signed in London on the 6th May, 1937. As the time for making speeches is limited, I would very respectfully beg of the House to show me the indulgence, first of all, by keeping an open mind, and secondly, unless compelled to do so, of allowing me to proceed with my submissions without interruption.

The issue which is involved in this Resolution is one of great complexity and difficulty, and it seems absolutely necessary that the House should have, in some detail, the background of the last few years without which, in my submission, it would be impossible to get a true perspective of the problem which the sugar industry presents to the world today. Sir, the beginning of the difficulties of the world sugar trade can be traced back to the great war of 1914-18 when, owing to other more urgent pre-occupations of the European nations, the production of beet sugar fell down to very insignificant proportions. Before the war, as the House is aware, beet sugar had accounted for about half of the total production of the world. During the war the great deficiency of beet sugar was made good by a tremendous expansion of the sugar industry in the cane growing countries, particularly in Java and Cuba, and in Cuba, a large section of the industry was controlled by the United States of America, and there the cost of production was brought down very considerably by means of technical improvements in crushing and refining machinery and by the introduction of high yielding varieties of cane. If this development could be looked at from a purely economic standpoint, the expansion of the industry, in the low cost countries, might have been regarded with a certain amount of equanimity, for Cuba and Java, in view of the great decline in production of beet sugar and the lowness of their production costs compared with those of the beet producers, would have been able to retain the new markets and to meet the demands of all the world. But the House will remember that in such matters economic policy is, unfortunately, not always guided by economic arguments. The beet countries thought it best and necessary to re-develop their industry, and, under the shelter either of tariff walls and with the aid of generous subsidies, or with both, the production of beet sugar was again rapidly increased. In fact some countries went to the length of subsidising this industry at the expense of the home consumers. The result was that even before the post war depression set in, there was a chronic tendency to over-production. By 1920-21 the proportion of beet sugar to the world's production of raw sugar was about 27 per cent. and ten years later, some time about 1930, as a matter of fact, it had risen to 40 per cent. The difficulties caused by this great expansion in sugar output were, for some years, set off to some extent by expansion



in consumption, but when the world demand took a downward turn during the post war depression, the difficulties of the cane producing countries became very acute.

Another factor in the situation which created difficulties for some of the exporting countries was the policy adopted by the United Kingdom and the United States of America, which countries, between them, normally take half the total quantity of sugar which enters into international trade. Both these countries encouraged production at home by subsidies and at the same time encouraged production in their colonies, and they did so by giving preferential tariffs. Other exporting countries were thus faced with a constantly dwindling free market for their sugar. I should here remind the House that during that period the production of sugar in India was very small, and that India, therefore, constituted a very important part of the free market.

Now, Sir, we come to what I call the first mile post in the discussion. By 1931 the position had been reached that the surplus of export trade amounted, approximately, to one-third of the annual world consumption, and to arrest the still growing disparity between supplies and consumption, an international agreement known as the Chadbourne Plan was concluded in May, 1931. This was a plan for the joint restriction of exports and production with a view to the liquidation of existing stocks over the period of five years. The countries that joined in this agreement were Cuba, Java, Germany, Czecho-Slovakia, Poland, Hungary and Belgium. Unfortunately, the agreement covered only 40 per cent. of the world's total production at the time of its inception, and, although Peru and Jugo-Slavia joined later in the year, there remained very important defections, and the adhesion of even some of the member countries was only obtained by the grant of excessive quotas. It is important to remember, at this stage, that the most important countries holding back from the agreement were the United States and the United Kingdom, and, though the importance of that was not recognised at the time, India.....

**An Honourable Member :** China ?

**The Honourable Sir Saiyid Sultan Ahmad :** I don't think so. The result was that although a considerable restriction of exports was achieved, this was largely off-set by increased production in countries outside the agreement and by further reductions of the free market owing to the expansion of the Indian sugar industry, and the House will remember that some time in August, 1935, it was decided that it was impossible to continue the Chadbourne Plan, and, therefore, it was completely abandoned. The sacrifices made by Cuba and Java had failed to stem the downward trend of prices, and the sugar trade was increasingly embarrassed by restrictions and subsidies. The one-half of the world's output of sugar, which normally enters into international trade in the free market, had shrunk last year to about ten per cent.

India, as I have stated already, did not adhere to the Chadbourne Plan, but on the contrary started about this time on the rapid expansion of her sugar industry, and the House will remember that the Sugar Industry Protection Act was passed here in 1932. The point which I have to make here is that the result of this expansion was that she began to make smaller and smaller demands on the free market because the expansion of sugar industry was very rapid in this country, and the

[Sir Saiyid Sultan Ahmad.]

rapid development of this industry in this country during the past five years explains, therefore, the importance that must be attached to any declaration which may be made by India of her intentions if any further attempt is to be made for the regulation of the world's market in sugar. Therefore, the House will appreciate how important it is for a country like India which expects to have a free market for her export to come in under some international agreement. In spite of their non-adherence to the Chadbourne Plan, His Majesty's Government in the United Kingdom realised that it was necessary to have international co-operation to regulate sugar production. The question was inconclusively discussed at the World Economic and Monetary Conference of 1933, and on breakdown of the Chadbourne Scheme, the members of the International Sugar Council, which had been set up under the scheme, perhaps with the exception of Java, joined to form an International Sugar Committee in order to facilitate efforts to arrive at a new sugar agreement. In August 1936—I think it is just as well to proceed chronologically,—the life of this Committee was extended for another year, and it was announced that a provisional agreement had been concluded between the Committee and the sugar producers of Java and that the Committee were proceeding with the preparation of a new agreement to include, if possible, Great Britain and the United States. The efforts of this Committee have been, in my submission, successful, and have resulted in the calling last April of the International Sugar Conference, and the conclusion of the Agreement which we now have under discussion.

Meanwhile, I should like to say a few words about what was decided by His Majesty's Government. They, after a very careful examination of the whole sugar question, in July, 1935, published the results in the form of a Command Paper called "Sugar Policy—Proposals of His Majesty's Government". Their general conclusion was that with the world price of sugar at its then uneconomic level round about 4s. 6d. per cwt. it was to the interest of all producers that the supplies of sugar should be adjusted to the requirements of the world market, and that State assistance, in whatever form, should everywhere be diminished. As I have already submitted to the House, in some countries it was in the form of only tariff walls, in other countries, subsidies, in some countries both, and His Majesty's Government thought that State assistance, in whatever form, should everywhere be diminished as market conditions improved and this end could only be achieved by an international agreement. In February, 1936, we communicated our willingness to participate in international discussions.

**Mr. Bhulabhai J. Desai** (Bombay Northern Division : Non-Muhamadan Rural) : "We" means ?

**The Honourable Sir Saiyid Sultan Ahmad** : "We" means the Government of India. Everything when I say "we" I mean the Government of India. We, at the same time, made perfectly clear our position with regard to the protection of the Indian sugar industry. We pointed out that we had already passed our Indian Sugar Protection Act under which the policy of protection was given till 1946, of course, subject to revision in 1937-38, and the House is aware that at present a Tariff Board is sitting in pursuance of that. We also pointed out that, as protective duties are usually fixed so as to give the necessary quantum of protection over the period of protection, a disturbance of their level, at an

intermediate stage, would upset the protective scheme and that we could not, therefore, undertake to vary the degree of assistance given by tariffs as market conditions improved. A year later, that is, this year, we were informed that the League of Nations had invited India to participate in the International Conference and in communicating the acceptance of the invitation in March last we informed His Majesty's Government that we would be prepared to participate in this as His Majesty's Government had informed us that they would attach considerable value to any offer that we would make. We stated that as our contribution in order to have a satisfactory settlement we would be prepared to prohibit the export of sugar, except to Burma or Afghanistan, for a period of five years.

**Mr. S. Satyamurti** (Madras City : Non-Muhammadan Urban) : When was this ?

**The Honourable Sir Saiyid Sultan Ahmad** : In March, 1937. That is the question which is now before the House,—whether we were wise in having done that or it was necessary for us to do. If the House will bear with me for a short time I hope I shall be able to convince the House....

**An Honourable Member** : No.

**The Honourable Sir Saiyid Sultan Ahmad** : Before hearing me, if you have made up your mind, then you need not listen to me, and that does not matter, but I am hoping that by the time I finish my submission I will be able to convince the House that it was not only desirable but was absolutely necessary in the interest of India that we should do so.

The following are the outstanding features and the House will bear them in mind before they come to any definite conclusion.

Indian sugar is being produced only with the help of high tariff protection. The House is aware, I need not remind the House, that the existing tariff rate is Rs. 9-4-0 per cwt., made up of Rs. 7-4-0 as customs-duty and excise duty being Rs. 2, together Rs. 9-4-0. I am, however, ignoring khandsari or palmyra sugar. That is the first matter which the House will remember when considering this question.

Secondly, the House is aware that a Tariff Board is at present sitting in pursuance to the position taken up in 1932 that there should be a review of the tariff rate some time in 1937-38, and one of the questions on which we expect to get authoritative advice from the Board is the question as to what is the cost price of Indian sugar. It would, therefore, be perhaps improper for me, and I am sure you will all agree with me that I should not attempt to make any definite pronouncement on that question ; but this at least is clear on the evidence that has been placed before Committee publicly that the industry is united in demanding the continuance of protection on a considerable scale for at least the next five years. We have arrived at a stage where the industry is practically self-sufficient and production can only continue to expand by an expansion of the internal demand or by finding export markets. In the absence of any agreement for international co-operation which will raise the price of sugar in the world's market, what is the chance of India to have successful entry in that market ? This is the second point which I beg the House to remember and consider.

[Sir Saiyid Sultan Ahmad.]

The third point, which has to be borne in mind, is this. Up to the present time India has not been able to export any sugar except, of course, to Burma which I have already mentioned before, where her sugar enjoys the same degree of protection as in her home market. There is one market in the north of India, that is, Afghanistan, which is difficult of access by other suppliers, and is actually supplied to the extent of 25,000 or 30,000 tons through India. But even to this comparatively sheltered market, India has not yet been able to supply a single ton of her own sugar. The fact is that what is received from Java is really passed on to either Afghanistan or perhaps the frontiers of Persia and Baluchistan. Now this is the third point which you will have to remember.

The fourth point, which I would like to respectfully place before the House for its consideration, is this. The fact is that the gap between the cost of production in India and that of great exporting countries like Java and Cuba is still so wide that there is hardly any possibility of India exporting sugar on a purely economic basis, unless a severe measure of cartelisation or Government control is enforced. Now, the cost of production in India may, of course, be further reduced. I do not say that it will always remain like this but still it is so high that India cannot place her sugar today on the world market at a price less than 50 per cent. above that at which the foreign producer can do so. I must ask the House to remember this very important factor when they come to a final conclusion upon my Resolution.

**Pandit Nilakantha Das** (Orissa Division : Non-Muhammadan) : How has the cost of production been found out before the Tariff Board has reported ?

**The Honourable Sir Saiyid Sultan Ahmad** : My fifth point is this. I would like the House to remember that on every side there is a complaint that the price of Indian sugar is already 50 per cent. higher than that prevailing in the world market. Today, there is a complaint against that and it can only be still further reduced by cheapening the price of cane. I hope the House will bear this in mind—far from cheapening, I have seen reports in the papers—and I would like to be confirmed by Honourable Members opposite—that the ministries in some of the provinces, where cane is grown, are very seriously thinking of raising the price of cane from three annas to five annas. If I am wrong, perhaps I may be corrected. Once that happens, it would be futile to think that we will be in a position to send out our sugar within the next five years. Now, as I said before, I do not pretend that this gap between the cost of production between India and other cane growing countries will never be reduced. It may be reduced but I am less hopeful about the expedients, such as large reductions in railway and ocean freights, which have also been suggested in certain quarters but it must be clear to all that there are also powerful influences which tend to work in other directions, some of them working in India and others less amenable to our control in the world at large. To us, the Government of India, five years does not appear too long a time to allow to India for the successful solution of her internal problems of the industry, and, during that time, it is very much to India's interest that the rest of the world should also help to close that wide gap by attempting through international co-operation to raise the price of sugar in the world's market.

Sir, it would be unnecessary for me to impress upon the House not only of our sympathy but of our anxiety to develop an export trade in sugar but the language often used in voicing that aspiration might lead one to suppose that all that India has to do is to produce more sugar than she requires for her own consumption and that the necessity of export market is thereby not only established but their acquisition made possible.

To summarise, the position is this : (1) Indian sugar produced under the encouragement of high tariffs can still be produced only at a price which is 50 per cent. higher than the prices ruling in the world market. (2) Practically the whole world has agreed, and I hope that this House will also agree, that without international co-operation, to restrict supplies, there is no possibility of any improvement in world prices. (3) The whole industry in India is convinced that the maintenance of a high degree of protection to the Indian industry is still necessary. This, I submit, clearly rules out any participation of India in the free market, while current prices prevail. (4) There is, however, in addition to a free market, a sheltered United Kingdom market.

