

Saturday, 25th April, 1936

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1936

(15th February to 25th April, 1936)

ELEVENTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1936



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COUNCIL OF STATE.

Saturday, 25th April, 1936.

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

MEMBER SWORN :

The Honourable Mr. Eric Conran Smith, C.I.E. (Government of India : Nominated Official).

QUESTIONS AND ANSWERS.

NUMBER OF BROADCASTING STATIONS IN INDIA.

184. THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN : (a) Will Government kindly state (i) the number of broadcasting stations in India, the places where they are situated and the power and time of transmission in respect of each of the stations ? and (ii) the amount of annual grant they get from Government ?

(b) Will Government kindly state the number in each province of listeners-in and the amount which Government received through the licences of wireless receiving sets and the amount of customs duty received in respect of the radio goods imported into India ?

THE HONOURABLE MR. A. G. CLOW : (a) (i) A statement giving the information available is placed on the table of the House.

(a) (ii) The Government of India are financing the central stations at Calcutta, Bombay and Delhi. The budget grant for these stations for 1936-37 is Rs. 8,38,000 approximately.

(b) A statement showing the number of licenses issued during the period 1st March, 1935 to the 29th February, 1936, and the amount received on account of license fees, is laid on the table of the House. I cannot say how many persons actually "listen in". The yield from customs duty on wireless reception instruments and apparatus during 1935-36 was about Rs. 10,80,000.

Statement showing the particulars of broadcasting stations in India.

Station.	Power.	Time of transmission.
Calcutta .	2 K. W.	<i>Week days, from 1 P.M. to 3-30 P.M. and 6 P.M. to 10-45 P.M. (Calcutta time). Sundays, from 9 A.M. to 1-30 P.M. and from 6-30 P.M. to 10 P.M. (Calcutta time).</i>

Station.	Power.	Time of transmission.
Bombay	2 K. W.	<i>Week days</i> , from 12 NOON to 2 or 2-30 P.M. <i>Sundays</i> , from 10-30 A.M. to 1 P.M. <i>Daily</i> , from 5-30 P.M. to 11 P.M.
Delhi	20 K. W.	From 1 P.M. to 2-30 P.M. and from 5-30 P.M. to 11 P.M. daily.
Lahore	100 Watts	From 6-30 P.M. to 8-30 P.M. daily.
Madras	200 Watts	From 5-30 P.M. to 7-30 P.M. daily, in addition school programmes from 4 P.M. to 4-30 P.M. on certain days in the week, also from 10 A.M. to 11 A.M. on Sundays.
Peshawar	250 Watts	From 7-30 P.M. to 10-25 P.M. daily.
Allahabad	150 Watts	Not working at present.
Dehra Dun	100 Watts	<i>Daily</i> , from 6 P.M. to 8 P.M. (approximately).
Hyderabad (Deccan)	Less than one K. W.	Broadcasts for about three hours every evening.

Statement showing the number of broadcast receiver licenses issued and the amount of license fees realised from March, 1935 to February, 1936.

Province.	Number of licenses issued.	Fees.
		Rs.
Bombay	10,553	1,05,530
Bengal	8,038	80,380
Madras	1,957	19,570
Punjab	1,563	15,630
United Provinces	1,202	12,020
Burma	695	6,950
Sind and Baluchistan	660	6,600
Bihar and Orissa	577	5,770
Central Provinces	546	5,460
Delhi	521	5,210
Assam	397	3,970
North-West Frontier Province	333	3,330
	27,042	2,70,420

THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN: How many licenses have been issued?

THE HONOURABLE MR. A. G. CLOW: I have given the information province by province in the statement laid on the table. The total is 27,042.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: Are the Government considering the desirability of opening some more broadcasting stations in India? If so, have they decided to open them in big cities or some in rural areas too?

THE HONOURABLE MR. A. G. CLOW: The question of opening stations in rural areas is, I think, primarily a matter for the provinces—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Are the Government making enquiries as to the desirability of opening some more broadcasting stations in India ?

THE HONOURABLE MR. A. G. CLOW : Government are considering the development of broadcasting. I cannot at present give information as to possible further stations.

