

26th January, 1934

THE  
**LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

---

Volume I, 1934

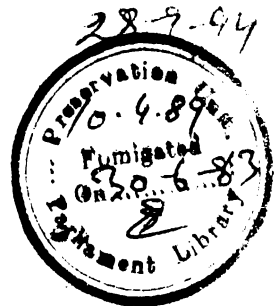
*(24th January to 16th February, 1934)*

---

**SEVENTH SESSION**

OF THE

**FOURTH LEGISLATIVE ASSEMBLY,  
1934**



NEW DELHI  
GOVERNMENT OF INDIA PRESS  
1934

# Legislative Assembly.

## *President :*

THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

## *Deputy President :*

MR. ABDUL MATIN CHAUDHURY, M.L.A.

## *Panel of Chairmen :*

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

MR. K. C. NEOGY, M.L.A.

SIR LESLIE HUDSON, KT., M.L.A.

MR. N. M. JOSHI, M.L.A.

## *Secretary :*

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

## *Assistant of the Secretary :*

RAI BAHADUR D. DUTT.

## *Marshal :*

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

## *Committee on Public Petitions :*

MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman.*

MR. K. C. NEOGY, M.L.A.

SIR HARI SINGH GOUR, KT., M.L.A.

MR. T. R. PHOOKUN, M.L.A.

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

## CONTENTS.

### VOLUME I.—24th January to 16th February, 1934.

	PAGES.		PAGES.
<b>WEDNESDAY, 24TH JANUARY, 1934—</b>		<b>FRIDAY, 26TH JANUARY, 1934—</b>	
Members Sworn . . . . .	1	Questions and Answers . . . . .	151—52
Questions and Answers . . . . .	1—17	Statements laid on the Table . . . . .	153—54
Unstarred Questions and Answers . . . . .	17—21	Statement of Business . . . . .	154—55
Short Notice Question and Answer . . . . .	22—24	The Indian Tariff (Amendment) Bill—Referred to Select Committee . . . . .	155—89
Motion <i>re</i> Sympathy of the Legislative Assembly with the Earthquake Sufferers in Bihar and Orissa—Adopted . . . . .	25—29	The Imperial Bank of India (Amendment) Bill—Discussion on the motions to consider and to recommit to Joint Committee not concluded. . . . .	189—96
Motion for Adjournment <i>re</i> Recommendations of the Capitation Tribunal—Talked out ; . . . . .	29—30 and 65—89	<b>MONDAY, 29TH JANUARY, 1934—</b>	
Governor General's Assent to Bill . . . . .	30	Questions and Answers . . . . .	197—98
Panel of Chairmen . . . . .	30	Statements laid on the Table . . . . .	198—202
Statements laid on the Table . . . . .	30—37	Motion <i>re</i> Election of the Public Accounts Committee—Adopted . . . . .	202—07
Election of the Standing Committee on Pilgrimage to the Hedjaz . . . . .	38	Motion <i>re</i> Election of the Fuel Oil Committee—Adopted . . . . .	207—09
The Steel and Wire Industries Protection (Extending) Bill—Introduced . . . . .	38	The Sea Customs (Amendment) Bill—Introduced . . . . .	209—10
The Wheat Import Duty (Extending) Bill—Introduced . . . . .	39	The Imperial Bank of India (Amendment) Bill—Discussion on consideration of clauses not concluded . . . . .	210—60
The Indian Tariff (Amendment) Bill—Discussion on the motion to refer to Select Committee and to circulate not concluded . . . . .	39—65	Letter from H. E. the Viceroy conveying thanks for Assembly's contributions to the Earthquake Relief Fund . . . . .	227
<b>THURSDAY, 25TH JANUARY, 1934—</b>		<b>TUESDAY, 30TH JANUARY, 1934—</b>	
Motion for Adjournment <i>re</i> Signing of the Indo-Japanese Commercial Treaty in London—Withdrawn . . . . .	91 and 139—50	Questions and Answers . . . . .	261—86
Statements laid on the Table . . . . .	91—94	Unstarred Questions and Answers . . . . .	286—88
The Untouchability Abolition Bill—Discussion on the motions to refer to Select Committee and to circulate not concluded . . . . .	94—139	Election of Members to the Standing Committee for Pilgrimage to the Hedjaz . . . . .	288
		Statements laid on the Table . . . . .	288—90
		Resolution <i>re</i> Grievances of the Travelling Public on the Assam Bengal Railway—Adopted . . . . .	290—302
		Resolution <i>re</i> Protection of Workers against Unemployment and Reduction of Wages—Discussion not concluded . . . . .	302—35

PAGES.		PAGES.	
WEDNESDAY, 31ST JANUARY, 1934—		TUESDAY, 6TH FEBRUARY, 1934—	
Statements laid on the Table	337—41	Questions and Answers	537—42
The Imperial Bank of India (Amendment) Bill—Passed as amended	342—70	Unstarred Questions and Answers	542—43
The Indian States (Protection) Bill—Discussion on the motion to refer to Select Committee not concluded	370—96	Committee on Petitions	544
THURSDAY, 1ST FEBRUARY, 1934—		Election of Members to the Public Accounts Committee	544
Short Notice Question and Answer	397	Resolution <i>re</i> Protection of Workers against Unemployment and Reduction of Wages—Adopted as amended	544—81
The Abolition of Capital Punishment Bill—Petitions laid on the Table	397	Resolution <i>re</i> Excise and Import Duties on Kerosene and other Mineral Oils—Discussion not concluded	581—97
The Untouchability Abolition Bill—Circulated	398—456	WEDNESDAY, 7TH FEBRUARY, 1934—	
Statement of Business	456	The Indian States (Protection) Bill—Referred to Select Committee	599—653
MONDAY, 5TH FEBRUARY, 1934—		THURSDAY, 8TH FEBRUARY, 1934—	
Member Sworn	457	Members Sworn	655
Questions and Answers	457—73	Message from H. E. The Viceroy and Governor General	655
Unstarred Questions and Answers	473—80	The Indian "Khaddar" (Name Protection) Bill—Passed as amended	655—61
Messages from His Excellency the Viceroy and Governor General	480—81	The Girls Protection Bill—Circulated	661—71
Letter from the Private Secretary to His Excellency the Governor of Bihar and Orissa conveying His Excellency's thanks for Assembly's Expressions of Sympathy with the Earthquake Sufferers	482	The Indian Bar Councils (Amendment) Bill—Circulated	672—703
Election of Members to the Fuel Oil Committee	482	The Indian Criminal Law Amendment Bill—Motion for consideration not moved	703—05
Statements laid on the Table	482—90	The Code of Civil Procedure (Amendment) Bill—Motion for consideration not moved	705
The Indian Tariff (Amendment) Bill—Presentation of the Report of the Select Committee	490	The Milch Cattle Protection Bill—Introduced	706
Death of Mr. A. Rangaswami Iyengar	490—96	The Specific Relief (Amendment) Bill—Introduced	706
The Indian Medical Council (Amendment) Bill—Introduced	496	The Indian Arms (Amendment) Bill—Introduced	706
The Indian Tariff (Textile Protection) Amendment Bill—Introduced	496—97	The Indian Stamp (Amendment) Bill—Introduced	706
The Indian States (Protection) Bill—Discussion on the motion to refer to Select Committee not concluded	497—536	The Hindu Inheritance (Amendment) Bill—Introduced	707

	PAGES.
<b>THURSDAY, 8TH FEBRUARY, 1934—contd.</b>	
The Indian States (Protection against Disaffection) Amendment Bill—Introduced . . . . .	707
The Code of Criminal Procedure (Amendment) Bill (Amendment of Section 491)—Introduced . . . . .	707
The Land Acquisition (Amendment) Bill—Introduced . . . . .	708
The Hindu Temple Entry Disabilities Removal Bill (By Mr. Lalchand Navalrai)—Introduced . . . . .	708
The Code of Criminal Procedure (Amendment) Bill (Amendment of Sections 421, 422, 426 and 497)—Introduced . . . . .	708
The Code of Civil Procedure (Amendment) Bill—Introduced . . . . .	708
The Hindu Temple Entry Disabilities Removal Bill (By Diwan Bahadur Harbilas Sarda)—Introduced . . . . .	709
The Indian Criminal Law Amendment (Repeal) Bill—Introduced . . . . .	709
The Hindu Sons' Right of Partition Bill—Introduced . . . . .	710
Statement of Business . . . . .	710
<b>TUESDAY, 13TH FEBRUARY, 1934—</b>	
Members Sworn . . . . .	711
Questions and Answers . . . . .	711—22
Short Notice Question and Answer . . . . .	722
Unstarred Questions and Answers . . . . .	722—30
Statements laid on the Table . . . . .	731—36
The Indian Tariff (Amendment) Bill—Discussion on the consideration of clauses not concluded . . . . .	736—90

	PAGES.
<b>WEDNESDAY, 14TH FEBRUARY, 1934—</b>	
Member Sworn . . . . .	791
Questions and Answers . . . . .	791—96
Short Notice Question and Answer . . . . .	796—98
The Indian States (Protection) Bill—Presentation of the Report of the Select Committee . . . . .	798—99
Resolution <i>re</i> Excise and Import Duties on Kerosene and other Mineral Oils—Withdrawn . . . . .	799—813
Resolution <i>re</i> Loan for the Reconstruction of Bihar after the Earthquake—Adopted . . . . .	813—32
Resolution <i>re</i> Abolition of the Duty on Raw Films—Withdrawn . . . . .	832—41
Resolution <i>re</i> Committee of Enquiry on Agricultural Distress—Discussion not concluded . . . . .	841—46
<b>THURSDAY, 15TH FEBRUARY, 1934—</b>	
The Indian Tariff (Amendment) Bill—Passed as amended . . . . .	847—900
<b>FRIDAY, 16TH FEBRUARY, 1934—</b>	
Questions and Answers . . . . .	901—13
Unstarred Questions and Answers . . . . .	913—18
Short Notice Question and Answer . . . . .	919—23
Statements laid on the Table . . . . .	923—30
The Hindu Temple Entry Disabilities Removal Bill—Petitions laid on the Table . . . . .	931
The Hindu Marriages Dissolution Bill—Petition laid on the Table . . . . .	931—32
The Bengal State-Prisoners Regulation (Repealing) Bill—Motion to circulate negated . . . . .	932—38
The Indian Penal Code (Amendment) Bill—Motion to circulate negated . . . . .	938—77

# LEGISLATIVE ASSEMBLY.

Friday, 26th January, 1934.

---

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

---

## QUESTIONS AND ANSWERS.

### FINANCIAL ADVANTAGE DERIVED BY CERTAIN PROTECTED INDUSTRIES OF INDIA.

28. \***Raja Sir Vasudeva Rajah**: Will Government be pleased to state the amount of financial advantage derived by each of the following protected industries of India, excluding Burma:

- (i) Cotton Textiles.
- (ii) Iron and Steel.
- (iii) Sugar.
- (iv) Matches?

**The Honourable Sir Joseph Bhoré**: Government regret that they are unable to estimate the amount of financial advantage derived by the industries in question.

### DIFFERENCE BETWEEN THE EXCISE AND IMPORT DUTIES ON MINERAL OILS AS A RESULT OF BURMA FORMING A PART OF INDIA.

29. \***Raja Sir Vasudeva Rajah**: Will Government be pleased to state the loss sustained by India on account of the difference between the excise and import duties on mineral oils as a result of Burma forming a part of India?

**The Honourable Sir George Schuster**: There is no difference between the rates of excise duty and customs duty on petrol so that the question only arises in connection with kerosene. The difference between the rates of excise duty and customs duty on kerosene is at present 11½ pies per gallon. During the year 1932-33, the exports of kerosene from Burma to India were about 126 million gallons. The difference between the two rates of duty, when applied to this quantity, amounts to 74 lakhs of rupees. It is not, however, correct to regard this difference as a loss sustained by India as a result of Burma forming part of India. If Burma kerosene were subjected to the higher import duty, it is by no means certain that the same quantity would be imported into India, while, if Burma were not part of India, the Government of India would lose the income-tax which they at present collect from the oil companies in Burma.

## RAISING THE PRICE LEVEL OF RICE.

30. **\*Raja Sir Vasudeva Rajah:** Will Government be pleased to state whether India, excluding Burma, has any exportable surplus of rice? If not, will Government be pleased to state whether they have considered the possibility of raising the price level of rice by separating Burma and levying an import duty?

**Mr. G. S. Bajpai:** The answer to the first part is in the negative. The question whether any action by the Government of India is needed to help the rice industry is being examined.

## CATERING CONTRACTS ON THE NORTH WESTERN RAILWAY.

31. **\*Sardar Sant Singh:** (a) Is it a fact that catering contracts on the North Western Railway have been given to Messrs. Spencer and Company?

(b) Is it a fact that similar contracts are given to this firm on the other State and Company-managed Railways?

(c) Is it a fact that all refreshment rooms on the different divisions of the North Western Railway are under the control of the Divisional Commercial Officers and their assistants?

(d) Is it a fact that there is a special column provided in the commercial inspection reports for officers and senior subordinates to comment on the management of the sanitation of the refreshment rooms? Is it a fact that they submit quarterly or half-yearly reports on these refreshment rooms?

**Mr. P. E. Rau:** (a) Yes.

(b) Government are aware that Messrs. Spencer and Company have catering contracts also on the Madras and Southern Mahratta, South Indian and Mysore Railways.

(c) Refreshment rooms at stations are controlled by the Agent through the Divisional Officers.

(d) The reply to the first part of the question is in the affirmative. With regard to the second part, I am informed that inspection reports are submitted annually, but the inspection of refreshment rooms has the constant attention of the administration.

## SPECIAL INSPECTRESS TO INSPECT AND REPORT ON THE WORKING OF THE REFRESHMENT ROOMS ON THE NORTH WESTERN RAILWAY.

32. **\*Sardar Sant Singh:** (a) Is it a fact that a special Inspectress is working on the North Western Railway to inspect and report on the working of the refreshment rooms? If so, what is her pay?

(b) Is there any such Inspector or Inspectress on any other State or Company-managed railway?

**Mr. P. E. Rau:** (a) The reply is in the affirmative. The pay of the appointment is Rs. 820 rising to Rs. 500.

(b) Government have no information.

