

Thursday, 8th April, 1937

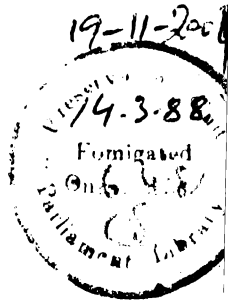
THE  
COUNCIL OF STATE DEBATES

VOLUME I, 1937

*(16th February to 8th April, 1937)*

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FIRST SESSION  
OF THE  
FOURTH COUNCIL OF STATE, 1937



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# COUNCIL OF STATE.

Thursday, 8th April, 1937.

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the Chairman (Sir Phiroze Sethna) in the Chair.

## SHORT NOTICE QUESTION AND ANSWER.

### CLOVE CULTIVATION IN INDIA.

110. THE HONOURABLE SIR RAHIMTOOLA CHINYOY: Have Government considered the desirability of having an inquiry made at an early date into the question of the feasibility of growing cloves in India?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: Government will consider the suggestion.

## STATEMENT RE EMPLOYMENT OF WHITE GIRLS BY INDIANS IN SOUTH AFRICA.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern: Non-Muhammadan): Sir, may I ask the Leader of the House whether his attention has been drawn to the Report of the Select Committee on the Bill relating to the employment of white girls by Indians in South Africa and whether he is in a position to make any statement on the subject? It is a matter of considerable importance to Indians and as this is the last day of the session I hope, you, Sir, will permit me to put this question to the Leader of the House and I trust that he will be prepared to make a statement.

THE HONOURABLE THE CHAIRMAN (SIR PHIROZE SETHNA): If the Honourable Leader is in a position to make a statement, will he be good enough to do so?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: I shall be very glad to make a statement to the House, because I know that this is a subject which is deeply interesting Indians in the country.

The House is aware that, last February, a private Bill to prohibit the employment of Europeans by Asiatics in South Africa was referred to a Select Committee of the Union Legislative Assembly. The Government of India protested against the principle of the Bill, both directly and through the Agent-General, and the latter was instructed to give evidence before the Select Committee himself and to assist the Indian community to present their case. The Select Committee has recommended that only the employment of European females by Asiatics should be restricted, the restriction not to apply to Cape Malays or to Japanese, while the trade agreement between Japan and the Union of South Africa is in force. The Government of India are still profoundly opposed to the principle of the Bill, and, in particular, to the differentiation sought to be made between

[Kunwar Sir Jagdish Prasad.]

Indians and others of Asiatic race. They are instructing the Agent-General to make vigorous representations to the Union Government. The House may rest assured that they will spare no means open to them in order to safeguard the self-respect and the interest of Indians in South Africa. (Applause.)

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** May I put a further question to my Honourable friend? Is the Honourable Leader in a position to state whether the Bill has been improved in any respect by the Select Committee?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD:** Yes, Sir. As my friend probably knows, the original Bill prohibited the employment of all Europeans, whether male or female. Now the Bill is restricted to females only and to the conditions under which they can be employed. To that extent there has been a change in what may be regarded as a favourable direction.

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#### DEATH OF MR. MAHMOOD SUHRAWARDY.

**THE HONOURABLE THE CHAIRMAN (SIR PHIROZE SETHNA):** Honourable Members will have noticed in this morning's papers that a former Member of this House, Mr. Mahmood Suhrawardy, passed away yesterday. Mr. Suhrawardy was a Member of this House for two full terms, the Second Council of State and the Third Council of State. In fact he was a Member for nearly 11 years. He has been cut off in the prime of life at the age of 43 and I am sure the Council would like me in their name to convey our condolences to the bereaved family.

**THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan):** Sir, on behalf of the Progressive Party, I wish to associate myself with the remarks made by you.

**THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official):** Sir, on behalf of Members from Bengal, I would like to associate myself with the sentiments expressed.

**THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadan):** Sir, on behalf of the Congress Party, I associate myself with the sentiments expressed by you. Mr. Suhrawardy was a Member of the Second Council of State when I was a Member of this House. He was a lovable young Member of the House and contributed to the utility of the debates.

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House):** Sir, I wish to associate myself and this side of the House with what you have said about the late Mr. Suhrawardy.

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#### STANDING COMMITTEE FOR ROADS, 1937-38.