DEHRA DUN BROADCASTING STATION.

185. THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN : (a) Is the Dehra Dun Broadcasting Station rendering very useful services in connection with village uplift ?

(b) If the answer to the above is in the affirmative, do Government propose to allot a grant to the Dehra Dun Radio Station ?

THE HONOURABLE MR. A. G. CLOW : (a) The Dehra Dun Broadcasting Station began transmissions early this month, and I am not in a position to express an opinion regarding the value of its service.

(b) This does not strictly arise. But I may explain that the station was established by an Association specially formed for the purpose, and that when the Government of India granted a license to the Association they made it quite clear that they were not prepared to contribute to recurrent expenses.

THE HONOURABLE RAJA GHAZANFAR ALI KHAN : Are the Government paying any grant-in-aid to the broadcasting station at Lahore ?

THE HONOURABLE MR. A. G. CLOW : No, Sir, I do not think so.

ROAD CONNECTING CIRCULAR ROAD WITH TURKMAN GATE.

186. THE HONOURABLE KUNWAR HAJI ISMAIL ALI KHAN : (a) Is the condition of the road which connects the Circular Road with the Turkman Gate (Old Delhi side) very bad ? Is there a sharp turn over the bridge of a *nala* (open drain) without any fencing ?

(b) If the answer to the above is in the affirmative, do Government propose to improve the condition immediately ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : The Government are aware of the condition of the road referred to by the Honourable Member and measures are in train to ensure its early repairs.

SHORT NOTICE QUESTION AND ANSWER.

THE HONOURABLE THE PRESIDENT : The Honourable Rai Bahadu Lala Mathura Prasad Mehrotra has given notice of a short notice question

187. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : My question runs as follows, Sir :

Will Government be pleased to make a full statement on the Hindu-Muhammadian riots at Poona and give all possible information about it ?

THE HONOURABLE THE PRESIDENT : Has the Government Member in charge any objection ?

THE HONOURABLE MR. M. G. HALLETT : No, Sir.

THE HONOURABLE THE PRESIDENT : You can reply.

THE HONOURABLE MR. M. G. HALLETT : I regret I am not in a position to make a full statement, but I can only read out a telegram which I received late last night from the Government of Bombay. It is to the following effect :

“ District Magistrate, Poona, wires that in consequence of permission granted to celebrate last day Hanuman Jayanti at Sonya Maruthi temple in Poona City, communal rioting broke out at 9-30 a.m. today. Situation being kept in hand by police. Military called in to aid civil power. Troops standing to in Shinwarwada”.

I am asking the Government of Bombay to publish as soon as possible a detailed communiqué regarding the whole of this regrettable incident.

INDIAN TARIFF (SECOND AMENDMENT) BILL.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, I move :

“ That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, (Second Amendment) as passed by the Legislative Assembly, be taken into consideration”.

Sir, this Bill comes to this Honourable House after a certain number of vicissitudes, and comes in a somewhat attenuated form. But at this stage of the session, and in this temperature, even the original author of the Bill might be excused if he quoted the proverb that “It is an ill wind that brings nobody good”. The Bill, Sir, does not purport to extend protection to any industry to which protection has not already been granted. It consists of three proposals which are intended to stop up loopholes in the protective scheme which was given to the sericultural and textile industries by the Textile Protection Bill of 1934. If I may, I shall endeavour as briefly as I can to explain the nature of these proposals. The first proposal is contained in clause 2, sub-head (a) of the Bill. When protection was given to the Indian sericulturist in 1934, it was considered sufficient to impose protective duties on imports of raw silk and of imports of silk yarn proper. It was not thought necessary to impose a protective duty on yarn made from waste silk. It was believed that waste silk yarn was not in effective competition with any Indian silk product. While, therefore, the duties on raw silk and silk yarn proper were raised from 25 per cent. to 25 per cent. *plus* 14 annas a lb., the duty on raw silk yarn was left at 25 per cent. *ad valorem* only. Experience has belied our expectation. There has been a very phenomenal increase in the imports of silk yarn since 1933-34. The total imports of silk yarn have increased from 1,800,000 lbs. to 3,270,000 lbs. This increase in silk yarn is more than accounted for by the imports from Japan which consist almost entirely of waste silk yarn. The Japanese figures are these :

	Lbs.
In 1933-34	697,000
In 1935-36	2,100,000

The imports have more than trebled in that period. This, Sir, reveals a very obvious defect in our protective scheme, and it will, I think, be admitted that it is of no benefit to the sericulturist if we exclude certain types of silk and permit another type to come in in replacement of the excluded imports. It is for this reason, Sir, that the Government of India propose to put raw silk yarn back on the same level with raw silk and proper silk yarn, the position it occupied prior to the imposition of the protective scheme two years ago.