STATEMENTS LAID ON THE TABLE.

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

- (i) the information promised in reply to unstarred questions Nos. 306 and 307 asked by Mr. S. C. Mitra on the 11th December, 1933;
- (ii) the information promised in reply to starred question No. 1352 asked by Mr. M. Maswood Ahmad on the 11th December, 1933;
- (iii) the information promised in reply to starred question No. 1373 asked by Maulvi Badi-uz-Zaman on the 11th December, 1933;
- (iv) the information promised in reply to unstarred question No. 355 asked by Mr. S. G. Jog on the 16th December, 1933; and
- (v) the information promised in reply to starred question No. 1358 asked by Mr. E. H. M. Bower on the 11th December, 1933.

UNIFORMS SUPPLIED TO INDIAN AND ANGLO-INDIAN TICKET COLLECTORS OF THE HOWRAH DIVISION, EAST INDIAN RAILWAY.

306 and 307. The attention of the Honourable Member is invited to the information laid on the table of the House in reply to the starred question No. 1352 asked by Mr. M. Maswood Ahmad, M.L.A., on the 11th December, 1933.

DIFFERENCE IN THE UNIFORMS OF THE INDIAN AND ANGLO-INDIAN TICKET COLLECTORS ON THE EAST INDIAN RAILWAY.

\*1352. (a) The difference referred to existed prior to the introduction of the Moody-Ward Scheme and no change was made when the scheme referred to was introduced.

(b) and (c). Supplies have been as follows:

*Indian Ticket Collectors.*

Summer . . . . .	2 white drill coats, 2 pairs white drill trousers.
Winter . . . . .	1 serge coat (blue). 1 pair serge trousers (for Upper Divisions only).
1 Overcoat every four years.	

*European and Anglo-Indian Ticket Collectors.*

Summer . . . . .	3 white drill coats (blue). 3 pair white drill trousers.
Winter . . . . .	1 serge coat (blue). 1 pair serge trousers.
1 Overcoat every four years.	

(d) Orders have already been issued to the effect that the same number of garments shall be supplied to Indian Ticket Collectors as to the European and Anglo-Indian Ticket Collectors.



### TRANSFER OF ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY FROM SIMLA TO DELHI.

\*1373. (a) The posts of Assistant Controllers at Simla are seasonal lasting from 16th March to 31st October each year after which the Control Office is closed for the winter months and the Assistant Controllers are transferred to Delhi.

(b) The three Assistant Controllers posted at Simla during the season are on their return to Delhi provided with railway quarters as far as is possible. If railway quarters are not available house allowance in lieu of quarters is paid, if admissible under the rules.

(c) An Assistant Controller who was transferred from Simla in November 1932, was allotted a railway quarter at Tis Hazari a distance of about  $1\frac{1}{2}$  miles from the main office, which he did not occupy. Subsequently at his personal request, he was given a railway quarter in Paharganj which he occupied on 20th December 1932. He reported sick on 21st January 1933 and died of pneumonia on 5th February 1933.

(d) No. The traffic on the Kalka Simla Railway during the winter months is insufficient to warrant the Control Office at Simla being kept open.

---

### APPOINTMENT OF TRAIN CONTROLLERS ON THE NORTH WESTERN RAILWAY.

355. The Agent North Western Railway reports that the number of Train Controllers is sufficient. The announcement made in 1927 did not promise that any special steps would be taken to provide Train Controllers with appointments of higher grades; and no special steps have been taken or are contemplated.

---

### CREATION OF TWO NEW POSTS AFTER THE SURRENDER OF THE POST OF TRANSPORTATION INSPECTOR, COMMERCIAL, EAST INDIAN RAILWAY.

\*1358. (a) Agent, East Indian Railway reports that :

(a) A post of Commercial Transportation Inspector was abolished in July 1933.

(b) At the time of the abolition of the above post along with certain others it became necessary.

(i) to revive a post of clerk in Grade I on Rs. 178-10-218 and

(ii) to introduce a new post of Special Investigating Inspector in Grade Rs. 160—10—220.

These changes were made to meet the needs of the Commercial Department for the better conduct of claims cases and resulted in substantial savings.

---

### STATEMENT OF BUSINESS.

**The Honourable Sir Brojendra Mitter** (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning Monday, the 29th. Under your direction, Sir, the House will sit for the transaction of Government business on Monday, the 29th, and Wednesday, the 31st. On Monday, motions will be made for the election of members to:

(1) the Committee on Public Accounts, and

(2) a special Committee to be constituted for the purpose of considering the working of the Tariff (Amendment) Act which was passed during the last Session.

Leave will then be asked to introduce a Bill further to amend the Sea Customs Act, 1878, for a certain purpose. Thereafter, the first business will be the completion of any business left over from today's list. On the

conclusion of this business, a motion will be made to refer to Select Committee the Indian States (Protection) Bill. It is expected that this business will occupy all the Government time available during the week.

### THE INDIAN TARIFF (AMENDMENT) BILL.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadian Rural): Sir, the day before yesterday I was observing that Government had proposed to give protection to certain industries and I was specially laying stress upon the glass industry. Government are doing well in proposing a tariff for the glass chimneys and hurricane lantern chimneys. But as I observed, Government did not take into consideration the pitiable condition of the lantern industry and Government did not propose to do anything for it for the present. Since then, I have received two telegrams from the Ogale Glass Works—they are very short ones, and, for the information of the House, I shall read them:

“Hurricane lantern industry in grave danger no hope living more if not included in Tariff Bill at this stage pray include our case in Bill note rates American Lanterns rupees 13/12 German 14/8 Japan 9 only also note glass globes enquiry took seven years fervently hope Government grant immediate relief so badly needed.

Specific duty hurricane lanterns at rupees six per dozen is badly needed to enable like Indian industry to live.”

It will be seen that, since the depreciation of the dollar, America has entered into competition and they are now selling their lanterns at Rs. 18-12-0 per dozen in the Bombay market, while the Germans are selling at a little higher price at Rs. 14-8-0 a dozen: but Japan is a still more formidable competitor as she can sell her lanterns at Rs. 9 a dozen; and, against this heavy competition, the local producer has got no chance. The local producers now look to Government to give all the help needed, and I hope the Honourable the Commerce Member will take this into consideration. I was also observing that the owners of cotton mills in Japan made proper use of the huge profits they made during the war and after the war; while the owners of Indian mills made profits, but frittered them away in giving excessive dividends to their shareholders and filling the pockets of the agents. They were very spendthrift in those days of prosperity, and now, as they have fallen on evil days, they come to Government and ask for protection; and my Honourable friend, Dr. Ziauddin Ahmad, has called them paupers or orphans. It is for the representative of the Millowners' Association to support their cause and I shall not stand in his way. Along with the millowners, the labourers also have fallen on evil days, and if the mill industry survives, then alone the mill worker will get work and, therefore, in this respect, at all events, the interests of the millowners and the millhands are one, and I, as the representative of the millhands, fully support the demand they make. In order to protect the nascent Indian industries from foreign competition, Government have taken this measure of raising the tariff. But I may submit that the disease is the other way. Japan and America are competing, because they have depreciated their currency and in that way they are in a favourable position to dump their articles on the market. The proper remedy would have been to keep pace with this depreciation of the currency. But the Government of India do not want to depreciate the currency. The proper remedy would have been the depreciation of the currency, because this move on

[Mr. B. V. Jadhav.]

the part of the foreign competitor ought to be met by a similar move in the same direction by the Indian Government. But Government are firm. They do not want to depreciate the currency, but they are going to do something—it is a palliative and not a remedy at all—so that the Indian manufacturer may be given some help to fight with this strong foreign competition. But then, I am afraid the foreigners—Japan and America—will more and more depreciate their currency, and then it will be very difficult for Government to protect the indigenous manufacturer. I do not know what this competition in lowering the currency will lead to. I am not an economist and I cannot say what should be done. I only go on examples and precedents, and I now see that country after country is going to depreciate its currency, and I think that our Government also will have some day or other to do the same. Well, my prayer may fall on deaf ears, —I cannot help that. The raising of the tariff wall is like the raising of the walls of a castle. The height of the walls will not protect the people from those who are throwing bombs from the air. The countries who want to bring prosperity to their people are doing it by means of depreciating their currency, and I think the best remedy will be to fight them with the same weapons. Further, Sir, we are thankful to the Honourable the Commerce Member, because he has taken into his head to do something for encouraging the indigenous industries, and, therefore, I support the motion of the Honourable Member.

**Mr. H. P. Mody** (Bombay Millowners' Association : Indian Commerce) : Mr. President, as the Bill is going to a Select Committee, I do not think it is necessary for me to say very much at this stage of the proceedings. The only reason for my intervention in the debate is to refer very briefly to the principles and the genesis of this measure, and to congratulate my friend, the Commerce Member, upon what I regard as a very notable achievement. Sir, it was well over 18 months ago that my Association made a representation to the Government of India in this connection. The sorry plight of many of the smaller industries of the country was brought home to us when I headed a deputation to the Government of India at that time, and when it was found that the tariff legislation of the country was very defective and more or less entirely disabled Government from giving prompt relief, we sent up a representation outlining the lines upon which India should have a safeguarding Act and pointing out the example of other countries, notably the dominions, which have placed upon their Statute-book measures of this character during the last two or three years. As happens very often with such bright ideas, this particular idea was promptly pigeonholed, but we kept up the agitation through various commercial and industrial organizations, and partly as a result of that, and very largely as a result of the keen anxiety of the Commerce Member to help the industrial development of this country, a Safeguarding Act came to be placed upon India's Statute-book. It is a measure on which, I think, the Commerce Member will always be able to look back with pride. The Bill before the House is the first offspring of that measure, and if I have to find any fault with it, it is on account of its belated character. For these last 18 months and more, a great many industries in India have been crying out for relief on account of very severe Japanese competition which almost threatens their existence, and I am afraid one or two of the smaller industries have actually been wiped out. I understand, for instance, that the hosiery industry in Cawnpore

has received a very severe setback, and that one or two large factories have had to close down . . . . .

**An Honourable Member:** Where?

**Mr. H. P. Mody:** At Cawnpore. Well, Sir, belated though the measure may be, it is very far-reaching in character, and I am afraid its importance has not been sufficiently appreciated by some of my Honourable friends who have taken part in the discussion. I have always advanced the view that it is absolutely impossible for India to maintain her position in the comity of nations without a very rapid industrialisation of the country. Of course, we all recognise that agriculture is, and must continue to be, the main source of the people's income, but there is also no doubt about it that, unless India is to adopt the position of being an exporter of raw materials and an importer of manufactured products, a rapid industrialisation of the country is absolutely necessary. I do not know, Sir, whether there is much scope just now for the major industries to develop. There does not seem to be any immediate scope for any large scale industries to come into existence. The line of advance that I foresee in the near future is in the direction of the smaller industries which are springing up, notably in Bengal and, looking at the matter from that point of view, I was very sorry to find my friend, Dr. Ziauddin Ahmad, attacking the measure.

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): May I just explain, Sir? I say if you want to give protection, give adequate protection.

**Mr. H. P. Mody:** If that is so, we shall see what we can do in the way of inducing our friend the Commerce Member to meet us in the Select Committee, but I thought my friend, Dr. Ziauddin Ahmad, stated that the whole of this measure was somewhat funny in that it sought to restore a price level . . . . .

**Dr. Ziauddin Ahmad:** That is it.

**Mr. H. P. Mody:** Well, I do not think my friend has properly appreciated what the underlying object is. It is not the object of restoring any sort of price level; the whole object is to put smaller industries on the same competitive basis on which they stood two or three years ago. Whether in 1931 they were in a position to compete against the onslaught of Japanese imports is another matter, but the whole idea of the Bill is to put Indian industries on the same level as they stood in 1931.

**Dr. Ziauddin Ahmad:** And not in 1929?

**Mr. H. P. Mody:** I have already said that it is arguable whether Indian industries were in a position to compete in 1931, and it is a matter we shall go into in the Select Committee. But there is just one fly in the ointment, and that is the Commerce Member's adherence to the most favoured nation clause. Now, Sir, I do recognise the difficulty of the Commerce Member in doing away with the principle of the most favoured nation clause in view of the insistence which the representatives of Japan placed upon it, but I would just like to say to my friend that this most

[Mr. H. P. Mody.]

favoured nation clause is being attacked by commercial opinion in most countries, and various Governments are carefully examining its implications. My friend must have seen that, during the last two or three days, Lancashire has entered the fray. Lancashire wants to know why the most favoured nation clause should be adhered to in spite of the fact that industries are dying out and cannot withstand the onslaught of Japanese competition. I would also like to mention in this connection a fact which, I think, is very well known to the Commerce Member that many countries have been very clever about the application of the clause, notably France, which, four years ago, gave the go-by practically to the obligations arising from it under the excuse that other countries with whom it had trade treaties had depreciated their currency. What I just want to say is, and I once again admit the difficulties of my Honourable friend, the Commerce Member, that after all the most favoured nation treatment is not that sacrosanct thing in commercial treaties which it used to be a few years ago.

The only argument that I have heard against the Bill is that it affects the consumers' interests. The consumers' interests are bound to be affected whenever there is a measure for the protection of industries. But I have always urged, and I will urge once again that the consumer has no right to expect to go on buying at uneconomic prices. If by protection the price to the consumer was unduly raised and if it turned out that he was being exploited in some way through a tariff wall, then I can understand the consumer's argument. But the consumer cannot come forward and say, I am getting things for next to nothing, and let me continue to get them. If such an argument were to be pushed to its logical conclusion, the only thing that would happen would be that India would continue for all time to export her raw materials and import manufactured articles, and the industrial progress of the country would be completely at a standstill. I say that the House could be well advised in according this measure of a far reaching character its most cordial approval, and in thanking the Honourable the Commerce Member for having the courage and the vision to help by one single measure so many industries, a thing which has not happened before in the history of tariff legislation in this country. Sir, I heartily support the Bill.