Now, what are India's chances of getting into that market ? I have seen a few suggestions made in the various papers and also in representations sent to us by the Indian Sugar Mills Association and Federation of Indian Chambers of Commerce, but I have got very little time and I would not like to go into details but I submit, with the greatest respect, that if India is to dump her surplus sugar in the world market, it is bound to be at unremunerative prices, with the result that the consumers in India will have to pay. If you want subsidies to be given or if you ask for Colonial Preference, all this will result in the sufferings of the consumers here and I am sure that the House will not allow the adoption of this course and I submit that we know from experience that this game of subsidy can be played by other countries better than ourselves.

**An Honourable Member :** They are doing it.

**The Honourable Sir Saiyid Sultan Ahmad :** So, let us not play that game at the cost of the consumers and people in the villages whose claim, I understand, is always before Honourable Members opposite.

**Mr. S. Satyamurti :** We have heard this story before.

**The Honourable Sir Saiyid Sultan Ahmad :** Please hear it once again. I submit it is quite certain that the adoption of any such policy of dumping with Government's encouragement and assistance would mean the death-knell of any attempt at international co-operation and the indefinite continuance of over-production and the consequent unremunerative prices in the world market. Assuming a break-down of these negotiations, supposing you do not ratify, supposing that the Government of India decide not to ratify, then the position will be that, even in the next five years, India will not be able to enter the world market on an economic basis. Therefore, my submission, on a long view of things, is that it was exceedingly desirable that India should co-operate in an International scheme designed to bring the world's market into a healthy state and that her own entry into that market should be postponed to a time when, owing to improvement in her own industry and in that of the world market, she will be able to enter it with profit to herself under conditions of fair competition. It was in these circumstances and we were assured of this that

[Sir Saiyid Sultan Ahmad.]  
 we decided to go and take part in the Conference and the agreement was signed which is now before the House.

There are so many other matters which I have to discuss but I have got practically no time. I fully know that objections have been taken that the industry was not consulted. We have been told that our delegate, Dr. Meek, let us down and various other matters have been raised. In course of time, as the debate goes on, all these matters will be discussed, but I want to make it perfectly clear that we are not going to throw the burden of responsibility on Dr. Meek or any one else. The responsibility is ours and we, the Government of India, are prepared to face you with this clear position that we gave the undertaking. We asked Dr. Meek to sign the agreement, and he did not exceed any instruction from the Government of India. Apart from these small matters which will be discussed later on as the debate goes on, I should like to say just a few words in conclusion. I would like to assure the House that the Government are as deeply concerned as you are for the well-being of the sugar industry and that it is in the interests of India that they recommend the ratification of the agreement. We believe that it is only by International co-operation that the world's sugar market can be brought to a condition in which India can profitably enter. We think that the promise we have made on her behalf is not too high a price—in fact, it is no price at all—if the submission that I have made is accepted—for India to pay for that co-operation and that India's defection at this stage will endanger the whole scheme and plunge the whole world's sugar industries back into a welter of unrestricted and uneconomic competition in which there can be no hope of permanent advantage to the Indian industry, whether we regard it from the point of view of the Indian grower, manufacturer, exporter or consumer. The agreement before us is by no means perfect. We are not satisfied with the terms of the agreement but that question will be debated later. But it does offer us a hope, and I submit a reasonable hope, that it will lead to some improvement in the condition of the industry, an improvement from which the Indian branch of the industry is bound to benefit. Outside the bounds of the agreement, it seems to me that there is no hope at all of any improvement. I would, therefore, commend my Resolution for the acceptance of the House.

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

“ That this Assembly recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be ratified by him.”

There are a number of amendments to this Resolution. The first one is by Mr. Ramsay Scott and the last one is by Sir Abdoola Haroon, which is to add a proviso to this Resolution. The other amendments cover the same ground as the one proposed by Mr. Ramsay Scott, which seems to me to be the most comprehensive. But before I ask him to move his amendment, I should like to point out that at the end of it he says : “ take such other steps for the purpose of developing export markets, both by land and by sea, for sugar and other Indian products ”. This would be enlarging the scope of the Resolution and that cannot be allowed in an amendment. I think he should be content to leave out the words “ and other Indian products ”. Does the Honourable Member wish to delete those words ?

**Mr. J. Ramsay Scott** (United Provinces : European) : I am prepared to delete those words.

**The Honourable Sir Saiyid Sultan Ahmad** : Sir, before Mr. Ramsay Scott moves his amendment, I should like to make a submission. I submit that his amendment is completely out of order. The first portion of his amendment is really a negation of the Resolution which need not come in at all because he might argue that the agreement should not be ratified at all. If you will kindly just turn to my Resolution, you will see that the two things which are important there are, firstly, "International Agreement" and, secondly, "be ratified". Now, the only thing that is to be done here is whether my recommendation should be accepted or not, or whether it should be ratified or not. Any amendment to that would mean, I submit, a Resolution which may be brought before the House as a substantive Resolution and not an amendment. I say in my Resolution that the Agreement should be ratified and the House may say that it should not be ratified. If the Honourable Mr. Ramsay Scott wants that the Government of India should explore all avenues for the export of sugar, by all means let him bring a Resolution, but that does not arise as an amendment to my Resolution.

**Mr. President** (The Honourable Sir Abdur Rahim) : So far as the first portion of the amendment is concerned, it is a direct negative, that the agreement should not be ratified, but the amendment goes on to say that the Assembly 'expresses its strong disapproval of the action of the Central Government in agreeing to prohibit the export of sugar by sea, except to Burma, for the next five years, without the knowledge and consent of the Industry. This Assembly further recommends that the Central Government explore all possible avenues for the export of sugar and so on.' All this is additional recommendation quite relevant to the Resolution that has been moved by the Honourable Member and, therefore, I hold that the amendment is in order.

**Mr. J. Ramsay Scott** (United Provinces : European) : Sir, I beg to move :

"That for the original resolution, the following be substituted :

'That this Assembly recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be not ratified by him and expresses its strong disapproval of the action of the Central Government in agreeing to prohibit the export of sugar by sea except to Burma for the next five years without the knowledge and consent of the Industry. This Assembly further recommends that the Central Government explore all possible avenues for the export of sugar and take such other steps for the purpose of developing export markets, both by land and by sea for Sugar.'

Sir, before putting my views before the House I would like to point out that under the existing constitution the responsibility for the conducting of all negotiations is that of the Government and the Government alone and that I cannot censure them for the way they have conducted these negotiations, except by an amendment such as I am recommending the House to accept.

My Resolution is based on Resolutions passed by the Fifth Annual General meeting of the Sugar Mills Association held at Lucknow on August 8th, 1937. I may, therefore, inform you that the Resolution represents the views of the sugar industry on the London convention.

[Mr. J. Ramsay Scott.]

The facts are that early in February the Government of India received news of a World Sugar Conference to be held in London in May and on the 13th March, in answer to an unstarred question, stated that Dr. (now Sir) David Meek would represent India and that he would have an un-official adviser in Mr. Noel Deerr who had retired and was in England. There was, therefore, ample time for the Government to have consulted the industry and to have asked for advice. I find that the industry made several representations to Government to which Government did not even deign to reply. I can find no trace of any signs that Government thought that to consult the industry was the right and proper course to adopt.

For years we have been fighting for the right to have our industries consulted during trade negotiations which concern them and we thought that the principle had been firmly established. Advisers were asked to assist Government during the talks on an Agreement which we hope will take the place of the Ottawa Agreement and Advisers were also asked to assist Government during the negotiation of the Indo-Japanese Agreement recently completed and completed with much credit to them and India. In the negotiations under discussion Government have, if I may use an agricultural term, 'reverted to type' and I would today enter a strong protest and ask Government to state definitely and without reservation that during negotiations such as these, that the industry or industries will in future be consulted. I would ask the House to remember that today the sugar industry has been sacrificed but it may be your pet industry tomorrow so I am, therefore, asking the House to express its condemnation of the action of Government and the manner in which they have conducted these negotiations, in no uncertain manner.

Government signed the convention in London on May 6th and are, therefore, committed to ratify this convention and I feel that whatever we may say will have no effect and that, therefore, in this case our protest will be ignored. The sting of the censure will, however, remain and will, I hope, teach them a lesson.

I would ask my Honourable friend, the Commerce Member, to consider if it is not worth while consulting industries and to quite openly ask for opinions. I feel sure that on behalf of the Indian industries, I can offer him whole-hearted co-operation and every assistance in the future. I also want to see whole-hearted co-operation on behalf of the Government and none of your one-sided arrangements. I want to be able to feel that the Commerce Department is the best friend of our industries and that we can come to it with our troubles and grievances and to know that they will be listened to sympathetically and that every endeavour will be made to put them right. At present I feel that if we have two enemies to fight against, one is the foreign competitor, while the second, and in no way less dangerous, is our own Commerce Department. (Hear, hear.) I want the Government to realise that if India is to take her proper place in the industrial world, it can only be brought about by the very closest co-operation and the best and the friendliest relations between the Government and the industries of India. When Government go down to Delhi there will be a reshuffling of portfolios and I hope that the new Commerce and Industries Department will turn over a new leaf. I want a well-organised department, a department alive to the needs of India of



today and a department that can act and act quickly. One of the reasons for Japan's success in the industrial world is because her Government consults her industries and they work hand in glove.

Now, I come to the second part of my recommendations and I would point out that although the convention precludes the export of sugar by sea, except to Burma, it does not prohibit the export by land over our land borders. Such exports are extremely difficult to carry through and very hard to finance. It is very difficult to estimate the possibilities of our land border markets and there is very little reliable information.

I would like to see industrial surveys made by Government and the possibilities and the ways and means considered to help the development of such markets as I am sure no better method of ensuring peace and tranquillity on our borders could be found than by fostering a healthy export and import trade. My Honourable friend, the Commerce Member, has, I understand, a little knowledge of Baluchistan and Persia as far as Birjand and I know that Colonel Rahman has, for I met him there about 17 years ago. From my own personal experience there I know of some of the difficulties for I can claim that in getting products of Persia and Turkestan from Meshed to Duzdab and that I opened up a camel route. I employed over 6,000 camels. Selling is not such an easy matter and the crux of the problem is finance and here I would suggest that the Honourable the Finance Member might come to our assistance and see if he could not evolve some such scheme as Japan adopts to encourage her exports.

**Mr. M. S. Aney** (Berar : Non-Muhammadan) : But the Honourable the Finance Member is not even here to listen to your request.

**Mr. J. Ramsay Scott** : I can hardly expect such generosity from a gentleman who is not even present here.

I do not like the way the Railways of India help our competitors. All exports say from Java to Afghanistan or Bahrin (Persia) are carried over the North Western Railway at a 66 2/3 rebate of freight. I am sure that this means that the railway loses on such freight and I think that I can call this a direct subsidy to enable foreign goods to compete in these markets. The Honourable the Commerce Member might give this matter his attention and see what can be done to help our exporters.

Now, I come to exports by sea. The prohibition of such exports by sea as suggested by this convention has caused widespread indignation. Many of us think that all the white sugar at present produced in India is being consumed in India and many hold the opposite view. Whichever is correct today will not be so tomorrow for in the very near future we shall have a surplus and I would ask you what are we to do with it ? Are we in a position to export ? Are we in a position to export today ? Yes, Sir, we are today able to export, if we had a quota from Great Britain. Our white sugar No. 1 is the equal of Mauritius crystals which sell today *c.i.f.*, London or Liverpool at 12 *sh.* per cwt. White sugar No. 1 is selling in India today at Rs. 6 per maund and I reckon that with a rebate of excise at Rs. 1-8-0 per maund this could be landed *c.i.f.*, the same ports at 12 *sh.* 2½ per cwt. I ask for no favour from the U. K. such as the freedom from paying duty as that would be as likely as India admitting piece-goods from Lancashire free of duty but only that as Lancashire piece-goods are admitted on a five per cent. preference over our usual 25 per cent. tariff so we should be put on the best terms and have our sugar admitted under

[Mr. J. Ramsay Scott.]

the heading : " Preferential Certified Colonial ". This duty, I believe, is about s. 2|4½ per cwt., and would give us a preference of s. 9|4 per hundred-weight over foreign sugars.

**Mr. H. Dow** (Commerce Secretary) : In other words, you are asking for something like a 75 per cent. preference, not five per cent.

**Mr. J. Ramsay Scott** : I am afraid I cannot agree. The Honourable  
1 P.M. Member will have an opportunity of explaining that myth.

A bounty or a cess is not out of the question, if by taking an excess production of the market we could raise our internal prices to an economic level so as to ensure a reasonable profit to the factory without increasing the price to the consumer unduly. Most continental sugars sell in their own countries at s. 10 to 12 and yet all of them export sugar. Russian sugar sells in Russia at s. 75 per cwt. and yet she imports into India.