Sub-head (b) of the clause calls for no remark. It is merely a consequential drafting change. Sub-head (c) refers to fents and, though it apparently deals with three items, the only entry in which a change is made is the middle item—item (b). There is no proposal for a change in duty. The only proposal is that the permissible length which qualifies for treatment as fents has been reduced from four yards to two and a half yards. The reason for this proposal is as follows. When the Government of India two years ago were considering the duties to be applied to cotton, artificial silk and silk textiles, it was represented that it would be an unfair burden on the poor purchaser who is the main customer for genuine fents, if fents were asked to bear the full burden of the textile duties. It was represented that the poor purchaser was interested in securing at low prices short odd lengths of cloth, and in the interests of that poor purchaser the Government of India decided that instead of imposing the same high rates of duty as were applicable to genuine piecegoods they would give a concessional rate of 35 per cent. standard and 25 per cent. preferential to fents. The result, Sir, has been unfortunate. The rate of duty on fents is 35 per cent only. On piecegoods of artificial silk the *ad valorem* rate is 50 per cent., but, more important, it is combined with a minimum specific duty of four annas per square yard, which in the case of the cheaper artificial silk fabrics represents a very considerable *ad valorem* incidence. This duty has called into being an entirely spurious trade in fents. What has been happening is that genuine piecegoods have been cut up into lengths of just under four yards and these have come in and have been assessed at 35 per cent. only. They are extremely saleable, a four-yard length being suitable for very many types of garments. There has in fact been a serious evasion of our protective system and a very severe blow at our revenues. We believe therefore that if we reduce the permissible length from four to two and a half yards we shall cut out most of that spurious trade and at the same time the poor man who buys short lengths, one and a half to two yards, will not be in the slightest way affected. The figures are illuminating. Prior to 1933-34 imports of artificial silk fents from Japan were negligible in quantity. They have steadily grown until in the present year for 11 months I give the figures—they have reached the astonishing total of 16 million yards. In these circumstances, Sir, we feel that some action, and drastic action, has to be taken

The third part of the item sub-head (d) refers to hosiery. By the protection Bill of 1934 protection was given to the Indian cotton hosiery industry. At that time the Indian cotton hosiery industry was, I believe to as much as 90 per cent. of its production, concerned with the manufacture of cotton undervests and socks and stockings. Since the imposition of the protective duties there have been two developments. The first development was a deliberate series of attempts at evading the protective duties by disguising cotton undervests as sports shirts and cardigans by the addition of collars and patch pockets. That, Sir, did not last very long, but a much more important development was this, that both in India and outside there were striking developments in the manufacture of cotton hosiery. Fashion was responsible for the advent of the sports shirt, which has to a very great extent replaced the undervest—which really was no undervest because in many cases it was the

[Mr. T. A. Stewart.]

only garment worn on the upper part of the body. There has also been an enormous development in the market for fancy pullovers, cardigans, etc.—the names are innumerable. It is felt therefore that the protection which was originally confined to cotton undervests and to socks and stockings ought in the interests of the Indian industry,—in order to afford it effective protection,—to be extended to cover all those other articles which now so greatly concern the industry. It has been objected, however, that the specific duty of 12 annas per lb., which was appropriate in the case of cotton undervests, would react too heavily on other types of manufacture which are in their nature heavier than undervests. The natural result of the imposition of a minimum specific duty based on weight would be that the *ad valorem* incidence on the heavier articles would be higher in their case. For this reason the item has been split up into two and we propose to apply a lower rate of minimum specific duty to the heavier articles.