**Mr. A H Ghuznavi** (Dacca cum Mymensingh: Muhammadan Rural): To my mind it seems to me that this piece of legislation is amazing. In whose interests are we making this legislation? Surely not in the interests of the masses, surely not in the interests of the hosiery industry of this country. In the first place, the hosiery industry in India is not an established industry. In the second place, the protection that we are giving is not sufficient protection to the hosiery industry at all. Therefore, you are only raising the prices which will hit the masses. My Honourable friend, the Commerce Member, has taken the statistics of 1931 and 1932 as the basis of his argument that the imports from Japan have been increasing from year to year. Well, Sir, let me ask this House to go back to the figures from 1927. In 1927-28, the imports were 24,02,617 dozens . . . . .

**The Honourable Sir Joseph Bhore** (Member for Commerce and Railways): May I ask the Honourable Member whether that is from all countries or from Japan?

**Mr. A. H. Ghuznavi:** All countries.

**The Honourable Sir Joseph Bhoré:** That is right.

**Mr. A. H. Ghuznavi:** Even then I shall be able to show, when this Bill emerges from the Select Committee, that most of that came from Japan; I am preparing the statistics. In 1928-29, the imports were 29,41,350 cozens; in 1929-30, 29,04,960 dozens. The Commerce Member takes the figure from 1931-32 when the imports were 12,90,635 dozens, and it has risen to 25,89,698 dozens in 1932-33 and, in 1933-34, for the first eight months, to 22 lakhs dozens. Has my Honourable friend forgotten the march to Dharsana by Mr. Gandhi in 1930-31? Has he forgotten the boycott movement? The period which he has taken is the period when all foreign imports were reduced by 60 per cent., if not more. What I want to show is that the imports from Japan have not increased in the way it used to before the boycott movement was started.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): There was no boycott of hosiery.

**Mr. A. H. Ghuznavi:** There was boycott of every foreign import, not only of hosiery, but of every type of foreign goods. Well, Sir, what is the position? After the boycott movement and the Civil Disobedience Movement—our gratitude goes to Lord Willingdon and his administration for having put an end to that boycott movement and the Civil Disobedience Movement—the trade is being restored to its normal conditions. It has been said that the depreciation of yen has been so terrible, so exacting that it has brought down the prices of Japanese goods in India, and, therefore, the Indian industry cannot compete in that abnormal condition. Let us not forget that the world economic conditions have affected every type of goods in the whole world. It is not due to the depreciation of yen alone, but the fact remains that the depreciation is due to the economic depression throughout the world. Why, then, come up with this extraordinary duty, this specific duty, and not allow the masses to enjoy the lower prices which circumstances have enabled them to enjoy? I will instantly show that by depreciation of the yen the prices have not gone down very much, but you must bear in mind that Japan is buying cotton from India, and the depreciation of the yen means higher prices paid to the cotton grower. And the depreciation of the yen has not taken away the cost of production in Japan. Therefore, on the whole the prices cannot go down too low due to the depreciation of the yen. It is **due certainly to the world-wide depression** where all commodities have gone down in value. I ask my Honourable friend, the Commerce Member, what he has done to restore the prices of the foodstuffs, the prices of other commodities. Why is it that you are so anxious to restore the price for a handful of industrialists who want to make a profiteering business by the imposition of this heavy duty? Are you not here to look to the interests of the masses whose needs can be supplied at a cheaper cost if this tax is not put on to the prices? Would not the House be surprised to find that there could not have been the depreciation of yen to the extent of 240 per cent. which they have imposed? Now, Sir, I will demonstrate that by showing the samples and mentioning the prices.

This is a piece of undervest. Its c.i.f. price was 10 annas a dozen; add to it the *ad valorem* duty of 25 per cent. and the price comes to 12

[Mr. A. H. Ghuznavi.]

annas and 6 pies. What is the result today? You have to add to the original price of 10 annas Rs. 1-8-0, and, therefore, it is now saleable in the market for Rs. 2-2-0 a dozen. I challenge the industrialists who are representing the industrial interests to manufacture this article even at Rs. 2-2-0 a dozen?

**Mr. J. Ramsay Scott** (United Provinces: European): I would take a contract now to supply any amount at Rs. 1-4-0 a dozen.

**Mr. A. H. Ghuznavi:** The Honourable Member himself has shown that the Government have replied in answer to a question that the production in this country only of hosiery is to the extent of 23 per cent. of the imports. How can the Honourable Member, therefore, supply hosiery to the whole of India when his figures of December 1933 show that he can only produce 23 per cent. of the imports?

**Mr. S. C. Sen** (Bengal National Chamber of Commerce: Indian Commerce): I think the information given by the Government is wrong and I will show it in my speech.

**The Honourable Sir Joseph Bhoré:** It is an under-estimate.

**Mr. A. H. Ghuznavi:** Then, Sir, take another piece of undervest. This was priced at 10 annas and  $\frac{1}{2}$  pie per dozen. Rs. 1-8-0 has now been added to it, with the result that it is unsaleable at that price. Is it due to the depreciation of the yen? The whole argument was that the protection should be given to the industries owing to the depreciation of the yen. Is this Rs. 1-8-0 due to the depreciation of the yen?

Then, Sir, I will show another article. This is the children's sock. Its price is four annas a dozen and it can only be sold at that price. The specific duty imposed on this sock is 10 annas per dozen. Surely nobody is going to buy this sock for 14 annas a dozen. Sir, I ask: Are you going to impose this duty for the benefit of these handful of industrialists? Would you not look to the needs of the masses?

**Mr. N. M. Joshi** (Nominated Non-Official): Is that a good stuff? Will it last even for a week?

**Mr. A. H. Ghuznavi:** Why do you deprive the masses of these socks which you cannot manufacture here at that price?

**Mr. J. Ramsay Scott:** The whole point of this protection is to enable us to manufacture.

**Mr. A. H. Ghuznavi:** At the cost of the consumers. Sir, later on, when this Bill emerges from the Select Committee, I will be able to show to this House that the depreciation of yen is responsible only to the extent of 10 or 15 per cent of the rise. Surely the depreciation of the yen does not justify the Honourable the Commerce Member to impose a duty of 240 per cent. I ask if the hosiery industry in India is an established industry? No one would be more pleased than myself to give this industry all the support needed if it was an established industry. It is an inefficient industry, and you cannot put efficiency into inefficiency by protection.

The same is the case with the orphans of Bombay. The guardian of the orphans of Bombay, who is sitting here, comes to this House year in and year out with a beggar's bowl for protection. Whatever protection you may give them, let me prophesy that they will not be able to survive, because the efficiency is not there. Give them as much as you like from the pocket of the tax-payer, but you will not be able to save them.

**Mr. G. Morgan** (Bengal: European): That does not matter.

**Mr. A. H. Ghuznavi**: It does matter to the masses or the persons who pay. Sir, I have been reading this Bill carefully. One of the items is earthenware. As far as I remember, there was a pottery works in Bengal, but I do not know what is the condition of that pottery works at present. I think it has either gone into liquidation, or it is going.

**Mr. S. C. Sen**: It is not going into liquidation.

**Mr. A. H. Ghuznavi**: Is my friend a Director of that Company?

**Mr. S. C. Sen**: I have nothing to do with that Company.

**Mr. D. K. Lahiri Chaudhury** (Bengal: Landholders): Have you taken up the brief of the hosiery industry?

**Mr. A. H. Ghuznavi**: I have taken up the brief of the masses. Now, Sir, let us take domestic earthenware, China and porcelain cups. These cups are sold at 10 annas a dozen and the protection duty is also put at 10 annas a dozen. The saucers are being sold at the rate of five annas a dozen and the protection duty is also five annas a dozen, with the result that they will not be available for less than 10 annas a dozen. May I ask, in whose interests this duty is being imposed?

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): In the interests of Gwalior Potteries.

**Mr. A. H. Ghuznavi**: Yes, in the interests of a State, not even of British India.

**Mr. C. S. Ranga Iyer**: You believe in Federation.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): The Gwalior Pottery has a factory in Delhi.

**Mr. A. H. Ghuznavi**: Can that Gwalior Pottery supply the requirements of the whole of India?

**Mr. C. S. Ranga Iyer**: Give it a chance.

**Mr. A. H. Ghuznavi**: It cannot supply even one per cent. of the requirements of the whole of India. Teapots are now sold at three annas each and those teapots will have to be sold at four annas *plus* three annas, that is, seven annas. Milk-jug, sold at one anna, will have to be sold at two annas; at double the price! In whose interest? In that of the Gwalior Potteries. I could have understood it if you wanted it for



[Mr. A. H. Ghuznavi.]

the purpose of revenue. You say: "I do not want to do it for that, I am giving this—what? Protection against the depreciation of the yen." I ask, is this cent. per cent. increase called for, to meet the depreciation of the yen by a corresponding amount? Which, then, is the industry which will receive this protection? The Gwalior Potteries will have this protection. My Honourable friend gave an example of lead pencils. They have come down to ten pies a dozen. So he has very kindly put on a specific duty of one anna. Therefore, the poor people will now have to buy those pencils at one anna and ten pies! Is there any pencil factory in the world that can produce pencils at ten pies per dozen? I should like to have an answer. Can any pencil factory in the world, excepting those in Japan, produce a dozen pencils for ten pies? Still, the poor masses will have to pay one anna more per dozen. You don't use pencils of the 10 pies a dozen variety in your office. Sir, it is the masses who do and they will have to suffer. Then, again, the Honourable the Commerce Member was giving us an illustration of umbrellas. The depreciation of the yen has reduced the price of umbrellas from a price of Rs. 1-1-0 to nine annas, and, therefore, he has kindly put on eight annas as the specific duty so as to raise the price to Rs. 1-1-0. Now, is there any umbrella factory here in India which makes umbrellas? They all assemble the foreign materials. Even the handle, the bamboo handle, is imported. (A voice: "Not everywhere.") But if the poor masses are getting cheap umbrellas for nine annas, why do you deprive them by putting on an eight annas specific duty? For whose interest, for whose benefit? If you look to the item of umbrellas, you will find even toy umbrellas have gone up, because of the specific duty of eight annas,—and these used to be sold at two to three annas. Then, also, the case of parasols which are not made in India at all, not even assembled. In whose interest are you putting on the eight annas for parasols? Well, it seems to me that the Honourable the Commerce Member has been trying to follow what Mr. Gandhi wants us to do. "Have only your loin cloth and nothing else. I will deprive you of your vest, I will deprive you of your umbrellas, have a sun-bath and a rain-bath, they are good for your health." (A voice: "Catch cold and die.")

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Why not deprive yourself of the loin cloth also?

**Mr. A. H. Ghuznavi:** In whose interest, I ask? You don't want this money for your revenue. What industries are you protecting by depriving the masses of protection from sun and rain? (A voice: "And from the bitter cold.")

**Mr. B. Das:** And what about the bitter hunger?

**Mr. A. H. Ghuznavi:** My friend, Mr. Ramsay Scott, was saying that he could produce these at Rs. 1-4-0 a dozen. Sir, let me prophesy here that neither the Indian industries nor the importers nor anybody else will be assisted by this protective duty. Once you have imposed this duty, foreign Japanese imports will be stopped, because it is not saleable at that price. Nobody would buy Japanese stuff which they could get for 12½ annas a dozen for Rs. 2-2-0 a dozen. Even if they produced it at Rs. 1-4-0, the masses are not going to buy. They will resort to the other alternative, and I have seen shops started already in Calcutta selling

cut piece cloths; they will make their cut piece cloth shirts as they call it, which are sold now in Calcutta in hundreds and substitute them for these vests either made here or imported from Japan, because that Japanese imported vest could only be sold at one anna each and not at three annas which will be the price after paying this Rs. 1-8-0 a dozen specific duty. The masses will all resort to those cut piece cloth shirts, unless they choose to follow Mr. Gandhi and have only a loin cloth. It will neither help any industry, nor will it help the importers and the masses. Then the Honourable the Commerce Member said in his speech that this was a temporary measure; he was not giving a substantive protection to the Indian industries. It was a temporary measure, he said, because the depreciation of the yen had so reduced prices that the local industries would not be able to compete. And he says: "I have taken the figures of 1931 and 1932 when the industries did not approach me for any protection as they could go on competing with the Japanese imports." My friend has forgotten that in 1931-32, in respect of which he says no complaint made, there could be no complaint. Nobody would buy foreign goods then,—there was the boycott, and the Civil Disobedience Movement.

**The Honourable Sir Joseph Bhoré:** The Honourable Member is a little wrong in his figures. I said "1930-1931".

**Mr. A. H. Ghurnavi:** That is no doubt right, but was not the Civil Disobedience Movement started in April, 1930? It continued during the whole of 1930 and 1931.

**The Honourable Sir Joseph Bhoré:** My Honourable friend attributed the figures 1931-32 to me. I merely wanted to correct that.

**Mr. A. H. Ghurnavi:** The Civil Disobedience Movement was started in April, 1930, and the local industries had no complaint, of course. High price or low price, nobody would buy foreign goods, and the imports, therefore, fell to the tune of 60 or 70 per cent. Then, Sir, I see from this Bill that there is no clause of exemption as there was when the imposition of the duty was made on wheat. In that case the Bill had a clause that the existing contracts prior to the date of introduction of the Bill would be exempted. There is no such clause here. Now, why do you penalise these innocent importers who never knew your mind that you were going to jump up to 240 per cent. of protective duties? Why do you penalise them by not exempting the existing contracts *bond fide*, made prior to your announcement of these high and impossible duties? Sir, tons and tons of goods are lying in the bonded warehouses, duty not paid. It is no use paying the duty. It is better to throw them away in the Ganges rather than pay the duty and take the goods to your godowns and shops, because they are simply unsaleable at that price!

**Mr. J. Ramsay Scott:** I am very glad to hear that the Bill is having a good effect.

**Mr. A. H. Ghurnavi:** Yes, because it pays you. Why penalise them? Why give them differential treatment to that which you accorded during the time of the Wheat Bill?

**Sardar Sant Singh (West Punjab: Sikh):** May I inquire if it is not a fact that notice was given to Japan that the most favoured nation treatment would come to an end on the 10th October? Was that not sufficient notice?