**Mr. Noel Deerr**, our adviser, who has a world wide reputation as the expert on sugar and to whom the Indian sugar industry owes so much, stated in an article in the *Empire Producer* in June that :

" The most striking contribution to the Conference is the undertaking of the Indian Government not to appear as an exporter except to Burma during the period of the agreement. This should go far to remove an element of uncertainty which must have been present ever since India awoke and became sugar conscious. There are, however, some economists in India who look forward to the time when India will again, after the lapse of many years, appear as a large exporter."

This article was written for Empire consumption and not for India but I know that **Mr. Noel Deerr** does think it possible today.

We have just heard that there is to be an agreement between India and Ceylon and I would suggest to you that India would feel very foolish if Ceylon should offer a special preference to India's sugar as a *quid pro quo*.

I have no doubt that Government will tell us that this Convention is a great contribution to the stability of world sugar prices.

World sugar prices do not concern us while we have protection and the price of sugar is entirely governed in India today by the internal competition due to weak sellers and the fear of over-production.

At the Conference it was said :

" It is time that sugar ceased to be the sport of politicians and that when Government were unexpectedly faced with the budget deficiency, commodities other than sugar should bear a due portion of the burden. The reduction on the internal taxation of sugar would be a fit subject for the consideration of statesmen and would increase consumption and decrease the cost of production."

If my friend, the Honourable the Finance Member, has doubts as to the effects of his recent taxation policy I would refer him to the results recently published by four companies whose registered offices are in Cawnpore. I would ask him how he will get his 28 lakhs from the income-tax on sugar companies this year.

The policy of Government towards sugar will surely kill this industry. I admit the patient was not well but uninvited first came doctor **Sir James Grigg** who administered a purge, then comes another kindly soul **Sir Sultan Ahmad** who administers another purge, with the highest of motives in the cause of the world's stability and I suppose the next

doctor will be Sir Jagdish Prasad on behalf of the cane growers. I fully expect that he will just be in time to administer the final purge which will kill the patient !

Now, Sir, is the ratifying of this Convention in the interests of the agriculturists for whom Government profess so much sympathy ? Any action which tends to depress the price of sugar will, as you know, lower the price of cane which the factory pays.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up.

**Mr. J. Ramsay Scott** : I have not yet seen the results of the investigation into the economic cost of the production of cane but I do know that a cane rate of two annas per maund does not pay the grower and I doubt today whether the 80 per cent. of cane which is turned into *gur* returns this much to the grower. Today, only 20 per cent. of the cane grown goes to the factory and if this is paid for at the rate of four annas, then the balance has to be sold at two annas per maund. I would like to see the grower receive five annas per maund from the factory but to do so will mean that the factory will have to get more for its sugar than it is getting today.

If Government prohibits the export of the surplus sugar it will have to devise some scheme to help to raise the internal prices for sugar to enable the factory to make a profit, however small. What is Government going to do about it and is it willing to put forward any suggestions and to help in setting of the industry on its feet ?

The time at my disposal is very short and I have only been able to touch on a few important matters. What I want to see is a few constructive plans put forward and not any more destructive measures like the two which have emanated from Government this year. In my humble opinion Government have blundered and I do not see that they have any right to expect that this Assembly will hold the baby for them.

It gives me no pleasure to criticise the Government and I have tried to put before them a few suggestions to help to mitigate the damage being done.

My Group agree with me on the principles involved but if you can make out a good case for ratification they will probably go into the lobby with you ; but, Sir, I would suggest to the Government that they should, if I have made out a good case, accept this vote of censure on the way they have conducted these negotiations. Sir, I move.

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

“ That for the original resolution, the following be substituted :

‘ That this Assembly recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be not ratified by him and expresses its strong disapproval of the action of the Central Government in agreeing to prohibit the export of sugar by sea except to Burma for the next five years without the knowledge and consent of the Industry. This Assembly further recommends that the Central Government explore all possible avenues for the export of sugar and take such other steps for the purpose of developing export markets, both by land and by sea for Sugar.’ ”

**Mr. T. S. Avinashilingam Othettiar :** Sir, as I was hearing the Honourable the Commerce Member's speech, I was struck with his anxiety to contribute what India can towards solving the international problem of sugar. Let me tell him, Sir, that we, on this side of the House, are no less anxious to contribute towards any solution of international problems, whether it be sugar or whether it be anything else. But let me also say that contributions towards solution of international problems are not made by committing economic suicides. If we contribute to them we contribute to the solution of the world's problems which will solve our own. We do not contribute towards the solution of other people's problems by creating problems for ourselves. It seemed to me, Sir, that the Honourable the Commerce Member was blowing hot and cold in the same breath. He said, "What is the price of your sugar? You have got a protection of Rs. 9 and odd. You cannot compete in the outside market; for your very existence you require protection, and how can you export sugar outside?" But in the end he said, "Please, for the sake of international peace, do not vote against this agreement, because," he said, "there would be a chaos in the industry and there would be chaos in the sugar international trade if India does not accept this agreement". May I ask him how these two things go together?

If what the Honourable the Commerce Member said about the price of Indian sugar is correct, that is, we shall not be able to export sugar to international markets, may I ask how there can be chaos. We cannot export sugar and so we cannot send sugar to the outside markets. He was talking about dumping and may I ask him, Sir, how there can be dumping. There was no plea put forward by anybody, as far as I can see, that India should be subsidised to export to outside markets. I heard him make the suggestion if you want to export it should be at the expense of the consumer and may I know whether what he meant by that was that they would expect subsidies from the Government of India to export of sugar outside. As far as I know, no argument has been put forward that bounties should be given so that India may export sugar. He said you want a good price for your sugar, and unless you get a good price for sugar the industry will not thrive well. He also said attempts are being made by Provincial Governments—United Provinces and Bihar are the chief sugar cane producing provinces—to increase the price of cane, and if that takes place the cost of production will go very high. He suggested as a solution, it was very surprising to me, 'do not export sugar outside'. May I tell him that unless you find a market for sugar outside, the price of sugar is bound to go further down. When the supply exceeds the demand it is economic law that the price of the thing goes down. Today what are the facts? I read from the "Review of Sugar Industry of India"—it is an official publication—for the official year 1935-36: it is dated the 23rd January, 1937. This is the conclusion to which the official spokesman who reviews the sugar industry comes:

"The year under review has the distinction of having created two records for the Indian Sugar Industry. Firstly, the total production in India, of all grades of white sugar (that is sugar made directly from cane in modern factories together with that of refined gur and the production, of indigenous *Khandasari* concerns) for the first time exceeded a million tons, the actual figure being 1,091,700 tons. Secondly, there

was, for the first time, a carry-over of stocks of sugar at the mills when the 1936-37 manufacturing season commenced, the stock with 91 cane factories (out of 137 factories operating during 1935-36) amounting to 95,162 tons, and with 8 refineries to 18,449 tons, as on the 31st October, 1936. In addition to these stocks with the manufacturers, the quantity of sugar (including imported sugars) in stock in the principal markets and ports of India, on that date amounted to 30,073 tons, making a total of 143,684 tons or over 13 per cent. of the previous season's production."

May I ask, Sir, in view of the fact that 13 per cent. of last year's production has not been consumed and has not been sold, a market for that sugar has not been found. To that sugar will be added the produce of this year also. May I know whether that addition will increase or decrease the price. Certainly it will decrease the price as the supply exceeds the demand. If they really wish that the sugar manufacturer should get higher prices and the price of sugar cane should be increased, what should they do? They should immediately find a market for it.

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. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

**Mr. T. S. Avinashilingam Chettiar** : Sir, I was telling the House that with 13 per cent. of the annual production still in the market un-consumed, there is little chance of the price of sugar rising, unless some way is found for marketing that produce. Ordinarily, very few people have understood the vast strides that the Indian sugar industry has made within recent years. Today India is by far the biggest sugar producer in the world. I have before me the statistics of production of sugar for the year 1935-36 and they show that the world production of sugar for that year is 27,128,000 metric tons, taking both beet and cane sugar. India in that year produced 3,696,000 metric tons, of which 2,508,000 was *gur* and 1,188,000 factory sugar. In fact she is first and biggest sugar producing country, Java producing 564,000 tons and Cuba producing 2,603,000 tons. But it cannot be said by any means that India has reached the maximum capacity of her production. For if we refer to page 19 of this book "Sugar Industry at glance", by Mr. M. P. Gandhi, (he is an authority from whom even Viceroys like to quote), he says this :

"In the year 1936-37 the crushing of cane has been only 16.8 per cent. of the whole production of cane in this country. It should also be remembered that the capacity of factories has increased considerably. The capacity of factories in 1934 was 517 tons, while in 1936-37 it was 2,000 tons. Not only that : the maximum duration of the cane crushing season was 184 days in 1932-33, but the average duration of the cane crushing has been only 126 days in the Indian factories."

With these facts before us it will be very plain and can be easily seen that the capacity for production of sugar in India is immense : not only is it immense, but she has already exceeded her capacity to consume. Turning to table IV of the same book, we see that the total consumption of sugar in India is estimated at 11,50,000 tons, and the production of sugar has been estimated to be over 12,000,000 tons in the same period. Already there is an excess of production, and unless ways are found for the marketing of this excess production there will be a slump in the

[Mr. T. S. Avinashilingam Chettiar.]

market and the result will be a reduction in the prices of sugar. While on this matter, I will refer to the figures of exports of Indian sugar and the possibilities of the Indian market. In page 21 of the "Review of the sugar industry of India" for the year 1935-36, they give figures of sugar already exported to some of the neighbouring countries,—Iraq, Arabia, Iran, Kenya Colony and Zanzibar and Pemba and other countries. The figures of re-export are 2,270 tons—that is, sugar imported into India and again re-exported. The export of sugar by sea, that is of Indian sugar, is 389 tons, while the exports of sugar by land amounted to 25,836 tons. If I can point out to the Honourable Member that there are countries neighbouring to our own, to which we can easily and profitably export sugar, then it will be found how much injustice has been done to our country by this agreement. Ceylon in 1936-37 imported 75,994 tons : Iran 59,932 tons : Arabia 9,000 tons : Aden 12,500 tons : Mesopotamia 7,854 tons : British East Africa 4,000 tons : and Siam 33,000 tons, making up more than 120,000 tons in all. We are already negotiating a trade agreement with Siam.....

**The Honourable Sir Saiyid Sultan Ahmad :** From where do you get all this ?

**Mr. T. S. Avinashilingam Chettiar :** These figures are found at page 375 of *Commerce* dated the 4th September, 1937—it is not anybody's opinion but statistics taken out of books showing world trade and commerce.....

**The Honourable Sir Saiyid Sultan Ahmad :** I thought you said that they were exported from India.

**Mr. T. S. Avinashilingam Chettiar :** No, no.....

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** The Honourable Member has got only one minute more.

**Mr. T. S. Avinashilingam Chettiar :** I have taken only five minutes before lunch and I thought I had ten more minutes....

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** If you require it, I shall give you another two minutes.

**Mr. T. S. Avinashilingam Chettiar :** With such a large market in the neighbourhood of India, it is really an injustice to this great industry that an agreement should have been arrived at behind the back of the industry and without our knowledge that India should not export sugar outside this country. In a few minutes I will examine the articles of this agreement. Article 16 prohibits India from exporting sugar. In article 19 it says :

"It is further provided that 47,500 tons for the free market shall be placed in reserve."

Even if it is reserved, India will not get a share in this. In article 20 they say :

"If the Council shall at any time decide by three-fifths of the votes cast that, having regard to the requirements of the market, additional supplies are desirable, it shall allot additional quotas to all the countries concerned for such period (not exceeding one year) as it may decide, the additional quotas for each country being proportional to the basic quota of that country....."

So that, even if the world consumption of sugar increases and there is a demand for it, India will not get a chance under this agreement ; and so not only is India prohibited from exporting sugar now, she is prohibited for five years, but even if the demand for sugar consumption in the world increases, she cannot export sugar under the terms of this agreement. I, therefore, say, that having regard to the conditions of the industry in this country, having regard to the vast number of cultivators and labourers to whom this industry is giving support, this agreement is bound to cause great hardship to the industry and to the agriculturists of this country, and so I move that this agreement be rejected. I support the Honourable Mr. Ramsay Scott's amendment.

**Dr. P. N. Banerjee** (Calcutta Suburbs : Non-Muhammadan Urban) : Sir, the first question which arises in connection with the discussion of this subject is—was India properly represented at the International Conference ? The representative of India was Dr. Meek, (now Sir David Meek). I used to know this gentleman when he was in Bengal, and I do not think that he was particularly interested in the sugar industry, nor did he know much about it. Besides that, he left the shores of India some years ago, and he has not perhaps kept himself in intimate touch with the sugar industry in this country. Sir David Meek was, I understand, assisted by Mr. Deerr who was, at one time, connected with a sugar company run by Messrs. Begg Sutherland and Company of Bihar, but he also has retired from service and his interest in the sugar industry has ceased. How was it that these two gentlemen were entrusted with the duty of watching the interests of India ? When the Sugar Mills Association and the Federation of Indian Chambers of Commerce asked for representation at this conference, such representation was denied. It is clear, therefore, that India was not properly represented at this conference, and this Assembly, representing as it does the people of India, cannot accept the Agreement which was arrived at.