I think, Sir, I have demonstrated the existence of three loopholes in our protective scheme and I trust that this Honourable House will co-operate in stopping them up.

* THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) : Mr. President, this Bill represents a great measure of compromise between the varied interests of the importers, the consumers and the manufacturers. The Bill as originally drafted was amended to such an extent by these compromises which were accepted in the other House that there is not much room for improvement left in the measure. We agree, Sir, that on the question which the Honourable Mr. Stewart dealt with first of all about silk yarns there was a very strong case for the protection to be made effective, but we do not agree that in the other case the question was as serious as has been pointed out. Fents, it is well known, is a trade name for articles which are either badly made or in some other way damaged. No doubt there were certain black sheep among the importers who started importing what the Honourable Mr. Stewart pointed out were real piecegoods cut up into small pieces in order to evade the incidence of duty. But we should not lose sight of the fact that this article is subjected to a duty which comes to something like 200 per cent. on the actual cost to the manufacturers in Japan. The specific duty of four annas per square yard is very hard. Knowing also that our own purchasing power has been reduced enormously, the consumer too has a claim to the consideration of the Government and of public men. We have been pursuing a policy of what is termed as discriminating protection, but which has been reduced to indiscriminating protection. I have often stated in this House that protection must be given with a definite view of making it possible for the protected goods to be sold in the country at the competitive price which prevails in the outside world. Neither the Government nor the Tariff Board have so far envisaged—

THE HONOURABLE THE PRESIDENT : The Fiscal Commission did not lay down that proposition.

THE HONOURABLE MR. HOSSAIN IMAM : Perhaps, Mr. President, you are aware that the Fiscal Commission has been the butt of the Annual Meeting of the Federation when they have called for revision ? It has not retained that sacred character which it had some time before. It has been repudiated to a certain extent by the Government as well as by the industry

* Not corrected by the Honourable Member.

too. Although the Fiscal Commission did not ask for a definite number of years to be fixed for this, yet it had made a point that it should be possible for the protected article before protection is granted to give us a promise that it would be able to stand on its own legs.

Now, let us consider whether there is any possibility of establishing this industry in India on a competitive basis. If we consider the price factor of Japanese goods, it will be found that at that price it will not be possible for Indian manufacturers even to have the raw materials gathered together at the factory, leaving aside the manufacturing cost. If it is found that it will not be possible to have that industry established on a competitive basis, I for one would ask the Government to change the name from protective duty to that of revenue duty, where they will not be bound to substantiate that this article fulfils the conditions laid down by the Fiscal Commission. As a revenue measure, they will be perfectly justified in imposing any duty which they think they can impose without being faced with the problem of diminishing returns. I agree that so far the efforts of the Government have been crowned with success. There has been no doubt a decrease in the amount of artificial silk goods imported, but the duty which they have derived has increased because of the increased incidence of the taxation. Then, Sir, the decrease in the length has been effected only in one item referred to in clause 2 part (c). That reduction, I am afraid, will not check the quantity of fents that will be imported because now the difference will be that instead of being in four-yard lengths they will be in two and a half yard-lengths and if they have the same kind of things they will have in numbers, the only result will be that the consumers will have to buy two pieces instead of one and they will be called upon to spend a little more money. At the time of reduced purchasing power it is a bit hard.

Now, on a point of information, Sir, I should like to know what will be the procedure adopted in case of goods which were ordered at a time when the trade was not aware that the taxes are to be increased. I have a hazy idea—I am not sure of my facts, but I hope that the Honourable Mr. Stewart will enlighten me—that when we were imposing the wheat duty we did give a concession to the trade that those who have ordered their goods before the thing was mooted would get a concession for that amount of things which were ordered beforehand. I am not aware whether this question will arise in the present case. If it does arise, Government ought to maintain their former price and give the same concession to these people which they allowed to the wheat importers.