**Mr. A. H. Ghuznavi:** Do you mean to say that they knew that there would be a 240 per cent. increase?

**Sardar Sant Singh:** Then what was the meaning of putting an end to the most favoured nation treatment?

**Mr. A. H. Ghuznavi:** They never knew that an unheard of imposition of 240 per cent. increase would be made. Because you are a Member of the Assembly, do you think that these poor traders and importers, who do not care a twopence as to what is going on on the floor of this House, knew what was going to happen to their contracts?

**An Honourable Member:** They must suffer for their ignorance.

**Mr. A. H. Ghuznavi:** Suffer for their ignorance? Suffer for what you had up your sleeves? Why did you not say so openly: "Beware of the 10th October". Did you say that? No. The argument was adduced that during the budget there has always been a change and the importers suffer. Show me any budget in which you have made a change of 240 per cent. and 200 per cent. There has been a fair and reasonable change of 15 or 20 per cent. The trade can bear that, but here you impose a specific duty and still you say "I am not going to give you exemption".

**Sardar Sant Singh:** Does my Honourable friend know that the case of diesel oil was disposed of last Session and that no such exemption was given to the importer.

**Mr. A. H. Ghuznavi:** I need not reply, because I am not giving way. As regards wheat, most of the existing contracts were with the European firms. That is at the bottom, and here Indian firms are concerned. We must confer this boon on a handful of industrialists. There is only one man who has made all this noise and he comes from Burma. He is one of the importers and also manufacturers. He is the man who has made all this noise.

**Mr. J. Ramsay Scott:** Is the Honourable Member aware that Japanese suppliers have threatened to boycott this man if he asks for protection for Indian manufactures?

**Mr. A. H. Ghuznavi:** I shall have to inquire from the Japanese Delegation before I give an answer.

**Mr. J. Ramsay Scott:** I am prepared to supply you with the letter.

**Mr. A. H. Ghuznavi:** Unless you do that, I am not going to accept your statement.

**Mr. J. Ramsay Scott:** I shall be very pleased to.

**Mr. A. H. Ghuznavi:** I ask this Honourable House whether, on the facts that I have placed before it, it feels that the imposition of these

specific duties will be in the interest of the masses. I hope the House will look into the Bill carefully after it emerges from the Select Committee.

**Mr. C. S. Ranga Iyer:** Sir, when I came to this House, my intention was not to speak, much less to listen, but to proceed expeditiously with this Bill, so that, after our work in the Select Committee, we could place it on the Statute-book, but after the speech of the staunch supporter of the Japanese masses, which we listened to just now, I thought it was my duty to take up the cudgels on behalf of India. Sir, the speech that the Honourable gentleman from Calcutta made was in the name of the masses, I admit but the masses of Japan, for the policy of the Japanese Government has been to solve the question of unemployment by heavily subsidizing their industries even to the extent of dumping their products into other countries, so that instead of giving doles, as in England, they might give wages to their men in Japan.

**Mr. N. M. Joshi:** Very good policy.

**Mr. C. S. Ranga Iyer:** My friend, Mr. Joshi, says: "It is very good policy". I admit and I hope a time will come when we will also solve our unemployment problem on those lines, but it is a very bad policy for us to solve the unemployment problem of Japan and add to the severity of unemployment in this country. I am willing to take the facts, if not the arguments of my Honourable friend. He said, in the course of his speech, or rather he admitted that Japan feeds the masses of India to the extent of 77 per cent. If that were so, I should like to ask him whether he wants to deprive the depressed classes of Indian industrialists, a minority of 23 per cent., of their industrial existence and the poor dependents, the labourers, of their job. It is all well and good. . . .

**Mr. J. Ramsay Scott:** The smallest figure I got was 25,000.

**Mr. A. H. Ghuznavi:** That is the figure that has been given by the Honourable the Commerce Member.

**Mr. J. Ramsay Scott:** I very much doubt the 3,000 figure.

**Mr. C. S. Ranga Iyer:** I am prepared for arguments' sake to accept the humble three thousand which the Honourable gentleman on behalf of Japan has been pleased to present to us. But if it came to a choice between two evils, much as I sympathise with human suffering, I would rather have three million people in Japan starve than that three thousand of my own countrymen should be starved by enforced unemployment. (Hear, hear.) But the facts are different, the figures are different, and if he takes into consideration every single item that is to be protected, he will understand that not 3,000 but many thousands will go without job if the Japanese flood is not to be dammed. It is this damming of the Japanese flood into this country by the erection of a big tariff barrier, provisionally to begin with, I hope permanently later on . . . . .

**Dr. Ziauddin Ahmad:** Will the Honourable Member define the meaning of the word "dam"?

**Mr. C. S. Ranga Iyer:** It is "D A M". Then we were told that there is such a thing as depreciation of the Japanese yen and we were told

[Mr. C. S. Ranga Iyer.]

that it was only to this extent and not to the other extent. Whenever figures are presented by any foreign country or on behalf of any foreign country, not having the opportunity carefully to examine and study and analyze those figures and those facts, we must approach them with some suspicion and, not being in the confidence to the extent to which the Honourable Member hinted he was of the Japanese people in regard either to the manipulation of their currency or to the extent to which it affects our people, I can only say that I cannot share his appreciation of Japanese depreciation of currency so far as our country is concerned. He said, rather his whole pose has been, "here I am speaking for the masses". There was a time when we people were described as a microscopic minority and wails used to come on behalf of the masses, they used to come from the countrymen of my Honourable friend, Sir Leslie Hudson, who sits in front of me. That was in the last century when there was a dispute between us and them in regard to who represents the masses. At this time that dispute, so far as England is concerned, is isolated to the Churchill group, but so far as India is concerned it appears to be elevated to the Ghuznavi cum Japanese group. (Laughter.) He took up a truly humanitarian attitude, a humanitarianism avowedly on behalf of the Indian masses—a humanitarianism which loves every country except its own, and then he went to "the orphans of Bombay" with the "beggar's bowl" which was a Japanese bowl and he talked of inefficiency. If he understood, as I know he understands, the elements of economics, he will concede that the very way to protect an industry rendered inefficient by time and fate and the world-wide depression, the very way to render it efficient is to give it the requisite protection. He said in one breath, "Oh! it is not adequate enough". Suppose, and there my Honourable friend, Mr. Ramsay Scott, will stand by him, suppose we want the protection to be more adequate than the Government are prepared to make it adequate, because they also have some soft corner for Mr. Ghuznavi's consumers, will my Honourable friend then support this piece of legislation? He cannot have it both ways, he says in one breath that it is inadequate and in another breath he says that you must not have it at all. Let us have it quite clear from him whether he says it is not sufficiently high tariff. Well, then, Mr. Mody, would have made a different speech. He (Mr. Ghuznavi) would have walked not with a beggar's bowl, but with a broker's heart into the Bombay camp. I think, Sir, that the Honourable Member, who is a member of the Select Committee could have kept his powder dry. He waxed eloquent about the plight of children if they did not have Japanese wares. Mr. Joshi, with his usual sense of humour and vigilance, asked him how long did they last. The Honourable Member said: "That is no consideration, the masses should be cheated into buying something that does not last". He then said that the undervests of children were not made in this country. If only he went to Cawnpore or if he raised that question in his Select Committee, he will understand that there is at least one factory in Cawnpore which produces undervests to the extent of 40 per cent. of its total production. I live in the neighbourhood of Cawnpore and I ought to know it. Then, Sir, he talked of certain defunct Bengal Potteries and he imagined that the Gwalior Potteries nearer home in Delhi were somewhere in the Gwalior State. Surely as between Japan and the Indian States he ought to know whose interests to choose, not those of the Japanese people and the Japanese masses, but the starving masses of the Indian States as he had something to do with

the shaping of the Federation that we see coming sailing on the wind. Then he went on to the boycott movement. I think the boycotters must at least be glad to this extent that they are on Mr. Ghuznavi's brain. But if he shared a greater enthusiasm for the killing of the boycott movement than the Honourable the Commerce Member, I can only say that he is out-Heroding Herod. Sir, I am not here to pronounce blessings on Lord Willingdon's administration for having killed the boycott movement if they have killed it at all. Nor am I here on the contrary to draw a distinction between Lord Willingdon's Government and the Honourable the Commerce Member. Probably the Honourable Member from Calcutta has a greater enthusiasm for Lord Willingdon's Government than the Honourable the Commerce Member! These are facts which the House can judge for itself. To say that the Civil Disobedience Movement has proved a greater weapon than the Honourable Member's piece of legislation is a kind of compliment to the civil disobedience people who will surely be encouraged by Mr. Ghuznavi's lead and that leads him to say: "I am amazed at this piece of legislation". I can only say, I am amazed at the kind of association he made between the civil disobedience people and the Japanese movement. Probably there is an understanding between them according to him, an understanding which Mahatma Gandhi will, I am sure, if he is going to talk upon politics, strongly repudiate. Then the Honourable Member talked about the hosiery industry and he asked: "Does such a thing exist in this country?" It is not "an established industry". But the best way to dis-establish that industry is not to pass this piece of legislation.

Lastly, my Honourable friend, Mr. Maswood Ahmad, wants circulation. Probably Mr. Ghuznavi who shares the same enthusiasm will not serve on the Select Committee. The rule in this House with this kind of people seems to be what Lewis Carroll put in his "Alice in the Wonder Land". The rule is "Jam tomorrow and jam yesterday, but no jam today".

**Mr. N. M. Joshi:** What is the meaning?

**Mr. C. S. Ranga Iyer:** I shall explain to my Honourable friend. From the 22nd December onwards, this Bill has been treated as though it has come into law and money has been and is being collected. That is the jam yesterday. And if circulation of the Bill, that is by and bye which will be tomorrow or never, is to be carried, that is "jam tomorrow"; and the jam of yesterday that has been consumed will have to be returned. Mr. Ghuznavi believes in the jam yesterday and tomorrow and not in jam today. (Applause.)

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): Sir, the issues raised by this Bill are undoubtedly not of a very easy nature which can be disposed of with a light heart. One cannot help wishing that as the Honourable the Commerce Member was able to conclude an agreement with Japan with regard to piece-goods and yarn, he had equally been able to conclude an agreement with reference to the articles mentioned in the Bill. The whole political world is now in a state of unrest with reference to economic matters and no one knows where this is going to end. I am sorry to find, Sir, that our country also is being dragged into this vortex. I do not say that it could have been avoided, but the fact has still to be regretted that we should have been drawn to this economic war. Now, so far as this House is concerned, we have deliberately adopted a policy of

[Sir Abdur Rahim.]

discriminating protection, and whether the interests of one country or another are affected by this policy of ours, we cannot help it. We have to go forward with it, because it is the need of India that it should be industrialised. At the same time, we have to be very careful in pursuing this policy not to injure our own interests, the interests of the people of this country. Sir Joseph Bhore can never be charged with not being absolutely lucid in stating his case, but in this matter I have not been able to follow exactly the character of the Bill before the House and what is sought to be achieved by it. He started by saying,—and I am making these remarks so that the matter may be elucidated,—that this Bill is not designed to give substantive protection to any industries. I think that is correct, I mean that is a correct report of his statement as it has appeared in the papers.

**The Honourable Sir Joseph Bhore:** Sir, may I explain? It should be read with a statement that I made during the course of my speech when I amplified that phrase. I made it clear that we were not really giving substantive protection in this Bill, in pursuance of the policy of discriminating protection.

**Sir Abdur Rahim:** Then I am still not sure that I can follow this somewhat subtle distinction. But let us proceed. I think the ground on which he based this Bill was that it has become necessary or it will be to the advantage of the country to restore the competitive conditions which prevailed in 1930-31 in these articles. I have tried to understand what that means and I take it, having regard to the scope and provisions of the Bill, that it means that he wishes to raise the price level of these commodities to what prevailed in those years. That price level has been seriously affected by what he has called, I believe, abnormal Japanese competition. Now this question of rise in price level is one of very great complexity. If you raise the price level of certain articles and, at the same time, you are not able to raise the price level of other commodities, then it cannot be to the advantage of the consumers,—the general public,—and to the benefit of the country. Now, we know that in another country,—America,—President Roosevelt has been making very strenuous efforts to raise the price level, and we know that was one of the objects of the World Economic Conference, but they did not succeed. Here in this country our main industry is agriculture and the price of agricultural products has gone down to a very low figure. I believe it is about one-third of what it used to be, or at any rate something near that figure. Those are the people that consume most of the articles which are included in this Bill. What will be the result? The result will naturally be that the consumers, that is the agriculturists of the country, having lost the greater portion of their purchasing power, would not be able to buy articles of this category unless they are available at prices now within their reach. That, I take it, is the inevitable result. In that case the only result can be that they will be deprived of the use of these articles unless, of course, our own indigenous industries such as exist are able to lower their own prices. But that is not the object of this Bill. The object of this Bill indeed is to raise the prices higher, and in some cases by a very large percentage indeed, than what prevails at present and what is within the reach of the agricultural population which means about 75 or 80 per cent. of the population of the entire country. Now, Sir, it is very doubtful that even the people who manufacture these articles will really be able to help their own industries by

this measure. This is, again, one of the matters which has to be very carefully examined in the Select Committee. There will be no difficulty, I take it, in this House for the Bill to be taken to the Select Committee, and it is in the Select Committee that many important questions that arise have to be carefully examined. So far as raising the prices is concerned, I do not think that alone will be of any benefit to the country. Raising the prices of certain articles is undoubtedly a measure of protection against foreign competition. If you look at it from that point of view,—and that is really the point of view which, I take it, even the Honourable the Commerce Member has in mind,—then there are many other aspects of the question which have to be investigated with a great deal of care. I am not satisfied that there was any good reason why the Tariff Board, which has been instituted for this very purpose, should not have been asked to inquire into the matter and place before the country and this House the results of their investigation.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): They have inquired into it, but the report has not been published though repeatedly asked for in this House.

**Sir Abdur Rahim**: I was not aware of that and I stand corrected: I take it that is the fact . . . .

**The Honourable Sir Joseph Bhore**: What did my Honourable friend say?

**Mr. S. C. Mitra**: Has not the Tariff Board also inquired about the hosiery industry in their general report on textiles?

**The Honourable Sir Joseph Bhore**: Yes.

**Sir Abdur Rahim**: I am not only thinking of the hosiery industry, but of all the articles that are in this Bill . . . .