Sir, Article XVI of the International Agreement says that India is not to be permitted to export sugar for a period of five years. Now in return for this, is India to gain anything ? Is there any *quid pro quo*, or is this merely a self-denying ordinance on the part of India ? The Honourable the Commerce Member did not make it clear what advantage India was going to get from this bargain. It seems to me, therefore, that it is merely a one-sided arrangement.

Now, Sir, let me examine the ground on which this term was agreed to. The Honourable the Commerce Member says that India does not at the present moment export sugar. This is not strictly correct. The correct statement would be that India does not export sugar by sea to any substantial extent at the present moment. But is there any reason why India will not be able to export sugar to other countries in the course of the next five years ?

Now, let me turn to a review of the history of the sugar industry in recent years. Sir, time was when India did export sugar to other countries. India is the home of sugar cane, but owing to a combination of circumstances into which I need not enter, India not only did not export sugar, but was dependent for her internal supply of sugar on imports from other countries. However, the passing of the Act of 1932 produced

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a great change in the situation. During the last five years there has been a phenomenal development in the sugar industry, and at the present moment India is the largest sugar producing country in the world. Her sugar production is more than one-fifth of the total production of the world. Recent figures show that her production is about 21.8 per cent. of the total sugar production of the world, and her production is almost equal to, if not slightly larger than, her own consumption. Now the time has come when it is necessary for us to consider whether we should put a stop to the further development of the sugar industry or not. Sir, I may point out in this connection that this rapid development of the sugar industry in India, during the last quinquennium, has taken place in spite of the fact that the excise duty was levied a few years ago, and last year this excise duty was substantially increased. The Honourable the Commerce Member seemed to me to suggest that this excise duty was beneficial to the sugar industry in India. I could not follow his argument; if I am mistaken, I hope he will correct me. . . . .

**Mr. B. Das** (Orissa Division : Non-Muhammadan) : It was the Finance Member who was benefited.

**Dr. P. N. Banerjee** : No, it was the Honourable the Commerce Member who said that. However, that argument apart, it is clear that the sugar industry has immense possibilities in the future, and if it has such possibilities, what are we to do? We cannot stand still. The production is almost equal to the consumption in the country. Now, if there is to be further progress, then India will have to find export markets, and, therefore, it is not desirable that she should be prevented from finding any export markets for the next five years. Would that be an advantage to the country? I say 'no'; because if we are prevented from finding an export market, there will be unhealthy competition between the sugar manufacturers in this country, and prices will fall below the normal. Now, it has been stated that the cost of production of sugar in India is very high. It was very high, but when? Sir, there has been steady decrease in this cost of production. As regards the cost of production this can be brought down in various ways; first of all, by improving the quality of cane so that a greater sugar content may be found; secondly, by improving the methods of manufacture; and thirdly, by utilising bye-products and waste products. As a matter of fact, experiments are being made so that the cost of production is steadily decreasing and we may expect a further decrease in the cost of production of sugar in the near future.

This industry has now become a national industry and it has proved a very great benefit not only to the trader and the manufacturer but also to the cultivator. In fact, the cultivator of sugar-cane gains very greatly and, if further progress in the industry is to be checked, the cultivator will lose. The cultivator gets a much higher price from the sugar-cane that is sold to the sugar manufacturer than he would get in the ordinary course. Therefore, it appears to me from all points of view that it is desirable that the sugar industry should be further developed and no effort should be made to check the further development of this industry. If that be so, what is our duty in regard to this international agreement? Should we accept this agreement? Should this House, representing the



people of India,—all classes of the people of India, including the poor cultivator,—should this Assembly accept this agreement? I say, No. This agreement is definitely injurious to the economic interests of the country and we cannot request the Governor General in Council to ratify the agreement. I have much pleasure in supporting the amendment which has been moved by my Honourable friend, Mr. Ramsay Scott.

**Seth Govind Das** (Central Provinces Hindi Divisions : Non-Muhammadan) : Sir, I rise to oppose the Resolution moved by the Honourable the Commerce Member and support the amendment moved by my Honourable friend, Mr. Ramsay Scott. Sir, the Honourable the Commerce Member said that we should keep an open mind in this respect. As a businessman I did try to keep an open mind, but I want to point out to him that in spite of this I have come to the conclusion that the Resolution which he has moved is not in the interests of India. As far as we are concerned, the Honourable the Commerce Member and other Honourable Members sitting opposite find it very difficult to convince us, but as far as the ratification of this Agreement is concerned, the Commerce Member could not even convince the European Group, which is always behind him for all motions brought before this House. This is the first time that I have seen Members of the European Group move an amendment which is in the interests of this country, and I congratulate them on this. I hope that in future this attitude will be kept up by them. I particularly congratulate my Honourable friend, Mr. Ramsay Scott, on his condemnation of this Government and on his statement, that we have two enemies, one the foreigners and the other the Commerce Department of the Government of India. I hope that he and his colleagues will keep the same view in respect of so many other similar things which are brought before this House.

The Honourable the Commerce Member said that this problem is a difficult and a complicated one. But in my humble opinion, it is a very easy problem and not a complicated one unless he makes it so. The point is very simple and it is this, whether we are ready to bind ourselves for five years not to export our sugar or not. I say that no section of this House is prepared to bind this country for a long period of five years not to export sugar from this country. The Honourable the Commerce Member says that our prices are too high for a free market. If the prices are too high, we won't be able to export, but the question is, why should we bind ourselves not to export? My Honourable friend admits that the growth of this industry in India has been very rapid. I shall give here a few figures which will show how rapidly this industry has expanded. I quote these figures from the "Review of the Sugar Industry in India, during the Official Year 1935-36." In this report, at page 7, it is said, that in 1931-32 Indian produce has been only 1,58,581 tons while in 1935-36 this figure has gone up to 10,91,700 tons. The Honourable the Commerce Member said that a period of five years is a very small period and when we have not been exporting any sugar during all this time what is the harm if we bind ourselves not to export for another five years? I feel that he is blowing hot and cold in the same breath. On the one hand he accepts that the development of this industry, within five years, has been very rapid, and on the other hand, he is asking, what is the harm if we do not export our sugar for another five years when we have not been exporting till now? I say that this industry has expanded to such an extent, during

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the last five years, that we cannot bind ourselves to agree not to export sugar for another five years when I am sure this industry would have developed further by leaps and bounds. There is still a vast field for the development of this industry in our country and that cannot be denied. We grow today sugar cane on 44,31,000 acres of land. Only 18 per cent. of the produce is utilised by the sugar factories. It shows that about 82 per cent. of our sugar cane is being used for preparing *gur*, for juice chewing and other purposes. It proves to the hilt what a vast field we have for further development of this industry. It is in the interests not only of the commercial magnates of this country but also of the poor agriculturists, who grow cane, that more sugar factories should be established. If they sell their sugar cane to the factories they get a better price for it than they get by turning it into *gur*, or other things. But what is the position today? It is estimated that our total consumption of sugar is about 11½ lakhs of tons. If our present factories work to the fullest capacity, they can produce about 14 lakhs of tons of sugar annually. Therefore, Sir, what I would point out is that even for the present output of the industry, the export of our sugar has become inevitable, not to speak of the further development of this industry. My Honourable friend, Mr. Chettiar, pointed out certain countries which are importing sugar. Besides those countries even the United Kingdom is importing about two million tons of sugar every year and the entire quantity of this sugar is being imported not from the Empire countries. Most of it is being imported from non-Empire countries. One-third of her sugar imports, is from Empire countries and two-thirds from non-Empire countries. That is about 13 lakhs of tons. When we are giving preference to her textile goods, to her steel goods and other manufactured articles, is it not fair that she should give preference to our sugar, especially when she is importing sugar from non-Empire countries? It seems that the United Kingdom anticipated this legitimate demand of ours and so they were in a hurry to enter into some kind of agreement by which our legitimate demand may not be put before them and to avoid a retributory obligation they threw this agreement on our heads. Today we have a small surplus of about two or three lakhs of tons, if we are able to export even this much, we shall be able to maintain internal level of our prices. It is necessary to maintain this level of price both in the interests of our industry and in the interests of the agriculturists. About two crores of our people are dependent upon the cultivation of sugar cane and the estimate of what the agriculturists for the current year will get is about 900 lakhs. Sir, the sugar industry is not an industry which can stand on the footing of other industries but it stands entirely on a different footing.

The Honourable the Commerce Member advanced four arguments against the export of our sugar. Firstly, he

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said that we have a high tariff duty on the sugar and so we cannot compete in free markets. If we cannot compete in free markets, it does not mean that we should bind ourselves not to export sugar, we shall endeavour to catch some market at least. His second argument was, that for maintaining the prices we must have some kind of international agreement. We are ready to enter into an international agreement but not at our cost. If the interests of India have

to be sacrificed we do not care for the international interests. We have first to look to our own interests and when we feel that by this agreement our own interests are being sacrificed we cannot afford to look upon the international interests with benevolence. Thirdly, he said that India did not export any sugar till now, why should we be anxious to export it immediately and why should we not wait for five years? Sir, till now, there was not sufficient development of our industry in our own land and we had no scope to export any appreciable quantity, but within the last five years we have developed it to such an extent that the time has come when we require to export and it is not in the interest of India that we should agree not to export our sugar for another five years. His fourth and main argument was the high cost of our sugar production. Now, Sir, I want to say a few words on this point, because in my opinion, this is the most important point that he has made. Firstly, I want to point out that our cost of production is going down every day which is accepted even by the Director of Imperial Institute of sugar technology and, secondly, the prices do not depend upon the cost of production. While comparing the c. i. f. prices of sugar in different countries in a particular market like the present c. i. f. cost of Indian sugar in that market we should take into consideration that foreign sugar enjoys many special advantages of freight rates etc., due to an already established large export trade which Indian sugar does not enjoy at present. Apart from this, it must be borne in mind that the actual internal cost of production is not a very important factor, so far as the development of export markets is concerned. This will be apparent from the fact that the internal prices of sugar in the various countries today have little relation to world prices, that is the prices for the exported sugar in the free markets. It will be surprising to find that the retail prices of sugar, in certain countries, are several times higher than the world sugar prices. In most of the countries of Europe retail prices range between Rs. 15 and Rs. 33 per cwt. whereas in the Soviet Russia, the retail price is as high as Rs. 77 per cwt. and yet most of these countries have allotted export quotas in the free world market in the Conference. In India the retail prices of sugar happen to be the lowest in the world, except Java, Cuba and Brazil. Examples may be multiplied to show what little part the cost of production plays in the internal trade which is now-a-days largely regulated by tariffs, quotas and preferences. Therefore, Sir, I want to point out that the cost of production is not the main argument which can be brought against our export of sugar. Sir, the present agreement is against the interests of India and it should not be ratified. I support the amendment moved by the Honourable Mr. Ramsay Scott.

**Mr. B. B. Varma** (Muzaffarpur *cum* Champaran : Non-Muhamadan) : I am grateful to you, Mr. Deputy President, for giving me an opportunity to speak, just after another Congress Member has spoken. I am just going to attend a sugar conference in Lucknow.

I am more than surprised that the Government should come forward to this Assembly to get this agreement ratified, which has deprived this country to export sugar when and if she can to other countries.

Sugar cane in our country occupies a prominent place in the agricultural economy as being one of the few crops on which a vast number of cultivators of cane rely to meet their cash requirements. This is

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more particularly applicable to the Province of Bihar and U. P., as, unlike other provinces cane is the only cash paying crop. In Bengal, apart from cane, jute is a money crop and in C. P., Bombay and Madras cotton is a cash paying crop. The policy of protection given to the sugar industry has very successfully increased the home production and brought down the imports of white sugar to a very small figure. The time has come when the Government should see that the cultivators reap the benefit of the protection also and this they can do by helping the industry being placed on a sounder footing.

There are 154 sugar mills in India, out of which 108 are situated in Bihar and the United Provinces alone. With the growth of modern sugar factories the acreage has increased considerably. The acreage under cane cultivation in the year 1931-32 was about 31 lakhs and it has reached to over 44 lakhs in the year 1936-37. A little over 27 lakhs acres is under cultivation in Bihar and the United Provinces.

It may be pointed out that the modern factories crushed, during 1936-37, a little over 16 per cent. of the total quantity of cane grown which is 6,73,22,000 tons, and the remaining about 84 per cent. was used either for manufacture of *Gur*, *Khandsari* and for chewing and planting purposes. It is thus clear that there is vast scope yet for the development of sugar industry in this country. Not only the raw material is available in an abundant quantity, but in view of the cane crushing season happening with the less busy season of cultivation, the labourers get employment when they are mostly out of employment. A fuller development of sugar industry would thus certainly be a welcome measure for the amelioration of the condition of a vast number of cultivators.