**THE HONOURABLE THE CHAIRMAN (SIR PHIROZE SETHNA):** I have now to make an announcement in regard to the elections that took place the other day. As a result of the election held on the 6th April, 1937, the following three Members have been elected to serve on the

Standing Committee for Roads which will be constituted to advise the Governor General in Council in the administration of the Road Fund during the financial year, 1937-38:

The Honourable Mr. R. H. Parker;  
 The Honourable Mr. Abdur Razzak Hajee Abdus Sattar; and  
 The Honourable Rao Bahadur K. Govindachari.

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#### CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE THE CHAIRMAN (SIR PHIROZE SETHNA): Again, the following six non-official Members have been elected to serve on the Central Advisory Council for Railways:

The Honourable Lieutenant-Colonel Sir Shaikh Hissam-ud-din Bahadur;  
 The Honourable Haji Syed Muhammaḍ Husain;  
 The Honourable Chaudhuri Ataullah Khan Tarar;  
 The Honourable Kunar Nripendra Narayan Sinha of Nashipur;  
 The Honourable Sir David Devadoss; and  
 The Honourable Mr. Sitakanta Mahapatra.

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#### REPEALING AND AMENDING BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Government of India: Nominated Official): Sir, I move:

“That the Bill to amend certain enactments and to repeal certain other enactments, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this is a *bona fide* repealing and amending Bill; that is to say, it effects no change whatsoever in the substantive law applying before the introduction of this Bill. I can assure Honourable Members that 95 per cent. of the Bill is entirely formal. It either makes necessary verbal or consequential changes, or it repeals enactments which are spent, or it repeals enactments the repeal of which will have no effect. The remaining 5 per cent. does no more than repeal enactments which, though they are not technically spent, are a dead letter, which have now no force and have been of no force for such a number of years that their continuance in the Statute-book would be useless. I will say no more at this stage. If Honourable Members would like any part of the Bill explained, I shall be very ready to do so; but I warn them that they are likely to be detained here some time and to be extremely bored.

Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

The First and Second Schedules were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DE C. WILLIAMS: Sir, I move:

"That the Bill to amend certain enactments and to repeal certain other enactments, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

### INDIAN TARIFF (AMENDMENT) BILL.

THE HONOURABLE MR. H. DOW (Commerce Secretary): Sir, I move:

"That the Bill further to amend the Indian Tariff Act, 1934, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration."

This Honourable House will not expect, and still less will it desire, that I should recapitulate at any great length the origin of the measure before us: The Bill seeks to re-impose on imports of broken rice the duty of 12 annas a maund which expired on the 31st of March last, and which was imposed for the first time two years ago. At that time very considerable and rapidly increasing imports of foreign rice were giving great trouble, and were accumulating the difficulties felt by the rice growers of India, and particularly those of the Madras Presidency, in view of the low prices which were then prevailing. In the preceding year, something like 400,000 tons of foreign rice had been imported into India, mostly from Siam and Indo-China. Government were advised that of these imports 75 per cent. at least were imports of broken rice, and that it was these particular imports of broken rice which were the real danger to the Madras producer. They resolved therefore to exclude, or at any rate to very much reduce, the imports of this particular class of rice by the imposition of a duty. The fixing of the correct figure of this duty was a matter of some difficulty, and was gone into with considerable care, and Government finally arrived at the rate of 12 annas per maund.

Last year, when the question of the duty came up again, there was a certain amount of criticism from rice-growing interests to the effect that this duty ought to be extended to imports of whole rice and of paddy. Well, the figures of three years are now available for examining the effect of the duty and I think Honourable Members will agree that these figures show very conclusively that the extension of the duty to whole rice or paddy is unnecessary.

In 1934 the imports of broken rice amounted to 232,000 tons. In the following year, 1934-35, they had gone down to 61,000 tons, and in the 11 months ending February of this year, which is the latest date for which figures are as yet available, the imports of broken rice had gone down to less than 3,000 tons,—that is, from a figure of 232,000 tons to 3,000 tons in the course of two years. If you take the figures of whole rice the imports in 1934-35 were 51,000 tons. They went down to 29,000 tons in the following year, and in the 11 months ending February of this year, they are no more than 15,000 tons. Again, if you take the figures of paddy, in 1934-35 the imports were 112,000 tons. In the next year there was a very slight increase,—they went up to 119,000 tons,—and in the 11 months ending February of this year they have gone down to 68,000 tons. I think it is clear from these figures that the duty has not only been effective in almost excluding imports of broken rice, but that the support given by this measure to the local market has been effective in keeping

the imports of other varieties—whole rice and paddy—down to a very low figure indeed.