Now, Sir, we come to the question of knitted apparel. There is one fact which has been lost sight of by the Government and by many public men too. It is that when a certain article becomes cheaper, the class of people who use it also changes. If you have a thing which is priced at Rs. 2 you have a certain class of people who are using it, but if the price comes down to Re. 1 the class of consumer changes and men of lower strata, of smaller income, become potential buyers and users of the article. If we look at that item from that point of view, we will find that a lot of articles which did not percolate to the lower strata of the Indian population, because of the fact that Japan is able now to sell its goods at a cheaper price, are being used by those people. The question to be examined is whether the increase of duty will not have the effect of making these people give up the use of these goods and confining it to a smaller circle of users, because if it does affect the number and the class of buyers it will have a direct effect of restricting trade. Now, the question is whether the imposition of this higher duty and increasing the price level will make those people use Indian goods or not? If Indian goods are priced at

[Mr. Hossain Imam.]

a higher level, you have a certain class of people only who can use it. But people of lower means will always remain outside the circle of the buyers. We, Sir, have been carrying on this propaganda for the protection of goods and increasing the price level of manufactured articles to extreme limits, but when it comes to the primary products, the Government takes up a different attitude towards the matter. If we look at two comparable items, that is, the number of people dependent on the two industries, the manufacturing industry and the agricultural industry, the claim of the agriculturist will be much higher and much greater than that of the industrialist.

THE HONOURABLE THE PRESIDENT : You are now speaking on the general policy of protection.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I am speaking of the fact that the increase of price level of manufactured goods which is the underlying principle of this Bill is a one-sided effort and an effort which will have a bad repercussion, because if we do not simultaneously increase the purchasing power with the increase in prices, we will be faced with a sort of *impasse*. The small concession which the Government has allowed in item 51 (2) (b) that when the weight exceeds four lbs. per dozen, the duty will be reduced to 10 annas per lb. is not a very great concession. I am told, Sir, that it reduces the incidence of taxation by merely 10 per cent.—two annas represents 10 per cent. of the incidence of duty.

Now, as I was saying, Sir, the whole people of the country here who up to a few years back were unable to purchase will again come into the market and the amount of imports will fall without affecting the output of Indian goods. We could have the same result without increasing the price by fixing a quota as we have done in the case of Japanese piece goods. There, Sir, the provision of a quota has the indirect effect of checking undue importation and dumping. It has also a very slight effect in raising prices but if we have a higher rate of duty it has two bad effects. It increases the price level inordinately high and beyond the means of the purchaser whereas it does not in any way increase the consumption of home goods. If we had adopted a quota system and restricted imports from Japan to a certain figure we would have been sure, Sir, without increasing the taxation, that the remainder of the requirements of India will be supplied by Indian manufacturers, and Indian manufacturers would have the incentive to bring down the prices because the market will have been there and a very safe market. I suggest this as an alternative method when the Indo-Japanese agreement is being revised. As, Sir, this Bill is the result of a compromise I do not feel called upon to oppose the measure.

THE HONOURABLE THE PRESIDENT : Mr. Stewart, will you please tell the Council what was the loss in revenue for 11 months on fents ?

THE HONOURABLE MR. T. A. STEWART : I am afraid, Sir, that I could not do so off-hand, but making a very rough calculation, I would suggest that it might be something in the neighbourhood of two annas per yard on a large proportion of the 16 million yards, which is probably a very considerable sum.

THE HONOURABLE THE PRESIDENT : Then why did the Government not take action under the powers vested in them under the Taxes Act ?

THE HONOURABLE MR. T. A. STEWART: Well, Sir, if I may explain to you what did happen? When it was discovered that this practice was in operation, the customs officers exercised most strict control. They insisted on the opening of every bale of these artificial silk fents. As Honourable Members may know, these do not come in cases but they are packed in bales in miscellaneous lots. The result was that in one customs house at any rate absolute chaos arose. There were so many bales opened out that neither the fents merchants nor the customs officers could get on with their work, and apart from any other reason, I do put it forward in support of this measure that it makes customs house procedure a practical proposition. The customs house officers did their best but nevertheless we had here in Delhi a deputation from the fents merchants asking for some sort of relief. And we did come to a compromise. We did realise their difficulty and we allowed them to clear a very considerable number of their fents as artificial silk piecegoods applying only the *ad valorem* duty. In justice to them and to ourselves we made that compromise.