During the last season great difficulty was experienced in the disposal of the entire quantity of cane and the cultivators were put to considerable distress and loss. Due to the cut-throat competition of the millowners, the cultivators were paid only 2½ annas per maund as the price of their cane, including cartage. As a result of this, the cultivation has greatly gone down. Sugar cane being a cash crop, a large number of cultivators will be deprived of the benefit which they get from the sugar cane crop. This could be avoided if an outlet for at least a certain quantity of Indian sugar is assured. The development of an export market for Indian sugar is in the interest of all connected with the industry. The question, therefore, is: Are there possible avenues for the export of Indian sugar? Though the avenues are limited, there are still some avenues in which export market for Indian sugar cane be developed. There are, for example, Ceylon, Nepal, Iran, Aden and Siam, which depend for their sugar supply on foreign countries to the extent of 1,65,000 tons.

In addition to these neighbouring markets, the surplus production of Indian sugar can find a market in the United Kingdom inasmuch as she imports about two million tons of sugar every year, of which more than two-thirds are imported from foreign countries, while slightly less than one-third from the Empire countries. This being so, it would not be unreasonable for India to expect that she would receive some Tariff preference from the United Kingdom and thus be able to export

her surplus production, whatever the quantity, to the United Kingdom to whom she grants large preferences in Tariff in several manufactured articles like cotton textiles and steel, etc. Unless, of course, the United Kingdom prohibits import of Indian sugar, a step which would be rather unjust and unfair for her to take if she is really anxious to maintain friendly commercial relations with India.

The main argument so far advanced against the export of sugar from India is that the cost of production in this country is higher than in any other great sugar producing countries of the world. But during the last five years the cost of production of sugar has been considerably brought down. The efficiency of Indian factories has also been improving every year, as testified by the periodical reports issued by the Director of the Imperial Institute of Sugar Technology. It is true that any appreciable reduction in the present cost of production of sugar depends greatly upon improved quality and reduction in the cost of sugar cane. There is no reason why the combined efforts of Agricultural Departments, Industry and the Government of India should not make it possible for the factories owners to bring down, in due time, the cost of production. The utilisation of their bye-products, which are practically of no value at present, will also help the factories in a short time in reducing the cost of production. If Indian sugar is given the same preferential treatment as is given to Colonial sugar, in the United Kingdom, India would be able to export sugar to the United Kingdom. In the interests of a vast number of agricultural population as well as in the interests of the stability of an important national industry, it should be the duty of the Government of India to secure a proper share of Indian sugar in the United Kingdom market. It is regrettable that the attitude of the Government of India on the question of export of sugar from India has not been very helpful. This is exemplified by the light-hearted manner in which they have handled the situation with regard to the recent International Sugar Conference held in London. Although an opportunity for considering the possibility of export of sugar from India to other countries presented itself, and India was also, as the largest sugar producing country of the world, invited to nominate a representative, the Government of India, without consulting any commercial bodies in the country or the Legislature, nominated Dr. Sir Meek as the representative of India according to their own choice and in utter disregard of public opinion and commercial and industrial bodies. Dr. Sir Meek may be all right as a statistician but what concern had he to fight for India's cause or put up a strong case on behalf of the Indian sugar industry. The Indian sugar industry was thus deprived of representing their full case in the light of actual conditions obtaining in the industry before the International Conference. The indignation has become so serious that the representative of the Government of India at this Conference agreed to commit India not to export sugar by sea to any country except Burma for a period of five years. Five years is not a short period and many important developments so far as this industry is concerned may happen during this period. If within this long period of five years the world's capacity to consume sugar goes up, as is likely owing to the new and greater steps being taken for improving the dietary of the masses, India, being classed as an importing country, is deprived of taking advantage of that greater demand. Similarly, if one of the exporting countries fails, for

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some reason, to fulfil her quota of supply, India, even then, is prevented by this agreement to fill in the gap and benefit therefrom. Is it just to India or to the consuming world? Therefore, this, our second largest industry, cannot have such restriction placed on it. The country will never agree to it. Luckily, one redeeming feature of this International Agreement is that it is 'subject to ratification by the Legislatures of the countries concerned'. Even this was not achieved by the Government of India but the other countries which participated in the Conference reserved to themselves the right to get the agreement ratified by their respective Governments and hence, we have also been offered an opportunity and we must express our disapproval to the agreement arrived at in London. Whether we agree upon the arguments about protection, consumption and export of sugar or not, there is one objection to the agreement which is absolutely unanswerable. India has got absolutely no *quid pro quo*. If at least imports of sugar into India had been prohibited for five years, there might have been a little justification. As it stands, the freedom to dump into India is given while preventing exports from India. This extraordinary arrangement can be explained only by the fact that India is used as a pawn in the Imperial game and this Assembly must most emphatically repudiate this role. I, therefore, appeal to the House to refuse ratification of this agreement.

**Sir Leslie Hudson** (Bombay : European) : Sir, I am afraid that the Group which I represent cannot go quite so far as my Honourable friend, Mr. Ramsay Scott, went this morning.

**Voices** : Very sorry.

**Sir Leslie Hudson** : We are in general agreement as to the advisability of consulting the interests of industry, trade and commerce in any fundamentally important trade or other negotiations which may affect them. But we do not agree that the sugar industry has been so badly treated by Government, having regard to the history of its protection. On the contrary, we consider that it was the over-generous treatment originally given to it by Government that has led to its present troubles. I am not referring to the agreement now but the troubles in which the sugar industry has found itself in the last year or 18 months.

**Pandit Lakshmi Kanta Maitra** (Presidency Division : Non-Muhammadan Rural) : What is the trouble?

**Sir Leslie Hudson** : Well, I have always understood that the sugar industry has been complaining that there has been a multiplication of factories which has rendered the economical production of the smaller factories definitely impossible.

Well, Sir, there are four or five Members of the Group, apart from Mr. Ramsay Scott, whose constituents are vitally interested in the sugar industry and they are definitely in favour of the ratification of the Agreement.

**Mr. S. Satyamurti** : Who are they?

**Sir Leslie Hudson** : Since the Honourable the Commerce Member spoke this morning, I have taken the opportunity of turning up the answer to the unstarred question which was asked on the 12th March

last, to which the Government in reply stated that : " India will be represented at the Conference by Dr. Meek, Indian Trade Commissioner in London, as sole delegate, with Mr. Noel Doerr of Messrs. Begg, Sutherland & Co., of Cawnpore, as technical adviser ". My Honourable friend, Mr. Ramsay Scott, has himself admitted that Noel Doerr, as the Adviser of the sugar interests in Cawnpore, has done a very great deal for the Indian sugar industry. I think he said that he had done more than any other person for that industry. It seems, therefore, a little unnecessary to be so vehement in his denunciation of Government for not consulting the industry when the technical adviser of the very interests he represents in this House was the technical Adviser to India's sole delegate at the International Conference.

**Mr. J. Ramsay Scott :** But that is not quite right. Mr. Noel Doerr had retired to England over a year ago.

**Sir Leslie Hudson :** I am merely quoting from the answer given by the Honourable the Commerce Member last March.

As far as this agreement is concerned, we think it should be looked at as a whole and not merely from the one aspect which the Amendments to this Resolution have been framed to emphasize. The chief objects of the Agreement, as I see them are :

- (a) control of production,
- (b) increase of consumption, and
- (c) raising of prices.

All these three objects are of course closely inter-related. Control of production is most desirable in order to assure consumers an adequate supply of sugar at a reasonable price. Quoting from the report of the International Agreement itself,—

" the contracting Governments agree that it is their policy so to direct arrangements made under the present agreement as always to assure consumers of an adequate supply of sugar on the world market at a reasonable price to consumers, such price not to exceed the cost of production including a reasonable profit to efficient producers."

Further, the agreement sets up the machinery for international consultation, research and co-operation. We have already seen the benefits to the interests concerned of somewhat similar Agreements in the tea, rubber and tin industries.

The two important factors in India are its large, potentially even larger, production combined with a vast and annually increasing population. I consider that at the present time, it is doubtful whether India would be in a position to export sugar. I, personally, would have preferred that the door should have been kept open for reconsideration during the five years covered by the agreement. On balance, however, we believe that the Agreement is in India's interests.

**Mr. S. Satyamurti :** How do you know ?

**Sir Leslie Hudson :** I did not say, I *knew*. I only said I believe. I am not quite so omniscient as my Honourable friend opposite. I would remind the House that every sugar producing country, in this Agreement, has expressed its preparedness to make considerable sacrifices in the

[Sir Leslie Hudson..]

matter of production in order to maintain regulation of the world price of sugar. India, however, is asked to make no such sacrifice but is permitted, without interference, to maintain her production which has so greatly increased in recent years. Therefore, Sir, whilst I do agree that Government should consult industries of this nature, this large and important nature, when any trade agreements are about to be entered into, I am at the same time not in favour of the amendment which has been moved by my Honourable friend behind me and we advise ratification of the Agreement.

**Seth Haji Sir Abdoola Haroon** (Sind : Muhammadan Rural) : Sir, may I move the amendment that stands in my name ?

**Mr. Deputy President** (Mr. Akhil Chandra Datta) : At all events not now. The amendment of Mr. Ramsay Scott is now before the House for discussion.

**Seth Haji Sir Abdoola Haroon** : Sir, this morning I heard very carefully what the Honourable the Commerce Member was saying about this Agreement. Unfortunately, I did not hear the speech of my Honourable friend, Mr. Ramsay Scott. I may at once submit that the Government, in view of their past conduct towards this industry, cannot expect this House to ratify this Sugar Agreement. (Hear, hear.) The Government sent only an official as Adviser to the International Convention. They did not consult this Assembly, nor did they consult the industry. Without taking any of these steps, the Government simply entered into an agreement and they now ask us to ratify the same. On account of the previous treatment which the Government meted out to the sugar industry, a great suspicion is created in the mind of this House and in the mind of the public. The Government cannot, with any show of reason, ask this House to support them in ratifying the agreement. The Government have done nothing till now to improve the sugar industry in this country. If you look at the international agreement, you will find that every country is bound to regulate the production of sugar.

During the last four or five months, Government have taken no steps to organise the industry in this country, nor have I any hopes that Government can regulate and support the sugar industry. It is generally said in this Assembly that Government have given protection to the sugar industry, but really you will find that only the revenue duty is the protective duty. If you look to the import duty all over the world, you will find that even today in India with the protection the import duty is less than in any other country in the world. So I must say that they have given protection only in name, but in reality they have given no protection. They only want to help the industry when there is shortage in the budget and put an excise duty on sugar. Even in last year's speech, the Finance Member said :

“ The sugar industry is disorganised and therefore I want to put this new excise duty. The smaller ones will crash and the sugar industry itself will become organised.”

And what was the result ? On account of this excise duty, the prices of sugarcane went down so much that I am afraid that, if this continues, people will stop growing cane in future. Considering all these things, I do not think this side of the House can support this



Resolution. But I want to place some facts before the House for consideration. This international agreement has been signed by all the nations ; and if we do not ratify it, what will be the effect on the sugar industry in India and the sugar market of the world ? I will remind the House of the fact that some two years ago the Java price of sugar *c. i. f.* India was more than Rs. 2-12-0 per maund at Calcutta, Karachi or Bombay ; and if this international agreement " goes phut ", what will be the effect on the sugar market of the world and on the sugar industry in India ? We have to consider this point very seriously.

In the best interests of this country, I will suggest that if Government ratify this agreement, it must come forward to organise the industry in India. And what organisation do I want ? I want only this that, as at present, all the nations have agreed to control the sugar market, and the same thing should be done in India also. And how can that be done ? At present the production of sugar has become equal or slightly more than the consumption. New factories all round may be erected in future and the existing factories may be extended. Therefore, Government, considering the state of this country, have to control the production or at least see that the production is not in excess of the requirements. Another thing is this. Although we have already reached a stage when we are not importing any sugar from outside; still, on account of internal competition, the prices of sugar have gone down to such a level that it is not remunerative either to the manufacturers or to the cultivators.

**Mr. M. S. Aney :** What is your last dividend return ?

**Seth Haji Sir Abdoola Haroon :** If you look at the balance-sheets of some established factories, you will find that they all lost last year.

**Mr. B. Das :** But how much did you gain last year ?

**Seth Haji Sir Abdoola Haroon :** I am willing to place my papers before Mr. Das and he can then find out and tell the House.

Sir, I was saying that the sugar prices went down very much, and, therefore, a marketing board is essential in India as in Java they have established in Newas with the help of Government and the law of the land. I suggest that here also Government should take steps to establish a marketing board for sugar. If these steps are not taken, the cultivators, owing to there being already cut-throat competition resulting in low prices, will not find any profit in this line and they may stop altogether the cultivation of sugar cane, and the country will suffer very heavily.