At the same time, I should say that there has been a considerable rise in the price of rice over these last few months and this fact, coupled with the decrease in imports into India, might have suggested that there was some scope for the reduction of the duty this year. It has, however, been noticed that the price of some of the local varieties in the Madras Presidency has not increased very rapidly, and we have also had regard to the fact that the final figure of the rice forecast of this year, while it shows some reduction in the Madras crop, show for India as a whole a very considerable increase. So, taking all these facts into consideration, Government think it as well to maintain the duty at its old figure of 12 annas a maund, and that this rate of duty will be sufficient and not excessive for the purpose which Government has in view.

Lastly, I would remind the House that this duty is classed as a protective one, which Government are empowered to vary under section 4 of the Indian Tariff Act. And I would like to give the House the assurance that Government will watch the situation very carefully, and will not hesitate to take action under that section if there is any reason to fear, owing to the course of events, that this duty is not likely to prove sufficient for its purpose.

Sir, I move.

\*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Sir, we welcome this measure although it is a half-hearted measure. The Honourable Mr. Dow himself admitted that there was a demand for protection of indigenous rice, but the Government are thinking that there is no need for it because there is not any extensive import of paddy or rice into India. May I remind the Honourable Member that coupled with this is the question of the export duty on Indian rice? That is an impediment in the way of expansion of our rice trade. The reply might possibly be that India is not very much concerned with the export of rice inasmuch as it imports rice from Burma. The question cuts both ways. While it may not be true that we are on the balance an exporting country, there is no doubt of the fact that there is some export of Indian rice. The income derived by Government does not now amount to the same total of Rs. 45 lakhs as it used to be when Burma and India were together. Now, it is a minor duty, and it may be hoped that just as the Honourable the Finance Member found it possible to forego the Rs. 5 lakhs of duty on hides and skins, it will be possible for the Finance Department to see its way, next year at least, to eliminate this export duty on rice. It is against the principles of development of trade that there should be an export duty on any article which is not a monopoly product. We are perfectly justified in imposing a duty on jute, because it is a monopoly product and incidentally giving a measure of protection to the jute mills, because the raw material for Dundee and other places is taxed and thereby you place an impediment in the expansion of the trade of persons who compete with us in outside markets. But here, there is no monopoly product, and therefore I earnestly appeal for this.

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\*Speech not corrected by the Honourable Member.

[Mr. Hossain Imam.]

The second point I wish to refer to is this. I was expecting the Honourable Mr. Dow to say something about wheat. We had both the duties combined in the last Bill.

THE HONOURABLE MR. H. DOW: I was afraid to say anything about wheat, Sir, because if I had done so, I should very properly have been ruled out of order by you, Sir.

THE HONOURABLE THE CHAIRMAN (SIR PHIROZE SETHNA): That is not before us now.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, the reason why I am bringing up the question of wheat is, that the Bill, which we passed last year and which contained the rice duty proposals, had also the wheat duty proposals. Will the wheat duty continue?

THE HONOURABLE MR. H. DOW: The wheat duty expired on the 31st March last. The present Bill is merely to extend the rice duty.

THE HONOURABLE MR. HOSSAIN IMAM: When we considered this Bill, broken rice and wheat figured together and although—

THE HONOURABLE MR. H. DOW: Excuse me, Sir. We were considering at that time another Bill. This is a separate Bill. Last year there was a Bill dealing with both wheat and rice. On this Bill, the question of wheat duty does not arise at all.

THE HONOURABLE MR. HOSSAIN IMAM: We on this side of the House are not competent under the constitution to impose any duty, and therefore, when the Government have pledged themselves to support agriculture, we are entitled to some explanation whether they have forgot about this or whether they have deliberately decided not to impose a duty on wheat and the reasons which have forced them to their decision. I want to know the explanation why they have eliminated the wheat duty and why no extending Bill for wheat has not been brought forward.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated: Indian Christians): Sir, I have much pleasure in supporting this measure. Coming from Madras, as I do, I feel that even a 12-anna duty is not quite sufficient to improve the conditions there. The Honourable Mr. Dow said that the price has considerably increased. Probably he has got the latest information. But, so far as I know, prices have not considerably increased. There has been an increase—a very slight increase—in one or two districts, but on the whole, I do not think there has been a considerable increase. I would ask the Government not to reduce this amount at any time, at least for another year, and then we can consider next year whether this 12 annas would do, or it should be more.