THE HONOURABLE THE PRESIDENT: Thank you.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan): Sir, I rise to support this measure. But I should like an assurance from the Honourable Mr. Stewart that as soon as this staple fibre industry is undertaken in India the protection which India has hitherto enjoyed, that is, a 25 per cent. *ad valorem* duty, will be revived, because, Sir, for all infant industries protection is essential.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan): Sir, the Bill before the House represents a measure which on the whole attempts to make an adjustment of the various and conflicting interests involved and, as has been stated by my Honourable friend, the Deputy Leader of the Progressive Party, it concerns the interests not only of the manufacturer but also of the consumer and the importer. My Honourable friend, the Deputy Leader of the Progressive Party, made an observation regarding the effect of enhancing the price of articles which had hitherto been cheap in the market. My Honourable friend seemed to argue that when an article which ordinarily is of a higher value is lowered in value, the use of that article permeates and percolates to the lower strata of society also which formerly did not use that article. And he is of opinion that if there is any attempt to raise the value of that article the poorer section of society which had got accustomed to using this article would be deprived of its use. I am afraid, Sir, that he is labouring under a wrong impression. My own feeling is that when an article becomes inordinately cheap, whatever might be the subsidy or help that that industry might get from Government or elsewhere, the article is bound to be reduced in quality. It is bound to become very inferior in quality and as such not quite so durable and lasting as the original article. The result is that even though it might appear to be a cheaper stuff, and it might have the appearance of being the sort of stuff which was originally available at the higher value, the user of that article in the long run is not at all benefitted, for the article not being quite durable and lasting only for a very brief period, the user of the article is bound to go on purchasing the article more frequently than before and paying much more value for repeated purchase than would have been the case if he purchased the better sort of article.

THE HONOURABLE THE PRESIDENT: That is an argument in favour of the Bill!

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : He can buy more, Sir.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : Half a dozen might not last for the period for which one pair of the old article lasted.

THE HONOURABLE SIR DAVID DEVADOSS : One pair might get dirty !

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : You can get it washed !

As regards the duties on silk yarn, I should like to state that Government should see that in imposing this duty, they do not unduly tax very inferior qualities of cheap yarn which might go to place under a disadvantage the handloom industry in this country. I feel, Sir, that Government were perfectly justified in imposing a duty upon yarns, because the yarns that come to this country are not only pure silk waste yarn but also artificial silk yarn and I feel that the duty should be imposed on both these classes of yarn.

Sir, as has been observed by the Honourable the Commerce Secretary, this is a measure which does not propose to give any new protection to any new industry, but it has been necessitated by some developments in the foreign trade. The imports of foreign articles have in recent times developed some features which have tended to deprive the Indian industry of much of the protection that was given to it. The hosiery industry in Japan, with the help of Government subsidy, has been sending increasingly large quantities of goods to India and unless this dumping is stopped, the Indian industry is bound to suffer. It has therefore become necessary, Sir, that some such step should be taken to counteract the various devices which have been resorted to by foreign trading interests.

As regards fents, I am not quite sure whether the reduction in lengths will bring about any substantial result. But whatever it might be, the experiment might be watched and if it does not prove to be quite as effective as it is expected, some other method might be adopted to give protection in this respect.

Sir, I support the Motion.

THE HONOURABLE MR. HOSSAIN IMAM : On a point of personal explanation, Sir. The Honourable Member thought that things, by replacement, will become inferior. What about reorganisation, decreased price and other factors ?

THE HONOURABLE THE PRESIDENT : Order, order. I see that the practice is growing for a Member after making one speech, and after another Member makes a speech, to make some sort of speech again by way of seeking information, and I think that this practice is reprehensible.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I do not want to oppose the measure before the House as I am of opinion that it is very necessary for the development of Indian industries to get protection. But I fail to understand one thing, and it is this. It was only a couple of weeks back that the Assembly denounced the Ottawa Pact. The articles contained in this Bill are also contained in the Ottawa Agreement and I understand that a notice for the termination of the Ottawa Agreement—

THE HONOURABLE THE PRESIDENT : You are not going to discuss the Ottawa Agreement ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I am not discussing. I am only enquiring what will be the fate of this Bill. The notice is shortly to be given for the making of a fresh agreement. When a fresh agreement is made, what will be the fate of this Bill ?