Sir, I will not at present deal in detail with the marketing and controlling of production of sugar, but I will address a few words to my friends here so that, before deciding on the matter of this agreement, they may consider what its effect will be on the sugar industry of this country. Sir, at present I have figures and literature to show that sugar can be exported from India to England, but with the price of cane at 3 annas, 6 pies to 4 annas, we can only export to England if we can get the colonial preference, which means about 6 shillings, 4 pence per cwt. If we can get the preference, then we can export, but, Sir, how can we get it unless we can give some return from the Indian side ?

[Seth Haji Sir Abdoola Haroon.]

Whether we can give any return to get this preference can be considered by Honourable Members on this side.

**An Honourable Member :** We are giving them much more than they deserve.

**Seth Haji Sir Abdoola Haroon :** You can place your views before the Trade Delegation who are considering the terms of an agreement between the Board of Trade and India. We are the next neighbour to Ceylon, but I can assure you that today I am unable to export to that place unless I get at least Rs. 2 per maund of preference from Ceylon. If I get it, I can compete in the Ceylon market with Java sugar. I do not know what to do. One side, I think, is refusing to ratify the agreement, and, if I consider the Government's attitude, I have to follow this side. I find the other side are not sympathetic to the sugar industry, and are not giving any assurance to sugar industry on the floor of the House that they will organise it in future. With these words, I sit down.

**Sir Muhammad Yamin Khan (Agra Division : Muhammadan Rural) :** Sir, there are three interests, three classes of people who are interested in the sugar industry : the first is the most important, the cane grower ; the second is not so important, the consumer ; and the third interest is the producer of sugar. They are not all equally important, but come in these three categories in order of merit. As far as the interests of the cane grower are concerned, they ought to be uppermost in the minds of this House. We find, Sir, that these interests have been hopelessly destroyed by the imposition by Government of excise duty. I said at that time on the floor of the House that the excise duty will act adversely on the cane producers, and not on the consumer or the sugar producer. But my Honourable friends, on the Treasury Benches, would not believe it. Not one of the advisers of the Finance Member, people who have got book or paper knowledge and not knowledge of the world as it is, gave him the correct advice. They gave him the advice that the duty would not affect the cane producer, but what was the result within two months ? We found that the poor cane grower had to sell his cane at half the price of what he should have received if the excise duty had not been introduced. The price of cane was fixed by United Provinces Government at five annas per maund, but the effect of the excise duty was that sugar manufacturers stopped purchasing sugar cane. The cane began to dry, from one maund it came to 30 seers, having remained in the field for more than a month, and the sugar factory owners were wanting to force the cane grower to sell at a cheaper price so that they might not have to pay anything from their pocket. The result was the sugar manufacturer did not get back the duty from the consumer, because the prices were just the same as they were at the beginning. That was what I foretold. One maund became 30 seers, and the sugar manufacturer purchased cane at 3 annas 6 pies instead of at five annas. This was the direct result of the introduction of sugar excise duty at a time when harvests had not been reaped and before sowing had taken place. This was the greatest blunder which Government committed at that time this year. On the floor of the House I deplore the action of Government, I deplore equally the action

of sugar producers who tried to take all that they could from the poor cane producer who could not afford to keep the cane in his hands for a number of days without ruining himself. They took all the advantage that they could until the Minister of Industries and Agriculture in the United Provinces had to travel about and induce them to purchase at a low price because he knew the calamity that was coming.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** We are now discussing this convention, not what was done last year.

**Sir Muhammad Yamin Khan :** I am coming to that : we have to safeguard all these three interests. The cane grower has been ruined on the one hand by the Government and on the other by the sugar manufacturer ; and unless the sugar manufacturer mends his ways, he cannot have any sympathy from this House : they are not patriotic and they have been filling up their pockets at the expense of the poor people, the teeming millions of this country. We cannot show sympathy to a mere handful—about 100 people who are the manufacturers, over-riding the interests of the 37 crores of people in this country.

Now remains the consumer. He is suffering. The cane grower has suffered and the consumer has suffered for the benefit of the manufacturer for whose benefit the high tariff duty of 7½ per cent. has been imposed. It all comes out of the consumer's pocket, just to allow the sugar manufacturer to develop the industry in this country. We want to see India self-supporting in this matter at least.....

**Bhai Parma Nand (West Punjab : Non-Muhammadan) :** Has the price of sugar increased ? How does the consumer suffer if the price is lower ?

**Sir Muhammad Yamin Khan :** The price is lowered in respect of Java sugar alone on account of high Tariff.

**Bhai Parma Nand :** No, no.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** I am sorry I must repeat that the Honourable Member is not speaking to the Resolution.

**Sir Muhammad Yamin Khan :** I was obliged to answer a side question. (Interruptions.) I am not going to give way.....

**Dr. G. V. Deshmukh (Bombay City : Non-Muhammadan Urban) :** How are you going to vote ?

**Sir Muhammad Yamin Khan :** I will show you soon how I am going to vote. As I said, I have no sympathy for the sugar manufacturer. I would have done so if there had been some sympathy for the cane grower. As a cane grower and as a consumer, I was ready to give facilities to the manufacturer ; but not now since they do not show any sympathy to the cane grower or the consumer. I know that all my friends over there are representatives of the capitalists and they have no sympathy for the cane grower, but I challenge them to stand for election on this issue whether the cane grower should be helped or the manufacturer should be helped.....

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** I think really that the Honourable Member should now come to the point and speak on the International Convention.

**Sir Muhammad Yamin Khan :** My point is this : I am developing my argument that there are three interests in this country which are vitally concerned with this convention : the Honourable the President allowed the Member in charge of the Resolution to trace the history and so I must be allowed.....

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** I am afraid the Honourable Member is not quite in order in making these remarks : he must confine himself to the agreement.

**Sir Muhammad Yamin Khan :** I bow to your ruling, Sir. India is mostly a cane growing country : the majority of the people are the growers and we have to see whether their interest is adversely affected by this convention or not.

**Mr. Deputy President (Mr. Akhil Chandra Datta) :** The Honourable Member has got one minute more. (Laughter.)

**Sir Muhammad Yamin Khan :** This being the condition, I must say that all the speeches I have heard so far are in favour of the manufacturers—I have not found a single speech in favour of safeguarding the interests of the cane grower. I say the country is not going to gain unless the interests of the latter are safeguarded ; and as the cane growers will not lose by this convention, until the sugar manufacturers say that they will purchase cane at five annas a maund, the country will not lose anything. Therefore, I support the Resolution.

**Mr. H. Dow :** Sir, I must admit that I have been struck with the general feeling on the part of Members opposite that we have not in this matter made adequate consultation of the sugar industry.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

They also appear to think that they were not properly represented at the convention. I am free to admit that it would have been better if we had consulted the industry in some more formal fashion than we have done, but I should like to say something in extenuation of that. Although the question of calling this sugar conference had been under discussion for a very long time, there had been, up till the very end, very great difficulties in getting the conference together, and it was not until the month of February last that we heard that the conference was definitely going to be called at the beginning of April, and an invitation was extended to us by the League of Nations. On the 12th March, as has been already said, Government in reply to a question by Seth Haji Sir Abdoola Haroon, announced the name of their delegate, and also the fact that Mr. Doerr, a man who, I understand, is undisputedly one of the greatest sugar experts in this country and has the confidence of everybody in the industry would be his technical adviser. I may say that the fact that this was an unstarred question, although it was asked by a man like Seth Haji Sir Abdoola Haroon, who is himself, a sugar magnate, is in itself some indication that at that time there was not a great deal of public importance attached to it, and during the rest of the time that the House was in Session, which was several weeks, no further reference was made to the point. Moreover, Sir, we have not entirely sprung a surprise on this House in the attitude that we have taken at the conference. On the 30th of March

last Seth Govind Das asked a question as to our general line of policy at this conference, and Sir Muhammad Zafrullah Khan replied as follows :

“ In India the cost of production is considerably higher than in other great sugar countries of the world, and no great reduction in such cost is possible until the quality of Indian sugar cane has been further improved and the cost of its production reduced, a process that must take several years. In the meantime, Government do not think it would be feasible for Indian sugar to compete on the export market.....”

**Seth Govind Das :** Has there been no reduction in the cost of production in the last five years ?

**Mr. H. Dow :** There is another point which, I think, Honourable Members have not fully realised, and that is that, in having an official delegation, India was in exactly the same position as the other 21 countries represented at this conference.

**Several Honourable Members :** No, no.

**Mr. H. Dow :** It was a conference of Governments, and what it was necessary to elucidate was not what this section or that section of the industry thought ought to be done, but what Governments intended to be done.....

**Mr. M. S. Aney :** For whom ?

**Mr. H. Dow :** Sir, in the past the sugar trade has been frequently upset by the unco-ordinated intervention of different Governments, and the object of this conference was to get Governments to agree on a line which would improve the general situation in the world market, and, therefore, as I have said, it was necessary that should be in the same position as others, and be represented by an official delegation.

**An Honourable Member :** Both Englishmen.

**Mr. H. Dow :** Sir, I listened with a great deal of interest to the speech of Seth Haji Sir Abdoola Haroon, because he is one of the men who is vitally interested in the industry and is most directly concerned in it. I was very surprised to find that he spent most of his time in speaking against the amendment which, I understand, he still proposes to move later on. He said that he was not prepared to advise the House to agree to the ratification of this Resolution. Now his own Resolution starts by accepting Government's Resolution and tacking to it a proviso, and I suggest that if he could define his position more clearly, he would find it to be this. We must have international regulation, and so he thinks it is a good thing that we should ratify, but he is not prepared to do this, unless we extend the same principle within India. He says, as you are treating the whole world as a unit in order to get a certain amount of co-ordination, you must extend the same principles in India, because India is a little chaos in itself. That is perfectly intelligible attitude except for this, that the ratification of this Agreement and the improvement of conditions in the world market is obviously a prior step. From the point of view of India's entry into the world market, it is no use getting your house in order here if you are going to allow chaos to continue in the trade of the world.

There is one point that Seth Govind Das made. I think he was intending to show that we could reduce prices and we had a hope of

[Mr. H. Dow.]

doing so, and he said that retail prices in this country were already the lowest in the world except, I think, Java and Cuba. That was the general tone of his remarks. Now, Sir, I believe that is more or less true, but what does it prove? The retail prices in other countries include all the taxation which those countries choose to put on sugar,—and in so far as it is true that the retail price of sugar in this country is very low indeed,—it would tend to show that there is a large possibility of further taxation on sugar being levied without any very great harm being done.

**Some Honourable Members :** Oh, oh.

**Mr. H. Dow :** That is the natural inference from his argument.

**Some Honourable Members :** No.

**Mr. H. Dow :** The retail price of sugar in the Soviet Union, for example, is round about Rs. 77 a cwt.....

**Dr. G. V. Deshmukh :** Is everything like Soviet here?

**Mr. H. Dow :** .....And yet Soviet is prepared to export sugar.

**Seth Govind Das :** And, therefore, we can do it.

**Mr. H. Dow :** Similarly, take the Netherlands. In the Netherlands itself the retail price of sugar is in the neighbourhood of Rs. 26 a cwt. That is not going to prevent.....

**Seth Govind Das :** And, therefore, they are exporting.

**Mr. H. Dow :** The point I am trying to make is that the retail price of sugar has nothing to do with the ability of a country to export under present conditions.

Now, Sir, I had hoped to be able to deal with a larger number of arguments which would be produced in the course of the debate, but really, Sir, there have been so few of them, and I must try and put forward some of the Opposition's arguments in a better way than they have themselves. We have had various references to the possibilities of exporting sugar to the United Kingdom, and we have been asked why we should not get the Colonial certificated preference? Taking sugar of a polarisation of 95 degs. to 96 degs. (the rates of duty vary according to polarisation) the full duty in the United Kingdom is about 8sh. 1½d. per cwt. The Colonial certificated rate is 2sh. 4½d., in other words, you are asking for a reduction of about 75 per cent. of the United Kingdom duty. Now you have not the slightest hope of getting that.....

**Mr. Bhulabhai J. Desai :** So long as you negotiate yourself.

**Mr. H. Dow :** The Colonial certificated rate is a special rate to certain of the sugar growing colonies to whom really sugar is their very life blood, and if they were not given assistance in this way, I have not the slightest doubt that His Majesty's Government would have to come to the assistance of these colonies to meet the cost of their administration in some other way. There is really no reason at all why this rate should be granted to Indian sugar, and there is not the slightest possibility that it will ever be given. Then it has been suggested that we should dump our sugar in the world's market.

**An Honourable Member :** Who made that suggestion ?

**Mr. H. Dow :** It has not been quite as nakedly as that, but I had perhaps better put it in the way in which the Federation of Indian Chambers of Commerce put it. They had written to us that India should be left free "to seek greater markets abroad by adjusting export prices to enable Indian sugar to compete on equal terms with non-Indian sugar".