**The Honourable Sir Joseph Bhore**: I do not want to interrupt my Honourable friend; but I would like to make an explanation which might to some extent remove his difficulties or at any rate reduce them. Had the case of these 30 or 40 industries been remitted to the Tariff Board, I am afraid that action would have been delayed possibly for two or three years; but the case of each industry was examined by the President of the Tariff Board and the Director General of Statistics, so that we have in the case of each industry, in respect of which we have acted, an authoritative investigation upon which we have based our conclusion.

**Dr. Ziauddin Ahmad**: Can you lay that before the Assembly?

**The Honourable Sir Joseph Bhore**: I will be able to supply my Honourable friend with all the relevant figures that they gathered during the course of their investigation.

**Mr. N. M. Joshi**: Do I understand that these figures will be made available to all the Members or only to Dr. Ziauddin Ahmad?

**The Honourable Sir Joseph Bhore**: Certainly all the information which the Select Committee requires will be placed before it.



**Mr. D. K. Lahiri Chaudhury:** How will it be possible to supply it within a week to the Select Committee?

**The Honourable Sir Joseph Bhoré:** I will do my very best, as we deal with each item, to supply the relevant figures.

**Mr. N. M. Joshi:** Do I understand the Honourable Member correctly that he will supply the information only to the members of the Select Committee or to all the Members of the Legislature?

**The Honourable Sir Joseph Bhoré:** It is a little difficult to supply all the information that may be given in reply to requests of members of the Select Committee, afterwards in the form of a memorandum to the whole House.

**Sir Abdur Rahim:** I understand, therefore, whatever the nature of the investigation has been, that there has not been the sort of investigation which the Tariff Board would make. There has been some investigation, I understand, by the President of the Tariff Board and some official of the Government of India which is—and I should like to be corrected if my impression is wrong—merely this, that there has been a collection of certain figures: I do not know whether the persons interested in these industries have been examined and whether the question has been approached from the view point whether the industries concerned would have a fair chance of establishing themselves within a reasonable time if these duties are imposed . . . .

**The Honourable Sir Joseph Bhoré:** May I also supply information on that point to the Honourable the Leader of the Opposition? I think I made it clear on the first day on which I spoke that, after a preliminary investigation, a very exhaustive questionnaire was drawn up: this questionnaire was circulated to every industry that had applied for safeguarding under the Act and to every Chamber of Commerce; and they were given every opportunity of establishing their case before these two gentlemen who were preparing and collecting the figures.

**Sir Abdur Rahim:** I have had some experience of questionnaires and questions. But mere questions and questionnaires and their answer on paper do not carry things very far. The matter has to be probed after the answers have been given very carefully. You have got to test the figures to see how far they are correct. For instance, as regards each of these industries you will have to find out whether, as a matter of fact, since 1930 or 1931, their production has declined or their sales have declined, whether the dividends of the manufacturers also have declined and it can be found from the records of income-tax to what extent they have in fact been affected. I wonder if any investigation of that character was made, because that is the real question before this House. We cannot agree to any measure which does not seek effectively to protect certain indigenous promising industries. That is the policy to which we are committed. We are not committed to any policy of giving doles to certain industries, because they are clamorous or clamant. I have been feeling very uneasy for some time because of the petitions that come so frequently before the Assembly or the Government for doles to industries. If we go on at this rate, the Government of India will find that its exchequer will soon be depleted. I want effective protection for industries which have a chance to live and

grow. Has any inquiry been made with that object in view? At any rate, I take it, the members of the Select Committee will have to satisfy themselves whether by imposing these duties and by raising to a much higher level the prices of these commodities we are really going to help these industries to establish themselves and thereby ultimately benefit the country. So far we have had no information on that point and I do not think the Honourable the Commerce Member attempted to satisfy the House that, if we allowed this Bill to pass, then in that case these industries will be safeguarded and they will have a fair chance of establishing themselves. If that be proved, I for one will give every support to the measure. This measure, therefore, has to be examined in the Select Committee from that point of view, because that is the essential and real point for consideration.

**Mr. S. C. Mitra:** That is not the Government's case.

**An Honourable Member:** That cannot be done in seven days.

**Sir Abdur Rahim:** If that is not so, merely putting money into the pockets of a certain number of individuals is not our concern. If you raise the prices of these goods, surely there are other classes of goods as well which are entitled to protection: take the agricultural products of the country upon which millions of people have to subsist: why not raise the prices of these? Can you devise any measure by which you can raise the prices of the agricultural products of the country which is really the life-blood of this country? If you cannot do that, I should strongly object on behalf of the public whom I represent to any measure by which money is to be put into the pockets of certain individuals or companies.

**An Honourable Member:** The Millowners' Association!

**Sir Abdur Rahim:** I do not care whether it is the Millowners' Association or the Hosiery Association or any other association. We have here a very long list of articles which are going to be subsidised. Even earthen pots have been included. It begins with fish oil, then sugar-candy, heavy chemicals, cotton hosiery, glass globes and chimneys for lamps and lanterns, paints, colours and painter's materials, enamelled iron-ware, electrical earthenware and porcelain, domestic earthenware, cups, saucers, tea-pots, sugar-bowls, jugs, plates, lead pencils, parasols and sun-shades and fittings for umbrellas, tiles of earthenware and porcelain, and ends with woollen hosiery, woollen piecegoods and woollen mixtures. The range is very wide indeed, and if you are going to raise the prices of these articles which are of common use by the poorer people, then I do not see how you can say that this Bill is going to benefit the country. The people who use articles of this class are in very straitened circumstances at present, and I should have thought that merely to raise the price level of these articles is not the measure that is wanted. I do not know whether this Government have also been affected by the campaign that is now going on against Japan, but I for one am a great admirer of Japan. It is a nation that within living memory has been able to establish itself as a world power. Its efficiency cannot be doubted. It is not by mere manipulation of her currency that Japan has been able to capture a large portion of the world's market in all classes of commodities. Even in England, people are crying that they cannot stand against the Japanese competition. Their goods are finding their way everywhere. If that were not so, why should we adopt any measure like this? I know a great deal of feeling has been aroused among all nations by what is going on in the matter of tariffs, but nobody has yet been able to solve the position. From the newspapers it appears that

[Sir Abdur Rahim.]

in England at present a bitter campaign is going on. Are we going to take part in that? We are not masters of our own foreign relations, but why should we willingly allow ourselves to be dragged into it? I should strongly protest against India being dragged into a controversy of that sort. We are entitled to take any measures for the protection of our industries for the benefit of our own country, and whether any such measure hits Japan or England, or whether it hits Italy or Germany, makes no difference to us. That is our position, and it is not our position that, because Japan has proved her efficiency and is capturing a very large portion of the markets of the world, we should enter into a campaign against Japan. I know that is not the object of the Honourable the Commerce Member; I am absolutely sure of that. But what will be the position? Unless you can prove satisfactorily to the public of this country and to this House that the measure which you are advocating is going to enable certain industries to establish themselves on a firm footing, unless you can succeed in doing that, I for one, and I am sure many Members of this House, would resist putting money into the pockets of certain individuals, because they are clamorous. Sir, I do not want to stand in the way of this Bill going to a Select Committee, but I again wish to impress upon the Commerce Member and the Government of India that the Bill raises issues of a very difficult nature, of a very complicated nature, economic as well as political, and they should give their best thought before they pass it. It may be possible to pass any measure through this House, but the ultimate responsibility will lie on Sir Joseph Bhole, Sir George Schuster and Sir Brojendra Mitter, and not on us, for any measure that is passed, and they have to see whether the measure they are trying to pass will really benefit the country. Sir, as I have said, our object is to see whether this particular Bill is going to benefit our country. Our object is not to injure the interests of any other country or to advance the interest of any other country. We must do our best for our country, and let others take care of themselves.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Today being Friday, we have to adjourn now, but before we do so I would like to make an announcement. This morning I had summoned the Leaders of various Parties to my room so that I might discuss with them what measures we might usefully take to collect money for the Viceroy's Earthquake Relief Fund, and it was suggested to me by the gentlemen who assembled in my room this morning that we might have a meeting of the Members of the Legislative Assembly and discuss this question so that some concerted action might be adopted with a view to collecting the money. For this purpose I would invite all Honourable Members to assemble at a meeting here in this Chamber this afternoon after the House rises. I propose to adjourn the House this afternoon at 4 o'clock so that we might have this meeting at 10 minutes past 4 in this Chamber. The House now stands adjourned till 2 o'clock.

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

---

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

---

**Mr. N. M. Joshi:** Mr. President, I do not wish to speak on the merits of the various proposals made by the Government of India in this Bill. I

am not interested in any of these particular industries. I do not wish also to speak on the general policy of safeguarding industries as I am likely to have another opportunity of speaking before the House on various questions which I could have raised on this Bill, and I could then discuss those points with your indulgence at greater length. I shall, therefore, content myself by raising one small point of great importance. When last year we discussed the Bill for safeguarding industries, I raised the point that Government should not only be content with making an enquiry into the applications which might be sent by various industries, but that they should place before this House a report giving facts regarding those industries and pointing out the necessity and the desirability of giving them protection. This is what I said on that occasion:

"I, therefore, suggest to Government that it is not enough that they should make an enquiry, but they should publish a report on the enquiry which they would make so that the House will be able to judge the facts which the report will bring out."

The Honourable the Commerce Member may say that in all these matters we should trust the Government. May I very humbly tell the Commerce Member that even he will agree that the House trusts him too much. Only yesterday he made a proposition that, constitutionally speaking, India has no status to sign international agreements in spite of the broad fact blazoned forth all over the world that India is a member of the League of Nations and India had signed the Treaty of Versailles. He got the House to agree with him in that statement and I am quite sure that if the Commerce Member and the Government of India tomorrow ask this House to agree to a proposition that the sun does not rise in India, they will get a majority for such a proposition. (Laughter.) It is not, therefore, a question of the House not trusting the Government of India. My suggestion to Government is this that, in the interests of the country as a whole, in the interests of all sections of the population in this country, it is necessary not only that there should be an enquiry, but there should be a full knowledge to all the people in the country as to the facts of the different industries which are going to be protected. The one small protection which the people have against an insensate policy of any Government or against the demands of the employers and the industrialists is the publicity of the facts of the situation. Unfortunately in India the Government of India do not believe in publicity. I am at a loss to understand why the Government of India should be afraid of publishing facts. If they say that they are not afraid of publishing facts, I want to know why they do not. Is it the question of expending? If it is, let them remember, Mr. President, that these duties will give them more than enough money. These duties are not going to be levied for securing revenue for the State. If your object had been to get revenue, then you could say that you do not want to spare even a small sum like this out of the revenue which you are likely to get out of the duties. You are not going to levy these duties for the sake of revenue. Then, when you are going to levy these duties and you are likely to get a fairly large sum of money, why should you hesitate to spend a little money in publishing facts? You yourself admit that you have collected money in publishing facts? You yourself admit that the President of the Tariff Board and your Director of Statistics have gone into the facts and you are convinced that there is a good case. Then, why should you not publish those facts? Is it not necessary that we should know what the present position of the industry

[Mr. N. M. Joshi.]

which is going to be protected is,—what is the amount of capital invested, how many people are working in those factories, what wages are paid to the workers in those factories, what is the cost of production? Surely nothing will be lost if the House as a whole and the public generally get facts on these points. I, therefore, suggest to Government that they should not ask us to trust them in these matters. I am not suggesting that we do not trust them. We trust the Government, and, as I have pointed out, we trust the Government too much. But it is necessary that, when you are levying these heavy duties, people should know the facts. My Honourable friend, Mr. Ghuznavi, pointed out that certain industries were not developed in India. I do not know the facts. He mentioned one pottery industry and we were given the example of one factory. If there is only one factory—I again state I do not know the facts—if there is only one factory, is it a right method to protect that factory by means of raising the prices of the articles for the whole of the country? Surely it is not the right method. Let us, therefore, know what the facts are, and I hope the Government of India do not see any advantage in concealing facts. On the contrary, they should see that there is great advantage in giving publicity to the full facts of the situation. I hope the Government of India will accept my proposal.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): I am second to none in my desire to see the encouragement of the indigenous industries of our country; in fact, our great complaint against the Government has been that the industries of the country have not been sufficiently encouraged. It is really surprising that in a huge country like India the indigenous industries of the country are so poor and meagre. All our motor cars, all our printing presses, all our typewriters, all our big machineries,—not only our big machineries, but even our watches and spectacles and even the needle with which a poor Indian woman sews her tattered clothes are imported from foreign countries. I would like to know from the Honourable Member for Industries what he has done, during the last two or three years of his régime, to encourage these industries. The Honourable Member for Industries is the first Indian, and a nationalist Indian too, to hold the portfolio of Industries in the Government of India.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): I am afraid the Honourable Member is mixing up Sir Joseph Bhore and myself.

**Sir Muhammad Yakub**: I beg your pardon, I mean the Commerce Member. The portfolios of Commerce and Industries are so intermingled with each other that my remarks apply equally to both the Honourable Members.

**Mr. B. Das**: Dr. Jekyll and Mr. Hydell

**Sir Muhammad Yakub**: When an Indian was called upon to hold the portfolio of this important Department, high hopes were entertained that he would give a lead to this country and that, during his régime, we would find the commerce of India flourishing more than before. But, unfortunately, we find that during the last two years no fresh avenues have been explored to expand the commerce of the country. Thousands of young people of this country are turned out from the graduate manufacturing factories, like quinine pills, and we find that there are no avenues

in the country to keep them employed, with the result that dissatisfaction among the educated classes in the country is growing every day. I would ask the Honourable the Commerce Member what he has done to give employment to these people. Will these tariff measures of protection solve the great problem of our commerce? Certainly not. I am also aware of the great hardship under which the country is labouring on account of the competition with Japan, and other countries on the continent. I am no friend of Japan, or of any other foreign country, and certainly I would be the first to help the Government in passing any measures which would help the commerce or the indigenous industries of India in competition with foreign countries, but we have to see what is the real object of this measure. What is the reason why these duties are imposed? The real object of such measures, so far as I can understand it, is to help the trading and commercial community of the country. Now, let us examine if the measure now before the House would really, in any way, help the trading and commercial community of the country. I do not want to reiterate and recapitulate the facts and details which have already been placed before the House by the Honourable Members who have preceded me. My Honourable friend, Mr. Ghuznavi, and others have shown to the satisfaction of the House that the prices of the commodities which would be affected by the present enactment would rise to such a high level that they would become unsaleable in India. I would like to ask the Commerce Member what measures he has taken to safeguard the interests of those merchants who have made large commitments and who have got their contracts made. I would like to know how is the Commerce Member going to save from ruin the very large section of the commercial community in this country who are trading in hosiery and other articles which will be affected by this measure. In 1931, when the "Wheat Import Duty Bill" was before this House, I raised the same question and I asked the then Commerce Member in the following language. I said:

"I want to draw the attention of the Government through you, Sir to the fact that in their last Budget they have increased the Customs duty on several articles, for instance, on sugar, kerosene oil and other things and there must have been some merchants who entered into contracts before the Finance Bill was introduced and passed. Now, what conditions have they imposed to respect contracts with regard to those commodities, namely, sugar and other things?"