THE HONOURABLE SAIED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): I also support the Motion, Sir. I am also forced to enter my protest as regards the inadequacy of the relief given to the cultivators in Madras. Even when the duty was first imposed, I was of the opinion that the duty was thoroughly insufficient and that it was much lower than the rate that was recommended by the Crop Planning Conference, which recommended a duty of Rs. 1-4-0 per maund. As we



expected, this duty has not gone far enough to give the needed relief to the cultivators in Madras. Even though it has tended to improve the prices in some districts, the improvement has been very slight and almost negligible. I feel, Sir, just as Sir David Devadoss has said, that this duty should on no account be reduced at any time. Besides, I am of opinion that Government should try and see their way to impose the same duty upon whole grain rice and also paddy and try in that way to afford some relief to the cultivator who is in great distress in my province.

THE HONOURABLE MR. H. DOW: Sir, there is not very much that I need add. In reply to the Honourable Mr. Hossain Imam's request that the removal of the revenue export duty on rice should be considered, that is of course a revenue duty, and it is more a matter for the Finance Department than for me to consider. I have not the slightest doubt that the Finance Department will be prepared to consider this suggestion, especially as, since the separation of Burma, it is not a duty from which we shall get a great deal of money.

The Honourable Sir David Devadoss referred to the increase in prices and said it was not very considerable. Well, I admitted in my opening remarks that in some districts the increase was not very considerable, and that that was one of the reasons why Government were not prepared to consider a reduction of the duty at this stage. I have before me a statement giving the course of prices at various centres in the Madras Presidency—Madras City, Cochin, Calicut and Cuddalore—of various varieties of rice. Some of these varieties of rice show a very marked increase in prices, but others do not.

Then, as regards the Honourable Mr. Padshah's contention that the duty was insufficient, I really do not see how he can maintain that in view of the figures which I gave him. The utmost that an import duty can do is to exclude entirely all commodities on which it would be leviable, and when it is remembered that the imports into India of broken rice have gone down from 282,000 tons to less than 8,000 tons in two years, that is, they have practically been excluded altogether, I do not see how it can be maintained that the duty is insufficient.

THE HONOURABLE THE CHAIRMAN (SIR PHIROZE SETHNA): The Question is:

"That the Bill further to amend the Indian Tariff Act, 1934, for a certain purpose, 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. H. DOW: Sir, I move:

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

The Motion was adopted.

## PAYMENT OF WAGES (AMENDMENT) BILL.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour Secretary): Sir, I move:

"That the Bill to amend the Payment of Wages Act, 1936, for a certain purpose, as passed by the Legislative Assembly, be taken into consideration."

This Bill is designed to remedy a small defect in the Act which we passed last year. I might remind Honourable Members that the scheme of that Act depends largely on the definition of "wages", and wages are defined, to put the matter in a paraphrase, not as what a man earns but as what a man would earn if he fulfilled his contract in its entirety. In consequence there has to be a clause providing for deductions for absence from work. That clause was designed, as I think I said in this House, to express the principle of "no work, no pay", which the House, I am sure, will agree in regarding as equitable. But the wording of that clause enables the employer to make deductions only in respect of a person who is absent "from the place or places where, by the terms of his employment, he is required to work". The clause therefore does not appear to cover the man who, although present at the place where he is required to work, declines to do any work, and the House will, I hope, agree that that case ought also to be covered. The point is of course automatically covered in the case of a piece-worker, but in the case of a worker on salary it is not so covered, and such cases, as recent events, particularly in other countries, have reminded us, can occur. Honourable Members will see in the form in which the Bill has been presented to them a reference to stay-in strikes, and that undoubtedly is one of the more difficult cases justifying the passing of this measure. Were it only for individual refusals, there would be no great difficulty, because a workman who individually refuses to work is liable to dismissal. That expedient is still open in the case of a concerted refusal to work, but it raises two difficulties. In the first place it would render the employer liable at very short notice to pay off his staff, and in the second place it would almost certainly have the result of embittering the relations between him and his employees if he were to dismiss them all, and probably of prolonging the dispute.

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. A. G. CLOW: Sir, I move:

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

The Motion was adopted.

The Council then adjourned *sine die*.