THE HONOURABLE THE PRESIDENT : Notice is to be given to terminate the agreement. Notice has not been given for a fresh agreement at the present moment.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : When notice is given to terminate the agreement, it is very likely that there will be a fresh agreement on fresh principles, and when a fresh agreement is made, will the articles contained in this Bill—

THE HONOURABLE THE PRESIDENT : Order, order. We are not concerned at present with hypothetical questions. Will you please say what you have got to say on the Bill itself ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I have nothing more to say, Sir.

THE HONOURABLE MR. T. A. STEWART : Sir, there are only a very few points on which I think some explanation is called for. In the first place, I should like to correct the misapprehension under which it appears the Honourable Mr. Hossain Imam labours in respect of the protective duties on artificial silk. These were not imposed, Sir, in order to protect the Indian artificial silk industry. No such industry exists, nor do I think that it is likely in the present circumstances of the industry, that it will. The protective duties on artificial silk are supplementary to those on cotton textiles, and not of a different nature. The Honourable Mr. Hossain Imam has expressed the view that mere reduction of length will not solve our problem. I confess that I myself personally have my doubts but if this measure is not sufficient, the hands of Government will be strengthened for coming forward with, and asking the approval of the Legislature to, something more effective. He has also enquired as to what will happen in the case of goods that have been ordered in advance. As I said in answer to your question, Sir, the Members of the Central Board of Revenue and myself met a deputation of the fent importers some two or three months ago and I can assure you that we left them under no misapprehension as to how we propose in future to treat these spurious fents. We did not tell them what were our legislative proposals but we gave them very fully to understand that we intended to stop the malpractice and if they imported in future, it would be at their own risk. It has also been argued that the concession to hosiery importers that is involved in the lower minimum specific duty on the heavier materials is unsubstantial. The justification for the concession which I put forward here is that it is one which was accepted by the importers themselves. As regards the imposition of a quota on such commodities as hosiery, I can assure the Honourable Member that the possibilities of utilising this device will not be lost sight of. Finally, the Honourable Leader of the Progressive Party mentioned the staple fibre. I do not know that it is now entirely relevant to this Bill, but I am sure that if he looked at the Bill in its original form he would feel certain that Government is not unsympathetic with the view which he himself holds.

THE HONOURABLE THE PRESIDENT : The Question is :

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, (Second Amendment) as passed by the Legislative Assembly, be taken into consideration".

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. T. A. STEWART : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed".

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I wish to ask for information from the—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN (West Punjab : Muhammadan) : On a point of order, Sir. You have not put the Motion. The Honourable Mr. Hossain Imam has started speaking before you have put the Motion.

THE HONOURABLE THE PRESIDENT : The Motion is :

"That the Bill, as passed by the Legislative Assembly, be passed".

THE HONOURABLE MR. HOSSAIN IMAM : Our colleague the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra raised a very pertinent question, i.e., "What would be the effect of the decision of the Assembly to terminate the Ottawa Pact on this Bill?" The Honourable Member did not enlighten us on that.

THE HONOURABLE MR. T. A. STEWART : Sir, I deliberately refrained from doing so in view of your remarks, but I am perfectly willing to give the Honourable Member such answer as I can.

THE HONOURABLE MR. HOSSAIN IMAM : Our point was that it involves preference which has been repudiated by the Assembly and accepted by the Government. Therefore what would be the effect when that notice of termination goes in ?

THE HONOURABLE THE PRESIDENT : Unless you feel yourself fully competent to express an opinion I would advise you not to reply.

THE HONOURABLE MR. T. A. STEWART : I think I can give the Honourable Member the answer he requires. In the first place, Sir, we have not altered in any way any of the duties. In the second place, I would say that these, being Ottawa preferences, will be treated like any others of the Ottawa preferences in the tariff. As regards what may happen thereafter by way of negotiation or otherwise, I am afraid I am not a prophet and am not able to inform the Honourable Member.

THE HONOURABLE THE PRESIDENT : The Question is :

"That the Bill, as passed by the Legislative Assembly, be passed".

The Motion was adopted.

The Council then adjourned *sine die*.