The answer which I received on behalf of the Government from Sir George Rainy was as follows:

"My Honourable friend, Maulvi Muhammad Yakub, asked what was the reason that we have followed a different procedure in the case of wheat, from what we usually follow in the case of protective duties and the duties imposed by the Finance Bill. These are perfectly relevant questions, but the answer is given in the Statement of Objects and Reasons and I tried to give it again when I was speaking this morning. The point really is this, that in ordinary cases when a duty is imposed, the price of the article goes up, and the merchant who has to pay the extra duty is able to get it back from his customers. In this case, owing to the large surplus of wheat in Northern India, we anticipated, and the facts have proved us to be correct, that the imposition of the duty would not be followed by higher prices and, consequently, the mills, which have placed orders ahead for wheat abroad, would not be able to recoup themselves by charging a higher price."

Now, Sir, that is exactly the case as regards the present measure. It has been shown that the prices of these articles which would be affected by the new duty would be increased so much that they would become four or five, or even six times their present prices and these articles would become unsaleable. What would be the fate of the merchant community

[Sir Muhammad Yakub.]

and those traders in the country who have invested their meagre money in this trade and who have made large commitments or have entered into contracts, considering that there will not be such an upheaval in the trade which they are carrying on. I do not want to come in the way of this Bill going to the Select Committee, but certainly I would like an undertaking from the Honourable the Commerce Member that the cases of the poor Indians, who are trading in these articles, will be carefully considered and that they will not be thrown into the ditch of ruin by imposing these duties all of a sudden.

**Mr. S. C. Mitra:** Sir, when the Honourable the Commerce Member moved for reference of this Bill to the Select Committee, I for one thought that there would be no dissentient voice as regards this question. It was really on account of an insistent demand from the industries of the country supported by us on the floor of this House that the Government were good enough to bring forward such a legislation. As regards the principle of this Bill, namely, safeguarding the indigenous industries against unfair competition, due mainly to depreciation of foreign currencies and other kindred matters, it is one which is accepted by everybody in this House. I can understand the view-point of my friend, Mr. Maswood Ahmad, who spoke from the standpoint of the consumers. I think we on this side of the House also agree that, so far as it is not in any way antagonistic to the interests of the indigenous industries, the consumers' interests should be safeguarded. It should be the duty of the Select Committee to go through this Bill thoroughly to scrutinise the point that consumers should not be subjected to any extra taxation in these very hard times, if they can be spared; but as regards the other suggestion of my friend for circulation of the Bill, I hope that on further consideration he himself will agree that if that is accepted, then the main purpose of the Bill will be frustrated, as has been explained by my friend, Mr. Ranga Iyer, that after sixty days, since the imposition of this tax from the 22nd of December, 1933, this law, even if passed into law, cannot have any retrospective effect and the amount of tax realised will have to be refunded. So I hope my friend, Mr. Maswood Ahmad, will not press his motion. My friend, the Honourable Mr. Das, very rightly urged that we should have been supplied with information in some detail about the Japanese trade treaty, as I find, referring to His Excellency Mr. Sawada's speech, it is mentioned that in that treaty some of these matters were also discussed. I quote His Excellency's own words, when he spoke for the Japanese Delegation:

"I am happy to state that an agreement of views has been reached between the Japanese and Indian Delegations on all important problems relative to the commercial relations between Japan and India, including (1) the most favoured nation treatment to be accorded reciprocally to the goods of the two countries;

(2) the negotiations to be held concerning modification of customs duties that may adversely affect the trade interests of the two countries;

(3) the measure to be taken to correct the effects of the exchange fluctuations;" etc., etc.

So I think Mr. Das's contention, that it is very relevant and necessary for this House to get some information about the details of the negotiations and the agreements reached between the Japanese Delegation and the Government of India, is quite correct. Here I must make a grievance on the further ground about the non-publication of the Tariff Board's Report. I think it is admitted that the Tariff Board's Report which was submitted to the Government of India months ago is a very essential and relevant

matter which should be known to the Members of this House before they can be expected to arrive at any correct conclusion. Sir, I do not understand why, in spite of the question of non-publication of the report being brought up here, times without number, this particular report is not being published. I do not know with what purpose it has been suppressed although it is lying with the Government of India for several months, and as the recommendations of the Tariff Board are not binding on the Government of India. The Government of India have to pass their judgment and to accept the recommendations as they like and we the Members of this House are as much entitled to our own judgment in criticising those reports. Sir, I cannot understand why it should be the special privilege of the Government for months to keep these reports to themselves and thus deprive this House in spite of insistent demands for those reports at the proper time.

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa : Muhammadan): It will be published two days before!

**Mr. S. C. Mitra:** My friend says it will be published two days before, but my complaint is that even today when we are discussing this important matter dealing with some of these items, I am not getting it. The complaint has been repeated by others also that we are much handicapped for not getting a copy of the Tariff Board's Report. Another point I would like to place before you, Mr. President, is that in Select Committees we usually do not get proper time to discuss these matters. Here I draw your particular attention, Sir, to the fact that it has become almost a fashion to hustle through all these matters in Select Committee. You know, Sir, that in this House, Government command a majority and they can carry measures just as they like. It is only in a Select Committee that we can get some chance of appealing to them and cajoling them and arguing with them on the merits of our case. I make no complaint against the Chairman who is as much anxious to give us all facilities, but where is the time? I remember on the last occasion there was an attempt for the Committee to sit on gazetted holidays, though you gave a ruling in this House that on gazetted holidays we should not sit. But it appears that Select Committees are immune from your ruling. Even in this case on the next Saturday there is one Select Committee sitting in the morning and another in the afternoon. So even on Saturdays we are to meet and do not get any half holidays. We do not ask for these holidays like school children, but the fact is that, as you are the custodian of the rights and privileges of this House, I submit that if we have to prepare ourselves for our work as Members of this august Assembly, we require some time to prepare ourselves to discharge our duties properly. If we are to sit even on gazetted holidays, can we not rightly complain to you that the Select Committee procedure should not be hustled? I fully appreciate the difficulty of the Honourable the Commerce Member that this Bill must be passed before the 21st of February, but even then a week's time would be quite insufficient, because there will be other Select Committees on Saturdays and we will be working all the days, and seven days hence the report must be submitted by Friday, thus giving us no time to do proper justice to the Bill.

My Leader, Sir Abdur Rahim, made it absolutely clear, that, so far as the principle of this Bill goes, we are all for this Bill. We are most anxious to protect our industries, particularly when they are on an unequal footing, being faced with unequal competition, not only in respect of efficiency, but



[Mr. S. C. Mitra.]

in respect of the depreciation of foreign currencies. In these matters we are to balance the interests of the indigenous industries on the one side, and on the other hand we should scrupulously see that the consumers, who are by now mostly on their last legs, are not subjected to undue hardship; and since, the only great industry of India, agriculture, is suffering so much at the present moment, the agriculturists not getting even 30 per cent. of their former prices of produce, we should particularly see that we do not unnecessarily and in the least put any heavy avoidable imposition on the consumers. I think there is perfect agreement with regard to the principles of this Bill, but the duty of the Select Committee is very heavy, because they have to see that, in matters where there is no prospect of Indian industries competing with foreigners, we should not unnecessarily tax the consumers. If a clear case is proved, India having already accepted the principle of discriminating protection, we should give all the protection necessary to preserve our industries. I know there has been a strenuous demand from indigenous industries throughout India for proper duties to be imposed, and that they do not think that these little duties that have been imposed by this Bill will help them much. Sir, I can quote a number of telegrams which I have received. I will read a few:

One is from Faiz Hoossain of Muslim Shareholders of Parzoar Hosiery Mills, Limited:

"Howrah support strongly new duties though inadequate on imported hosiery and pray for adequate protection."

Another telegram is from Khetrāmohan Dey, President, Dacca Button Dealers Association, Calcutta:

"Dacca Button Dealers Association strongly support adequate protection to Indian hosiery as the industry provides employment to large number of pearl button manufacturers, male and female, of Bengal."

Another telegram is from Qamardin, President, Calcutta Cardboard Box Manufacturers Association, Calcutta:

"Calcutta Cardboard Box Manufacturers Association strongly support new duties on imported hosiery."

Another telegram is from Secretary, Calcutta Hosiery Dealers Association:

"Calcutta Hosiery Dealers Association support imposition of new duties on imported hosiery and submit no hardship occasioned thereby to the consumers as well as dealers as largest portion of profit from Japanese imports appropriated by importers numbering barely half a dozen."

**Mr. J. Ramsay Scott:** Who is the last telegram from?

**Mr. S. C. Mitra:** It is from the Secretary of the Calcutta Hosiery Dealers Association, 95/1 Old China Bazar Street.

Sir, we want to make our position clear. We are very much thankful to the Honourable the Commerce Member for bringing forward this Bill. We do not in the least complain that we do not want to safeguard our industries, but, at the same time, what we want is that proper attention should be paid in the Select Committee to see that we do not unnecessarily penalise anybody, least of all our consumers if we can help it. With these few words, I support the motion.

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I entirely agree that this Bill should be sent on to the Select Committee. My fear was aroused only when I heard Mr. Mody supporting this measure and then I thought that there must be something very wrong in it. It is clear that misapprehension that I have stood up on my legs and to put before you the interests of the class to which I have the honour to belong and to which at present I have the misfortune to belong, because this depression has affected me to an extent which is absolutely unimaginable to those who do not belong to the agricultural avocation.

**Mr. H. P. Mody:** What about your new Rolls Royce?

**Raja Bahadur G. Krishnamachariar:** Rolls Royces come and go, but agriculture remains and remains for ever. All these little amenities of the hour pass away directly I go out of the Assembly, but my lands are there and I am there and the Government is there to make the demand. My friend, Mr. Mody, may take satisfaction from the fact that while my pocket is slowly getting on to my stomach, so that you do not know where the pocket is, my friend is bulging out. That is the reason why I was a little bit suspicious when he praised this Bill and when he said that he was glad that the Government had brought it forward. Sir, I would simply repeat what my Honourable friend, Sir Abdur Rahim, has said and I may say at once that I entirely agree with his observations regarding the standpoint on which this Bill should be viewed. There is no doubt that the immediate effect of this Bill would be to place some money into the pockets of persons who spend all this money and send telegrams to my friend, Mr. Mitra, and others. But I am not at all jealous. By all means let them make as much money as they possibly can. All that I want is: please do not do it at my expense. I am the consumer and I do not want to pay more than what is absolutely necessary for me to do. I know that the Japanese goods are very flimsy; I have a great deal of experience of them. There are matches which are only made to sell. There are hosieries which are also only made to sell. You put on a sock once, and when you take it out, there are four holes in it. That is not at all a good bargain for the consumer. But what I do say is this. Do by all means protect these people although they do not come within the rule laid down by the Indian Fiscal Commission for the grant of substantive protection and yet they have been subjected to a competition of an exceptional nature. In trying to help them, however, please do not allow my interests to be neglected. Please remember that I form the largest proportion of the population of India and I contribute a great deal to the revenue, both of the Imperial and of the Local Government, I have no grievance against them; by all means give them protection. In fact, I want as many of them as are possible to come into existence. But what I do submit is that self-interest is the first thing and I do not want that these gentlemen should gain at my expense and I am perfectly sure that even they themselves will not want that they should be fed at my expense. Let them ask and let them get a fair proportion, but the standpoint by which this Bill would be judged by the Assembly and by the outside public when it comes out of the Select Committee will be this: Did the Government help the manufacturer at the expense of the agricultural community or did it deal fairly with both these classes, because both these classes are of great importance to the Government. I would, therefore, submit that apart from any consideration of Japan, apart from any consideration of England and apart from the consideration of any other country from which these articles may come, I want that the criterion that

[Raja Bahadur G. Krishnamachariar.]