**Mr. B. Das :** That is quite a different thing.

**Mr. H. Dow :** I can only interpret this somewhat vague phrase, at any rate, as implying that India should dump her sugar in the world's market at unremunerative prices and make the Indian consumer pay the piper.

**An Honourable Member :** Nobody suggested that.

**Mr. H. Dow :** I cannot see any justification for that course, and certainly it is a game which more than one can play.

**An Honourable Member :** It does not mean that.

**Mr. H. Dow :** I am always told that it does not mean that. What I want to find out is what it does mean. Nobody will tell me what it does mean.

**Mr. B. Das :** You ought to have written to the Federation and they would have explained.

**Mr. H. Dow :** The Indian Sugar Mills' Association have also written to us on the subject. They say :

"It is, therefore, essential that Indian sugar should be admitted free of duty into Great Britain."

Sugar, as you know, all over the world, is regarded as a suitable subject for a fairly heavy consumption tax, and when the Indian Sugar Mills' Association comes forward as a responsible body and that is the sort of argument that they produce, well, I think it is rather a hopeless case.

[At this stage, Seth Govind Das rose in his seat to interrupt the speaker.]

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member has very little time left, and he ought to be allowed to go on with his speech.

**Mr. H. Dow :** There is, I think, one argument which has weighed with a good many Members, and that is this. You say in effect that the Government takes the view that India will not be able to export sugar in five years. If that is so, why is so much importance attached to a declaration that India will not export ? If the other countries really think that we cannot export sugar, why should they be so keen to get from us a promise ? That I think is a very reasonable argument. The answer is this. The Chadbourne Plan was very largely upset by India coming into the world market—or rather, not coming into the world market, but becoming a great manufacturer of sugar. You cannot expect other nations to understand the internal situation of India to the extent that we are able to understand it, and, therefore, they must attach very great importance to a definite and unequivocal expression

[Mr. H. Dow.]

of India's opinion. The danger is that, if we drop out, other countries also will drop out and it is almost certain that some of the other important sugar countries will not be prepared to ratify, in which case you will be thrown back upon unrestricted world competition, and at the end of five years there will be a market which it will not be the slightest use India getting into at all.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up.

**Mr. H. Dow** : Just one moment, Sir. Therefore, I do hope that you will not deal with this in any spirit of *amour propre*, but really look to the benefit of the Indian industry. We are not, as somebody said, trying to get you hold the baby for the Government—I think my Honourable friend, Mr. Ramsay Scott, used that phrase. Personally I can't imagine any one allowing Mr. Ramsay Scott to hold a baby unless it was required to be dropped or smothered ! (Laughter.) But it is not a question of that, and I hope you will look to the interest of the industry at large. We are trying to get to a position where, in five years' time, there will be a market which India will be able to enter with some prospects of real profit to herself. Apart from this Agreement, there is no hope of any improvement.

**Babu Baijnath Bajoria** (Marwari Association : Indian Commerce) : I have listened with great attention to the Honourable the Commerce Member's speech and that of Mr. Dow, but, unfortunately, I am not convinced by their arguments about the desirability of entering into this sort of agreement with other countries. The sugar industry has grown apace during the last few years, indeed the phenomenal rise of the sugar industry has fully justified the protection that has been given to this industry.

Within a space of five years India, which has been a great importer of sugar, has now become self-sufficient. India at the present moment produces as much sugar as she can consume and it is to be hoped if this rate of expansion goes on—I know that this rate will not go on on account of the excise duty which has been levied,—but still there is a great room for expansion and we have every reason to believe that given sufficient encouragement we will be able to export sugar in the course of two or three years. I will not say anything about the representation at the International Conference as my Honourable friend, Mr. Dow, has, himself, admitted the mistake of not consulting the industry and its representative not being at the International Conference, to represent this country. There is one very important factor which prohibits the export of sugar from this country to foreign countries and that is the cost of production. I admit that at the present moment the cost of production in this country is much higher than that of Java or Cuba which are the two great exporting sugar countries in the world. Cuba supplies the United States of America. The United Kingdom is another very big importer of sugar and her net import is about 18 lakhs of tons of sugar annually and we can reasonably expect to get some share in this big import into the United Kingdom.

I will give some instances or some concrete suggestions as to how the cost of production of sugar in this country can be reduced so as



to enable us to compete favourably with other sugar exporting countries of the world. At the present time the price of Indian sugar is about Rs. 6 per maund, and Government has kindly allowed a rebate of the excise duty of Rs. 1-8-0 per maund for sugar which is exported outside India. That means that the cost comes to Rs. 4-8-0 per maund. The price of Java sugar is about Rs. 3 per maund. There is a difference of Rs. 1-8-0 which we shall have to tide over before we can expect to export, on equal terms, to foreign countries. I suggest that the cost of production can be reduced in these ways. First, sugar manufacturers must get a fair price for molasses. That is by far the most important. The second is, that better varieties of cane must be produced in this country so that the yield of sugar from cane becomes more. At the present moment, as far as I know, the yield of sugar from sugar cane in this country is on an average about nine per cent., whereas, in Java, it is about twelve per cent. This makes a very great difference. Another thing is about better transport facilities. I will deal with these three points separately. Molasses are at present being sold for a song, for about four or eight annas a maund and some throw it away for nothing. As far as I know, if permission is given by the Government to manufacture power alcohol then it can be mixed with petrol for running our motor cars in this country.

Then, I think they will get a fair price from power alcohol and that will enable them to reduce the price of sugar correspondingly. Take the case of oil mills. At the present moment the oil mills can get a fair price for their oil cakes and that is why they can reduce the price of their oil. At the present moment no price is obtained for molasses or by-products. So, all the value has to be fixed on sugar. Again molasses can be used as fertilisers, after treatment. I understand that the Agricultural Research Department are making researches to this effect and if they are successful and if molasses can be used for fertilising purposes, then the manufacturer as well as the country, both will benefit greatly, because the fertility of the soil will increase and the manufacturer will get some price for molasses and that will go towards the reduction of the cost of sugar. If we grow better varieties of cane, then the yield of sugar from cane will be more and, in this instance also, the manufacturer will be able to pay more for cane and still they will be in an advantageous position. Then, another important thing is better facilities of transport. Here, the railways can help us a good deal. Sugar cane is not like other raw materials which can be stored in godowns. Sugar cane has to be crushed immediately it is brought to the mills. Otherwise, it dries up and becomes waste and it is a fact that the yield of sugar from sugar cane, which is cut in the months of December, January and February, is more than that which is cut in the months of March, April and May.

I think it is a general grievance that the supply of wagons for the carrying of sugar cane is not so systematic and regular as it should be and so, in my opinion, railways should give better facilities for transporting sugar cane, so that it may be cut and transported with the least possible delay from the field to the factory. In my opinion, if these things are done, the price of sugar will be reduced considerably in this country and we shall be in a position to compete with foreign sugar.

[Babu Baijnath Bajoria.]

The efficiency in our sugar mills is increasing day by day. They have not abused the protection which has been given to them. Since the date of protection, the price of sugar has been constantly going down and the mills are also making every effort to increase their efficiency, to improve the quality and reduce the cost of production. There are possibilities of India exporting, besides to the United Kingdom, to countries like Ceylon, Iran and Siam. I think, Sir, negotiations are being conducted between the Indian Government and the Ceylon Government for a trade agreement and I hope this matter will also receive the consideration of the Government of India. I do not want to ratify this agreement. Otherwise, we shall be prevented from negotiating with Ceylon or any other countries. India is the greatest sugar cane producing country in the world. At the present moment, we are only milling 16 per cent. of our sugar cane and the rest, 84 per cent., is being turned into *gur*, which I say is a wasteful method and the cultivators lose much thereby, because they get much less by turning their sugar cane into *gur* than they do by selling it to factories at five annas a maund. As regards the suggestion of my Honourable friend, the Commerce Member, that the ministries in some provinces are contemplating increasing the price of sugar cane from three annas to five annas, I may inform him that the price of sugar cane originally fixed was five annas and 4½ annas and he has to thank his Colleague, the Honourable the Finance Member, for this reduction to three annas. The fact is that the factories were not able to manufacture sugar after the 31st March last on account of the low rate of sugar and the high excise duty levied, at that time, and it was the Bihar Government and the United Provinces Government who called the manufacturers and asked them to continue to manufacture sugar, so that all the cane which was lying in the fields may not go to waste and the cultivators may not lose the value of the standing crop.

**Mr. President** (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up.

**Babu Baijnath Bajoria** : Very well. With these few words, I strongly support the amendment moved by Mr. Ramsay Scott.

**Mr. Akhil Chandra Datta** (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Sir, I rise to speak for one moment only in reply to a certain statement made by Mr. Dow. He told us that the world effects of non-ratification of this agreement will be that other Governments will drop out. May I reply to his argument and invite his attention to Article 48 of the Agreement which says this :

“(a) The present agreement shall come into force on the 1st September, 1937, if at that date it has been ratified by all the signatory Governments.

(b) If by the above-mentioned date the instruments of ratification of all the signatories have not been deposited, the Governments which have ratified the agreement may decide to put it into force among themselves.”

**Mr. N. V. Gadgil** (Bombay Central Division : Non-Muhammadan Rural) : I thank you for giving me an opportunity to speak on the Resolution that has been moved by the Honourable the Commerce Member. Really, so far, our experience has been that such agreements have

never been subject to the ratification of this House. In this particular case, if the House is asked to ratify this agreement, it is not that the Government of India is very anxious or is doing it on principle but because those countries who have put their signatures to this agreement insist that it shall not be brought into operation unless it is ratified by the Legislatures of the countries concerned. Our usual experience has been that we are asked to discuss merely pacts already operative. Sir, I do not propose to look at this question from any political point of view, although I am confident that that point of view was not entirely absent when this agreement was entered into. I shall not refer to the fact that this agreement has prejudiced, in fact, short-circuited, the trade negotiations that are going on between India and England. If this bargaining power had been in the hands of the Government of India, I am sure it was not impossible that sugar export from India should not have found some market in the United Kingdom. But I wish to consider this from the purely economic point of view and I will formulate the question whether this agreement has benefited the industry or whether this agreement is likely to benefit the industry in the future? If I am able to convince that this agreement has not only not benefited the industry as it stands today but that it is full of mischief so far as the future growth and expansion of Indian sugar industry is concerned, I think the House will be perfectly justified in not ratifying this agreement.

Now, what was it that was argued by the Honourable the Mover of the Resolution? He argued that this agreement was entered into on the assumption that India was not in a position to produce sugar sufficiently for its own consumption and in the near future, namely, for five years, the Indian industry is not likely to produce more in quantity which would be sufficient for its own consumption and also to export it to other countries. We have heard statistics quoted about the cost price and the Honourable the Commerce Member told us that the cost price per cwt. was something like Rs. 9 and a few annas. But he has included in it the excise duty. The cost price really works out to Rs. 7-14-6 per cwt. and that should be the guiding figure so far as the cost price is concerned. His argument was that in the near future there is no possibility of this cost going down. The Honourable Member who moved this Resolution ought to have known by this time that in the provinces where sugar cane is cultivated in very large quantities, it is the Congress Ministries that are ruling and one of the plans in their programme is the reduction of the rent and the reduction of irrigation dues. I may be permitted to refer to the policy of the Bombay Government where up till now the irrigation rates were charged on the assumption of securing six per cent. interest on the cost incurred in building the irrigation schemes. That was a commercial proposition. But the attitude of the present Bombay Government is not to look upon all irrigation schemes as commercial propositions but as schemes undertaken to prevent famine and to help progressive cultivation. If, from that point of view, irrigation dues are reduced and rents are reduced, as, I understand, they are going to be in Bihar, there would be considerable decrease in the cost price and the manufacture of sugar. Take, for example, another factor which is going to work in the near future. Is it not the case that the percentage of recovery from cane has increased during the last five years? If you refer to the figures, you will find that five years before

[Mr. N. V. Gadgil.]

the percentage was considerably low and now it has increased on an average to 11.54, which is quite in keeping with what is available so far as the percentages in other countries are concerned.