I have just submitted should be the only criterion upon which the good or bad results of this Bill should be judged. I said that I had no objection to this Bill going to the Select Committee, but I have a great grievance of the Select Committee. I never had the honour of serving upon these Select Committees as I was never able to do this extra work for reasons of health. But after hearing what happens there, I am glad that I was not able to serve on these Committees. They sit on Sundays and on holidays, but I do not mind that so much. What I do mind is that the members of the Select Committees do not get the material. My friend, the Doctor, who is never happy except when he gets bundles of materials which he can work up and ask for a black board to show the result to this Assembly, has been hammering at the Government Benches for these reports and they are not even here today. Evidently there has been some sort of an inquiry by the President of the Tariff Board and by some gentleman who is connected with the Commercial Intelligence Department. These gentlemen have submitted a report. Is that report sacrosanct? My Honourable friend, Sir Joseph Bhole, said that he would supply the members of the Select Committee with relevant figures. But who is to decide what are relevant figures? I have no doubt that my Honourable friend judges things with extreme fairness, but, then, as long as he has not become infallible, we cannot accept his opinion. He is liable to make mistakes. Judges of the High Court make mistakes, Their Lordships of the Privy Council make mistakes, and, as a cynic once observed, what they say is law, because there is no appeal against them. I know, Sir, that my Honourable friend, Sir Joseph Bhole, has brought great credit to India. I know the quiet, nice and persuasive way in which he puts his case so that you may think it is all innocent and nothing else. But, Sir, even he will allow a little bit of opportunity to us to judge for ourselves which is relevant and which is not relevant and what is the cumulative effect of the relevant and the irrelevant portions of the report. The question is whether he would be able to justify this action being taken apart from the interests of the agriculturists themselves. These records are not private and secret documents; they were intended for our use in the Assembly. So I submit that the whole of the report should be made available to the members of the Select Committee and not only those portions which the Government of India may think to be relevant. I suppose the other gentleman, who is an officer of the Government of India, knew even better than the President of the Tariff Board, because the officials are infallible. They are always in the right and we are always in the wrong. So, we do not want to waste their time by finding out the relevant portions of the report and thereby also waste so much stationery because, I take it, they are all being printed. So, irrespective of the question whether these things are relevant or not, I would appeal to the Honourable the Commerce Member to place at our disposal all the materials and in the Select Committee not to hustle our friends. The difficulty is this and I was confronted with it and I protested against it with all the strength at my command that when once you go to the Select Committee, the extraordinary doctrine is enunciated and this was the case during the discussion on the Reserve Bank Bill that, the Select Committee being the Agent of the House, whatever they say we have got to agree to them. It is better for all of us to walk out after once appointing a Select Committee. According to the testimony of my Honourable friend, Mr. Mitra, the Select Committee is hustled in its work and so it gets disgusted and says: "All right, you take what you like". Of course it is well known when a man is hustled time and again over a work, he has no heart in

it and says to these gentlemen who want to get the work through: "You take whatever you want". We all know how the Select Committee is forced to agree to the proposals made by Government by adopting this attitude. In view of that danger and in view of the fact that a heavy responsibility lies upon the members of the Select Committee, I appeal to Government that they should supply all the materials to the Select Committee and give them adequate time. We have not got all the resources that the Government of India with all their highly paid staff has got. My friend, Mr. Mitra, and myself have not got the staff. We do not understand these things. As mentioned by my Honourable friend, Sir Abdur Rahim, this is a most difficult and complicated problem and we, not having been trained to this sort of thing from the beginning of our lives, have got to make it up at any time. We have not got a trained and experienced and efficient staff behind us to put us in the way where we go wrong. Consequently my friends in the Select Committee will take a certain amount of time and so all the materials which the Government have in their possession must be placed at the disposal of the Select Committee if they are to come to a proper conclusion. I have no doubt that the Honourable the Commerce Member, with his great tact and judgment, is bound to come to the right conclusion and, if he errs at all, I hope it will be on the side of the people and not on the side of the Government assuming that the interests of the people come in conflict with the interests of the Government. I hope he will have a soft corner for the people from whom he always takes money on one occasion and another—if not he, some other Member of Government.

Lastly, I would join with my friend, Mr. Mitra, in his complaint. I find that the hosiery industry has been dealt with by the Tariff Board and for some consideration or for some reason, which has not been made fully apparent to us, except these four lines in the Statement of Objects and Reasons attached to the Bill, the Government are now trying to impose a burden upon the consumers of the product of this industry. Government may be perfectly right. But I do not know and I have got no materials before me to say whether the Government are right or not. Unless all the evidence is placed before us, I cannot say anything. As is evident from the extract read by Mr. Mitra, the Government had a discussion about this in the conversations which they had with the Japanese Delegation. If any portion of this discussion or if the Tariff Board Report, which is the convenient official formula, would be against public interests to be made available to the members of the public, by all means do not do it. But it is an extraordinary position that the Tariff Board is appointed to go into the question and make a report. I, a member of the public, am not entitled to see the report. Why, because it is against my interest. All the same I have got to pay. It is all right if those gentlemen, who keep the document away from us, are called upon to pay and I be allowed to go scot-free. I would not mind that. But they are keeping back a report which they say it is against public interest to divulge. As it happens in a Court of justice, the judge makes a mistake and the party has got to bear the cost. So these gentlemen keep back the papers and would not allow us to come to the right conclusion upon the materials available with the Government. Who is to bear the burden? It is I. Consequently I would appeal to my Honourable friend, the Commerce Member, that these papers should be made available in full, not only to the members of the Select Committee, but also to the House, because when the Government go about asking this House to agree to a proposal, there is no reason why all the materials should not be placed before the House. The Government

[Raja Bahadur G. Krishnamachariar.]

come to this House and ask for its support. I say that you have got to place before the House all the materials in original and not in a mutilated form,—I am not using this in an offensive manner,—and not any abstract of the documents which the Government consider relevant but which we may not consider relevant. The Government might for aught I know consider a document as irrelevant and may not place the same before the House, but we may consider the same as relevant if we are to come to the proper conclusion. With these words, I commend this Bill not to the Select Committee, but to the tender mercy of my Honourable friend, Sir Joseph Blore, and those officials who may sit with him, in order to help us to come to a real, just and impartial conclusion upon the most difficult and complicated issue involved in the Bill.

**Mr. S. C. Sen:** The motion of the Government is that the Bill be referred to a Select Committee though there is an amendment by Mr. Maswood Ahmad that it be circulated. But, so far as I can see, the majority of opinion is for sending the Bill to the Select Committee. Under the circumstances, it is not necessary for me to speak at any length upon the merits or the demerits of the Bill. There are only a few points upon which I may be permitted to say something. Mr. Ghuznavi in his speech said that the hosiery industry was not a growing industry and that it could not supply the needs of India and therefore, it was not necessary to have any protective duty or any duty against Japanese goods for protecting the industry. Probably Mr. Ghuznavi has forgotten his younger days when he was the proprietor of a Swadeshi Stores in Calcutta. If he remembers, he will know that one of the commodities sold in his stores was hosiery prepared by the people of Bengal. Probably he has forgotten that at that time hosiery was considered as one of the cottage industries in Bengal. But for the Japanese competition that industry would have been a household industry in Bengal. My Honourable friend, Sir Abdur Rahim, was not then in Bengal and so he is not competent to say anything about the matter. So far as the industry is concerned, my Honourable friend, Mr. Ghuznavi, considers that it can supply only 23 per cent. of the needs of the country.

**Mr. A. H. Ghuznavi:** That is not my statement. It is the statement made by Government.

**Mr. S. C. Sen:** At any rate my Honourable friend quoted it with approval. In my opinion the Government statement is an under estimate. The Government have taken into consideration only 45 or 50 factories. As a matter of fact, they have not taken into consideration the cottage industries of the country, namely, how many machines in India at the present moment, specially in Bengal, there are which are prepared to manufacture hosiery if circumstances are beneficial to them. There are about 600 factories in India which are prepared to manufacture and which used to manufacture hosiery in India and they are all controlled by power. The Government have not in their possession any report as regards all the factories which manufacture goods with power and they have got very meagre information about the matter. So far as hosiery trade is concerned, I may say that hosiery manufacturers in this country can, if this Bill is passed within three months, supply over 60 per cent. of the needs of the country. That is one point. Mr. Ghuznavi has made another point, namely, what about the dealers and importers? What is the number of these dealers and what is the number of these importers? The importers are about five or ten and the dealers may be about 100. That is my experience of

Calcutta, but what about these importers? According to the practice ordinarily known in Calcutta, these importers generally import those goods for others. They are merely agents who import the goods; and if they are importers, they are amply protected by the Indian Tariff Act under which sellers can get this duty from the purchasers. Moreover, the controversy about the protection against Japanese competition came to its height more than 18 months ago and any prudent importer would have provided himself against any new duty by some provision in the agreement. With these words, I support the motion for a Select Committee.

**Mr. Amar Nath Dutt:** Sir, I rise to offer a qualified support to the motion before the House. I use the word "qualified" advisedly, for in the first place I must say that in spite of the lapse of three decades when the doctrine of free trade began to be assailed by protectionists like Joseph Chamberlain, I have not ceased to be a free trader even now. Sir, brought up in the school of Fawcett's political economy, I think there are still some like me who stick to the principle of free trade. And what does this free trade mean? I think it will not be wholly irrelevant if I only put my standpoint before this House briefly. Protection means warfare between one country and another, or one nation and another. In this world of ours, I would like to see nations and countries living peacefully for the common good and benefit of each other, instead of antagonising each other by adopting protection. Each one ought to help the other as best as he can. For, after all, when we are all dead and gone, the memory of this strife will remain and will create bitterness among posterity.

**Mr. B. Das:** You are reminding me of Gladstone.

**Mr. Amar Nath Dutt:** I do not know; you pay me a high compliment, but perhaps you do not mean it. It seems that my friends over there with their new political creed have a better understanding of these things than I myself have. But apart from that, when we find that in this unfortunate world of ours there has been protection in every country, and each country is trying to save itself from the onrush of goods from other countries and thereby save its labour and also its capitalists, and India has also committed itself to a policy of discriminating protection. I think I have no other alternative but to accept that principle so long as this principle of discriminating protection continues to be the policy of the Government of India. That being so, I think it is our bounden duty to support any measure that offers any help to our industries. But, Sir, I have another complaint. The facts that are mentioned in the Statement of Objects and Reasons of the Bill are, "a competition of an exceptional nature which has proved a menace to their continued existence". Sir, we have to take this as a state of affairs which is correct. I would have much more liked to have materials before me to enable me to come to an independent conclusion about this matter. It may be that my judgment would have differed from the judgment of others, but at the same time if you ask me to vote for a certain measure, if you ask me to do a certain thing on certain grounds, it is but fair that you should let me know what the grounds are and on what facts those conclusions are based. Sir, it is somewhat of a problem that we have been asked to solve and I think no one in this House is better fitted to solve problems than my Honourable friend, Dr. Ziauddin Ahmad, the great mathematician. We are given certain facts and then we are asked to do something. We have to assume these facts; we have to assume the correctness of the conclusions that are in the Statement of Objects and Reasons

[Mr. Amar Nath Dutt.]

of this Bill. That is too much to ask of us. If we have been brought here to give our views on certain matters, we should have the facts before us before we can give our views. We are not in an examination hall where we are asked to give answers to certain questions. In fact, a boy of 12 years can answer this problem. Given these facts, i.e., an exceptional competition, will you give protection, provided the policy of Government is one of discriminating protection? I think the correct answer, the only answer and the invariable answer which every one would give, be he a layman or an economist or a commercial magnate or even a representative of labour, will be in the affirmative. What was the necessity then of asking us to answer a question which can be answered by a layman and a man in the street? What was the necessity of asking these 144 Members of this Legislature to answer this problem, and a very simple problem? So, Sir, I beg to submit that we should have been supplied with materials to know how far these or any other industries require protection from unfair competition by other countries. This is our grievance and this grievance has been reiterated by more than one speaker. I hope that in future Government will supply us with facts to enable us to come to an independent judgment for ourselves in these matters instead of asking us to rely upon their conclusions. I have the highest respect for the conclusions that might have been arrived at either by the Tariff Board or, for the matter of that, by the Honourable the Commerce Member and his Department. But, at the same time, to err is human and I think even my Honourable friend, the Commerce Member, will not say that he possesses an amount of intelligence which enables him not to come to wrong conclusions at any time. That being so, I submit it would have been better if we had had an opportunity of knowing all these things and, to the best of our ability, offering him our advice and saying whether the conclusions were correct or not. In the circumstances, we have no other alternative left since he says that there is a menace to the continued existence of certain industries in this country and that immediate relief is needed—I think we are obliged to give our qualified support to the Bill going to the Select Committee where, I think, the matters will be thrashed out fully. With these words, I support the motion.

**Mr. President** (The Honourable Sir Shanmukham Chetty): With regard to the complaint made by the Honourable Member, Mr. S. C.

3 P.M.

Mitra, the Chair thinks there is some point in what he has said. If the report is to be submitted within one week, it means it ought to come before next Friday, which in its turn means that the Select Committee will have only one day for sitting on this Bill. Therefore, the Chair would have no objection if some Member moves an amendment. The Chair would suggest that the amendment might be that the report should be presented not later than Monday, the 5th February, in which case the Committee would have next Friday and Saturday also.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I move:

“That in the original motion, for the words ‘within one week’ the words ‘not later than the 5th February, 1934’ be substituted.”

It is the experience of all those who have been on Select Committees that they are hustled. But where such important matters are taken to Select Committee, it is not only that we are hustled, but it also happens

that if we happen to discuss matters at great length, then we are told "We have no time; you must somehow decide this question in so many days", and thus the members of the Select Committee, although they may raise a voice of protest, almost always have to succumb to the influences there. Now, Sir, this Tariff Amendment Bill contains about 40 items and these 40 items have perhaps been decided in less than 40 days. Sir Abdur Rahim has told us very lucidly and clearly today what should be the criterion, what should be the ways and means, how we should arrive at conclusions on such important matters as tariff rates. But those principles are generally forgotten when these matters are considered. We have heard the Honourable Sir Joseph Bhore the other day saying that his object is not to put protective duties: and certainly if we had known that his object was to put protective duties we might have supported him wholeheartedly. . . .

**The Honourable Sir Joseph Bhore:** I am afraid my Honourable friend is entirely misrepresenting me.

**Mr. Muhammad Azhar Ali:** So far as I remember, this is what I heard. If it is not a protective duty, and if it is not a revenue duty, then I would like to know what duty it is. That is the question which I put to my Honourable friend, and, if I am wrong, I would like to be corrected. I again ask my Honourable friend, what duty it is. Does he give any name to this duty or is it a nameless duty? If my friend wants that the conditions and the price level of 1930-31 should be restored, by these duties, I do not see any signs of it. The country is bewailing the present condition of price level and, I am sure, that the cultivators and consumers will suffer to a very great extent if these duties are put. The duties will be either *ad valorem* or specific at so much per dozen. If it is the latter, at so much per dozen, then I think it would eliminate cheaper articles: but here I find that cheaper articles are not eliminated; as the Leader of the Opposition put it, even earthen ware are included. Our impression on this side is that the only object of this Bill is to eliminate Japanese goods and not British goods. By the Ottawa Pact we have helped the Empire goods: that means that by giving that preference of ten per cent. to the Empire goods, we eliminated the European goods as well. It is not only a question of Japanese goods, and I would like the House to understand that it is simply to help the British goods and nothing else, that this Bill is brought. That is how I read this Bill. There may be people who read otherwise, but my point is this: that if this ten per cent. preference were not given, then the consumers of India would have at least some time and some respite in their present condition of trouble. But I find that by this Tariff Bill we are cutting our own throats and the throats of our countrymen. With these words, I move my amendment.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The question is:

"That in the original motion, for the words 'within one week' the words 'not later than the 5th February, 1934,' be substituted."