Another factor that we should reasonably take into consideration is that the research work that is going on in several provinces and also under the auspices of the Central Government is bound to help the industry in reducing the cost of the manufacture of sugar in India. All those factors ought to have been present to the mind of those who were in charge of these negotiations. But, as I said before, the political atmosphere was not entirely absent. It is not merely that the industry has been asked to stagnate at the present position today, but its future for five years has been mortgaged without any hope of redemption. The Leader of the European Group stated, and quite rightly, that there should have been some opening within this agreement. If you were to see the agreement, you will find from Articles 11 and 14 that they give a combined effect under which the United Kingdom has reserved the right to demand change if circumstances justify. In the same agreement, the delegate on behalf of the U. S. S. R. has reserved to his country the liberty of action. He claimed this on the ground that U. S. S. R. followed a policy of planned economics, but there is no hope of having planned economics here in India. But even these factors, which appeal to a layman like me, perhaps did not appeal to an expert, to whom reference was made in the course of the discussion. Canada has refused to be a party to this agreement. But India accepted it without reservation! But I shall only confine myself to the economic aspect, as I stated in the beginning, namely, the cost. It was pointed out again and again that India will not be in a position to manufacture sugar which will compete in the 'free market'. But is it really a 'free market'? Are the world prices in real relation with the actual cost of production? If it was a free market, then we must understand it, not in terms of preferences, subsidies or quotas, but a free market in which there is absolutely no ban, and no tariff wall. But that is not the position. Why single out India and say that the cost of production is higher although it is working behind the shell of protection? It is the same case in many other countries. I shall refer to a passage which appeared in the leading article of the *Times of India* of the 29th July, 1937. I draw particular attention to this passage because it is from an Anglo-Indian paper, which is supposed to be very sober and level-headed and which always backs the Government action. In connection with this, the article says :

"As to the question of price level, detailed information now to hand shows that several of these countries which have been allotted export quotas, particularly those engaged in beet sugar production, have elaborate systems of subsidy or special regulations to bolster up internal prices, leaving a surplus over for dumping in the free market at much lower rates."

It says, further, that in view of these considerations it behoves India to preserve freedom of action. This can be done by declining to ratify the convention and instead negotiating with the International Sugar Council for the grant of an export quota.

Therefore, it is no good merely singling out India and saying that the cost price is so high that at least in the five years to come the cost price will not decrease. By imposing the excise duty and with the additional

increase that we saw last March, the industry has been stabbed in the front and by this agreement the industry is now being stabbed in the back. If there is sufficient stock today in the country, enough for the consumption of the people of the land and taking into consideration the *tempo* with which this industry has progressed during the last five years of protection, I do not think the Honourable the Mover of the Resolution can say, like King Canute of old, 'thus far and no further'. He cannot say that the industry cannot progress any further. It is bound to progress. If he really wants the progress of the industry not merely in an isolated attempt but as a part of the general economic reconstruction of the land, he has to take into consideration what will be the reactions if this agreement is ratified. The manufacturers and those industrialists who have invested crores of rupees in this industry cannot stop its progress. They cannot stop further cultivation. The result will be, as has been well pointed out by my esteemed friend, Mr. Varma, that the cultivators will have to suffer. If there is any industry which has very vital connections with the agricultural economy of India, it is the sugar industry, next to the cotton industry. Therefore, I submit, that when you have to take into consideration the question whether we have to ratify this or not to ratify this, we have to think not in any isolated position of this industry alone, although in that position also there is no justification for ratifying it, but you have to take into consideration what will be the effect on the general economic position in India. It has been pointed out, quite correctly, that two crores of people live on cane plantations, leaving aside those people belonging to the middle classes who are engaged in the industry, as scientists, as clerks, as workers and labourers also. If all these factors are taken into consideration, I humbly submit that, view it from any point of view, by ratifying the Agreement we will have to lose every thing and we gain nothing. On the other hand if we do not ratify it, we have to lose nothing, but we have every bright future for this industry, and a brighter future for the general economy of the land. With these words, I support the amendment of my Honourable friend, Mr. Ramsay Scott.

**Some Honourable Members :** The question may now be put.

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

"That the question be now put."

The motion was adopted.

**The Honourable Sir Saiyid Sultan Ahmad :** Sir, we have had a full discussion on the Resolution and the amendment of Mr. Ramsay Scott. I will be very very short in my reply, at this late stage of the proceedings. Sir, the one question that has been very rightly put by the last speaker was whether this agreement is for the benefit of India. If it is for the benefit of India, it must be ratified; if not, I have no objection if this agreement is rejected. Now, Sir, I shall be very brief in my submissions, but I will have to go step by step. A number of speakers today have tried to establish that it is possible for India to increase her production as quickly as possible. But nobody has for a moment suggested that it was not possible for India to increase the production. The question is whether there would be a surplus which

[Sir Saiyid Sultan Ahmad.]

could find a place in the world free market. You can increase the production by having more factories if you like, by having more cane grown on land and other expedients. It must not be assumed that the problem is solved the moment you have a very large production of cane. That is not the solution of the problem. The question at issue is whether you will have sufficient surplus for the free markets of the world. In order to get entry into that market, you must be prepared to compete with other cane growing countries which will send their sugar to that market. If you are not in a position to compete with them, it is no good increasing your sugar production in your country because that will mean that you will only have all the surplus which will be of no use to anybody. In order to compete, you must apply the ordinary rule whether the sugar you export there will be on an economic basis or on an uneconomic basis. The price must be lower than the price which the other countries will charge for their sugar in the world market. Now, if your price will be higher, nobody would look at your sugar for purchase. In order to have a correct idea of the price of sugar, the first element which you have to consider is the cost of production. I have not yet heard in this House any good data upon which it could be suggested that the price of sugar from India would, in the near future, be lower than the price of sugar from the other parts of the world in the free market. The cost price, as I submitted, when I opened the debate this morning, is at least 50 per cent. higher than the price of sugar of other countries, particularly Cuba and Java. Nothing has been suggested here to show that the figure I gave was not correct. That being the position, how do you expect for a moment that our sugar will have a real and effective entry into the free market ?

**Mr. M. S. Aney :** My Honourable friend, Mr. Bajoria, proved to this House, particularly on this point that the cost of production could be reduced if certain concessions are given.

**Sir H. P. Mody** (Bombay Millowners' Association : Indian Commerce) : The present position is no different from that of several other countries.

**The Honourable Sir Saiyid Sultan Ahmad :** The only thing which is possible is this that if we get colonial certificate preference, then in that case, perhaps, it may be possible.

**Mr. S. Satyamurti :** Then why not get it ?

**The Honourable Sir Saiyid Sultan Ahmad :** Because you will have to give some *quid pro quo*. For everything you turn to Sir Zafrullah Khan and say, 'you do this and do that ; get this and that for us but don't give back anything in return'. Your point is that you must have everything, you must have preference for your sugar, for your jute and raw cotton and every time you say, 'I will give you nothing but you must allow me into the free market'. I submit this is a proposal which is perhaps not acceptable unless some better grounds are given for getting this colonial preference. This colonial preference is not likely to be given unless the price that we have to pay is very high. I submit there is no escape from accepting the recommendation

that I have put forward. One can very easily see this advantage. Abstention from international co-operation by India, I submit, would perpetuate unremunerative conditions prevailing in the world for entry into the free market and the only hope that India has in getting entry into the free market is by joining the convention where it would be possible for her to enter the free market on economic conditions. I submit, Sir, that the House will consider very seriously before finally coming to a decision on this point because, apart from the fact that if we refuse to ratify, the whole of the market of sugar will be thrown into chaos—apart from that—in my submission the only hope that India will have to enter the free market will have gone for ever.

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

“ That for the original resolution, the following be substituted :

‘ That this Assembly recommends to the Governor General in Council that the International Agreement regarding the Regulation of Production and Marketing of Sugar, signed in London on the 6th May, 1937, be not ratified by him and expresses its strong disapproval of the action of the Central Government in agreeing to prohibit the export of sugar by sea except to Burma for the next five years without the knowledge and consent of the Industry. This Assembly further recommends that the Central Government explore all possible avenues for the export of sugar and take such other steps for the purpose of developing export markets, both by land and by sea for Sugar ’.”

The Assembly divided :

AYES—66.

Abdul Ghani, Maulvi Muhammad.  
Abdul Qaiyum, Mr.  
Abdur Rasheed Chaudhury, Maulvi.  
Aney, Mr. M. S.  
Anwar-ul-Aziz, Mr. Muhammad.  
Asaf Ali, Mr. M.  
Ayyangar, Mr. M. Ananthasayanam.  
Azhar Ali, Mr. Muhammad.  
Bajoria, Babu Baijnath.  
Banerjee, Dr. P. N.  
Bhagavan Das, Dr.  
Bhagchand Soni, Rai Bahadur Seth.  
Chaliha, Mr. Kuladhar.  
Chattopadhyaya, Mr. Amarendra Nath.  
Chaudhury, Mr. Brojendra Narayan.  
Chettiar, Mr. T. S. Avinashilingam.  
Chunder, Mr. N. C.  
Das, Mr. B.  
Das, Pandit Nilakantha.  
Datta, Mr. Akhil Chandra.  
Desai, Mr. Bhulabhai J.  
Deshmukh, Dr. G. V.  
Deshmukh, Mr. G. V.  
DeSouza, Dr. F. X.  
Essak Sait, Mr. H. A. Sathar H.  
Gadgil, Mr. N. V.  
Ghiasuddin, Mr. M.  
Bhulam Bhik Nairang, Syed.  
Govind Das, Seth.  
Gupta, Mr. K. S.  
Hosmani, Mr. S. K.  
Jedhe, Mr. K. M.  
Jehangir, Sir Cowasji.  
Jogendra Singh, Sirdar.

Joseph, Mr. George.  
Kailash Behari Lal, Babu.  
Lalchand Navalrai, Mr.  
Maitra, Pandit Lakshmi Kanta.  
Malaviya, Pandit Krishna Kant.  
Mangal Singh, Sardar.  
Misra, Pandit Shambhu Dayal.  
Mody, Sir H. P.  
Mudaliar, Mr. C. N. Muthuranga.  
Muhammad Ahmad Kazmi, Qazi.  
Murtuza Sahib Bahadur, Maulvi Syed.  
Paliwal, Pandit Sri Krishna Dutta.  
Pande, Mr. Badri Dutt.  
Parma Nand Bhai.  
Raghubir Narayan Singh, Choudhri.  
Ramayan Prasad, Mr.  
Ranga, Prof. N. G.  
Rao, Mr. Thirumala.  
Saksena, Mr. Mohan Lal.  
Santhanam, Mr. K.  
Satyamurti, Mr. S.  
Scott, Mr. J. Ramsay.  
Sham Lal, Mr.  
Sheodass Daga, Seth.  
Siddique Ali Khan, Khan Sahib Nawab.  
Sikandar Ali Choudhury, Maulvi.  
Singh, Maharaja Bahadur Ram Ran  
Vijai Prasad.  
Singh, Mr. Gauri Shankar.  
Singh, Mr. Ram Narayan.  
Sinha, Mr. Satya Narayan.  
Som, Mr. Suryya Kumar.  
Sri Prakasa, Mr.

## NOES—52.

Abdul Hamid, Khan Bahadur Sir.  
 Ahmad Nawaz Khan, Major Nawab Sir.  
 Aikman, Mr. A.  
 Asghar Ali, Shaikh.  
 Bajpai, Sir Girja Shankar.  
 Boyle, Mr. J. D.  
 Buss, Mr. L. C.  
 Chanda, Mr. A. K.  
 Chapman-Mortimer, Mr. T.  
 Dalal, Dr. R. D.  
 Dalpat Singh, Sardar Bahadur Captain.  
 Dow, Mr. H.  
 Fazl-i-Haq Piracha, Khan Bahadur Shaikh.  
 Fazl-i-Ilahi, Khan Sahib Shaikh.  
 Ghulam Muhammad, Mr.  
 Gidney, Mr. C. W. A.  
 Griffiths, Mr. P. J.  
 Grigg, The Honourable Sir James.  
 Hudson, Sir Leslie.  
 Ismail Khan, Haji Chaudhury Muhammad.  
 James, Mr. F. E.  
 Jawahar Singh, Sardar Bahadur Sardar Sir.  
 Kamaluddin Ahmed, Shams-ul-Ulema.  
 Kushalpal Singh, Raja Bahadur.  
 Lang, Mr. J. C.  
 Lloyd, Mr. A. H.  
 Mackeown, Mr. J. A.

Manavedan Raja, Rao Bahadur K. C.  
 Mani, Mr. R. S.  
 Mehr Shah, Nawab Sahibzada Sir Sayad Muhammad.  
 Mehta, Mr. S. L.  
 Nagarkar, Mr. C. B.  
 Nayudu, Diwan Bahadur B. V. Sri Hari Rao.  
 Ogilvie, Mr. C. M. G.  
 Parsons, Lieut.-Colonel A. E. B.  
 Purssell, Mr. R. S.  
 Rahman, Lieut.-Colonel M. A.  
 Roy, Mr. S. N.  
 Sen, Mr. S. C.  
 Shahban, Mr. Ghulam Kadir Muhammad.  
 Sher Muhammad Khan, Captain Sardar Sir.  
 Sircar, The Honourable Sir Nripendra.  
 Spence, Mr. G. H.  
 Staig, Mr. B. M.  
 Stewart, The Honourable Sir Thomas.  
 Sukthankar, Mr. Y. N.  
 Sultan Ahmad, The Honourable Sir Saiyid.  
 Thorne, Mr. J. A.  
 Tylden-Pattenson, Mr. A. E.  
 Yakub, Sir Muhammad.  
 Yamin Khan, Sir Muhammad.  
 Ziauddin Ahmad, Dr.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 28th September, 1937.