The motion was adopted.

**The Honourable Sir Joseph Bhore:** Sir, as there seems to be a very general desire in this House that this measure should proceed to Select Committee, I do not think that I am called upon to make a very elaborate statement in defence of my position or a very elaborate answer to the



[Sir Joseph Bhore.]

criticisms which have been raised. I must make it quite clear, of course, that I oppose the motion moved by my Honourable friend, Mr. Maswood Ahmad. The measure has been before the country over a month, and I submit that that should be long enough for interested parties on both sides to make their views known not merely to Government but to Honourable Members of this House. Then, also, if this measure were delayed, it could not be taken up before the Simla Session. What does that mean? That means that an opportunity, a very big opportunity, would be given to the importer to flood the markets of the country and to render illusory or nugatory for a very long time to come the ultimate protection that may be given by this Bill. I must, however, congratulate my friend, Mr. Maswood Ahmad, upon the convert he has made, because, if I remember rightly, my friend, Dr. Ziauddin Ahmad, said that he had been converted to the views of Mr. Maswood Ahmad. I am afraid, Sir, however, that the *guru* will find a great deal of trouble in controlling his *chela*.

As regards my friend, Dr. Ziauddin Ahmad, I can only say that he delighted me, as he always delights us, with the perfectly charming inconsistency of his speech. Quite two-thirds of his speech, I think, was concerned with a tirade against protection and the neglect that we had been guilty of in respect of the interests of the consumer. Then, Sir, the remaining part of his speech suddenly took another turn. He turned upon me and said: "Why have you given this totally inadequate protection to sugarcandy? Why have you omitted soft sugar?" Well, Sir, when thinking over it, I came to an explanation of this inconsistency, and the explanation, it seems to me, is this, that my friend must have among his constituents both consumers and producers, and when the consumers come to him and say: "Doctor Sahib, what about your speech in the Assembly",—he will be able to say: "Read the first portion and neglect the second", and when the producers come to him, he will say: "No, no, read the second portion and don't pay any attention to the first". (Laughter.) Now, Sir, my friend did make one important remark to which I think I should reply. He said that protection should not be given for the benefit of millionaires, but for the poor. But may I remind him that is exactly what we are attempting very largely to do in this Bill. If he does not know it, I would point out that a very large proportion of the hosiery industry is a cottage industry or a small scale industry. I have myself seen more than one such small factory in company with more than one Member of this House. Then, Sir, take soap. I think there is no one in this House who does not realise that soap is actually to a large extent a cottage industry. But, Sir, if my friend did not know of those two instances, he surely knows something about sugarcandy, about which he has made so many representations to me in person. That, Sir, is surely a cottage industry, a small scale industry, if ever there was one.

Now, Sir, my friend, the Leader of the Opposition, said that he failed to gather any very clear impression of the object or reason of this measure. I cannot, I am afraid, be more explicit than I have been in my speech in which I commended this motion for a reference to a Select Committee. Perhaps when that speech appears in print, my friend may get a larger measure of light upon the object and the reason of this Bill, but I would ask Honourable Members to take their minds back to the Safeguarding Act which was passed a little less than a year ago in this House. The object of that measure,—and I say it was a measure which

was universally approved by this House,—the object of that measure was to enable Government to act at short notice in defence of industries which were being subjected to abnormal competition under exceptional conditions. It gave the Government power to impose special rates of duty against imports from foreign countries which were for one reason or another able to sell their goods in this country at exceptionally low rates. Well, Sir, as I explained before, this measure has precisely the same object. It is really,—I may repeat once again,—it is really very largely intended to secure the restoration of more or less normal competitive conditions. It was with sincere regret that I heard my friend, the Leader of the Opposition, suggest that this measure might possibly have been conceived rather in the interests of Great Britain than of the industries of this country. That suggestion was repeated in more emphatic language by an Honourable Member sitting opposite. Well, Sir, I am quite sure that if my friend had read this measure with any great care, he would have been the first to regard that suggestion as absolutely fantastic. But I will say this that, if that is the general impression of this House, and if it is the general impression outside this House, I am perfectly ready to withdraw this measure . . . . .

**Mr. B. Das:** Certainly not.

**The Honourable Sir Joseph Bhow:** Now, Sir, the Leader of the Opposition and Mr. Ghuznavi and also my friend, Raja Bahadur Krishnamachariar, made one quite relevant point. They said: "What are you doing—you are raising the price of certain manufactured articles, but what are you doing to raise agricultural prices in this country?" That, Sir, is a very complicated matter indeed, but if you ask me what Government have been doing in this matter, I will give you a reply. I would draw your attention to the Wheat Import Duty Act. The effect of that has definitely been to arrest the fall in prices. I would draw your attention to the fact that we have endeavoured, through our agreement with Japan, to secure a secure market for something like one third of the cotton crop of this country. I would draw your attention to the fact that under the Ottawa Agreement, there have been enormous increases of exports to the United Kingdom in such articles as rice and linseed.

**Sir Abdur Rahim:** By how much has the price risen, may I know?

**The Honourable Sir Joseph Bhow:** I have not figures with me here, and I should not like to give the Honourable Member a reply which may not be strictly accurate.

**Raja Bahadur G. Krishnamachariar:** The price of rice has gone up by one anna.

**The Honourable Sir Joseph Bhow:** But at any rate your goods have been sold which otherwise would never have been sold.

Then, my friend, Sir Muhammad Yakub, raised another point. He said: "What about exempting those contracts which were entered into before the measure came into force". He quoted a reply given by my honoured predecessor, Sir George Rainy, and I would submit to him that Sir George Rainy's reply is a complete answer to that particular question. But, Sir, I would give the House a further answer. I have

[Sir Joseph Bhore.]

it on absolutely authoritative information that one single contract which has been placed in Japan and which, I take it, would be affected if we granted such exemption amounted to no less than  $1\frac{1}{2}$  million dozen pairs, and I am perfectly certain that if we granted this loophole, we should soon find it increased to such a very large aperture that the whole place would be flooded, and our object for the time being frustrated.

I do not think, Sir, there are many other important points for me to touch upon at this stage. I would like to say that I am quite convinced that my friend, Mr. Ghuznavi's advocacy is perfectly impersonal. I have examined the little vests that we were shown this morning and I am perfectly certain that they would never encircle his generous person (Laughter.)

I need only refer now to the question of the Select Committee. I am greatly indebted to my Honourable friend, the Raja Bahadur, for all that he said about me and I can give him and other Members who are concerned in this question, the assurance that, when we come to discuss this matter in the Select Committee, no information that any member of the Select Committee considers relevant and which we are able to produce shall be withheld from them. I do not think I can say anything more.

**Mr. N. M. Joshi:** What about Members?

**The Honourable Sir Joseph Bhore:** The Members will have to wait until the Select Committee have finished its work.

**Mr. N. M. Joshi:** The Bill will not go through easily.

**The Honourable Sir Joseph Bhore:** I think that leaves me with very little more to say. I want to make it perfectly clear that Government have no hidebound ideas in this matter. They are open to argument. They wish nothing better than that the scales should be perfectly evenly held as between all the interests in this country and I hope that, as a result of our deliberations in the Select Committee, we shall be able to satisfy the House that the Bill, as it emerges, is a perfectly fair and reasonable measure.

**Mr. Muhammad Azhar Ali:** What about the Tariff Board report? The Honourable Member has not said anything about that?

**The Honourable Sir Joseph Bhore:** If my Honourable friend will refer to the many speeches made in Simla last Session, he will find an absolutely complete reply to the question which he has put.

**Mr. M. Maswood Ahmad:** In view of the reply given by my Honourable friend, I should like to request the House to allow me to withdraw my amendment.

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

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Chair would just like to make one observation. It is extremely difficult for an average Member to understand in detail the effects of a contemplated

tariff change by simply reading the Bill. The Chair is glad that the Honourable the Commerce Member has agreed that in future he would, with every Tariff Bill, supply a statement showing all the articles on which a change in duty is contemplated and also clearly indicating the existing level of duty and the proposed change. If that is done, the Chair thinks a great deal of the time of the House will be saved. The Chair would suggest that when this Bill comes from the Select Committee before this House for further discussion, Honourable Members be supplied with such a copy relating to the items in this Bill.

**The Honourable Sir Joseph Bhoré:** May I say, Mr. President, that I have already had such a statement prepared? I hope it will be in the hands of the Select Committee before the meeting tomorrow. As I said yesterday, I fully realize the difficulties of Members in this matter. I felt the difficulty myself and I shall see to it, to the best of my ability, that this difficulty is not experienced in future.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The statement may be supplied to all Honourable Members along with the report of the Select Committee.

The question is:

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, be referred to a Select Committee consisting of Mr. B. Das, Mr. S. C. Sen, Mr. H. P. Mody, Dr. Ziauddin Ahmad, Mr. S. C. Mitra, Mr. R. P. Bagla, Mr. J. Ramsay Scott, Bhai Parma Nand, Khan Bahadur Haji Wajihuddin, Mr. A. H. Ghuznavi, Dr. F. X. DeSouza, the Honourable Sir Frank Noyce and the Mover, with instructions to report not later than the 5th February, 1934, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

---

### THE IMPERIAL BANK OF INDIA (AMENDMENT) BILL.

**The Honourable Sir George Schuster** (Finance Member): Sir, I beg to move:

"That the Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, as reported by the Joint Committee, be taken into consideration."

I imagine that there is no Member of this House who does not understand the purpose of this Bill and its connection with the measure which this House passed at its last Session. It is in fact consequential on the proposal to set up a Reserve Bank for India and as such I hope that none of its provisions will prove to be controversial. Sir, I move.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, as reported by the Joint Committee, be taken into consideration."

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

“That the Bill, as reported by the Joint Committee, be recommitted to the Joint Committee, with instructions that the Bill be so drafted that the Imperial Bank may cease to be Statutory Bank as soon as the Reserve Bank is established and that no Statutory privilege should be given to the Bank unless and until it agrees to advance money on the security of immovable property.”

I do not want to make a very long speech. I shall follow the good example of the Honourable the Mover of the motion and finish my observations in as few minutes as possible. The object of my motion is . . . . .

**Mr. M. Maswood Ahmad** (Patna and Chota Nagpur *cum* Orissa: Muhammadan): On a point of order. Is the Joint Committee in existence, and, if so, this motion should be made with the consent of the other House.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The proper way in which this amendment ought to be worded is that a recommendation be made to the Council of State that the Bill, as reported by the Joint Committee, be recommitted to the same Joint Committee, etc. It is only a formal matter.

**Dr. Ziauddin Ahmad:** I accept the wording. That was really my intention. The object of my amendment is that we should not have in this country two Banks created by Statute. We created the Imperial Bank by Statute, because the Imperial Bank was in charge of the credit of the country and, naturally, a Bank, which is in charge of the credit of the country, must have the protection of the State. After the establishment of the Reserve Bank, naturally the credit of the country will be transferred from the Imperial Bank to this Reserve Bank and the very purpose for which Statutory protection was given to the Imperial Bank would cease to exist. You can create one body which may be responsible for the credit of the country and that body, in its turn, with the permission of the Government of India, may entrust the work to some such other banks as it may deem fit, but to create two bodies by means of Statutes is not a thing which is desirable. In fact, I really wanted to move that the Imperial Bank of India Act of 1920 should be modified in a manner that there should be only two clauses. One clause should be that the Act should be repealed and the second clause should be that the Government of India should be empowered to take necessary steps to transfer the credit and the reserve from the Imperial Bank to the Reserve Bank; but I had some constitutional difficulties, and, unfortunately, I did not have the advice of my Honourable friend, Sir Hari Singh Gour, and the only way of doing it is to ask the Council of State to refer the Bill again to the same Committee so that it may have two clauses only containing the provisions I have indicated. The other thing is that I expected today that the Honourable the Finance Member would make out a case for extending the protection to the Imperial Bank, but no case has been made out. He only said that it was a consequential amendment to the Reserve Bank Act, but I think the consequential amendment to the Reserve Bank Act should be that it should cease to exist as a Statutory Bank, because we do not want that in the country there should be two Statutory Banks. No doubt the Imperial Bank did play a very large part during the last fourteen years, but it was not to the good of the country;

it has been primarily to the good of the shareholders. We all know that the value of the shares of Rs. 500 each rose to about Rs. 1,500 and that they had been giving dividends of 18 per cent, and that, only recently, their dividend has been reduced from 18 to 12 per cent. Now, at a time when the bank rate of interest is only three and a half per cent., at a time when the Imperial Bank is giving only an interest of two per cent. on the fixed deposits, it is not desirable that the shareholders should get a dividend of as much as 12 per cent, which is about five times the amount which the Imperial Bank allows to its own depositors. So I think it is not justifiable that we should create such bodies by Statute and allow them to make exorbitant profits which do not exist in the case of any other banking concern. Sir, we have been at pains to find out what justification could there possibly be for the creation of this Bank by means of Statute. Why should the Imperial Bank not be treated like other banks in the country? It may be registered under the Indian Companies Act, and should be treated just like any other bank in this country. I remember that on some occasion the Honourable the Finance Member said, I think in Simla, that this Bank provided banking facilities in this country. Now, I do not understand what banking facilities the Imperial Bank provides and in what way it provides better facilities than the other banks of the country. In the first place, I say it does not give credit to the tenants on the security of their crops. It does not lend any money to the landlords on the security of their landed property. Now, those are the two most important sections in this country, that is the landlords and the tenants, who form nearly 71 per cent. of the total population. To these classes this Bank is of no use whatsoever; it does not do any good to them; therefore, if you want that the country should give protection to a particular bank, then we on this side of the House can legitimately demand that such a bank should give banking facilities to that particular industry which is followed by the majority of the people of this country, that is, agriculture. Otherwise it will not be possible for us to agree, and I think it is unfair of the Honourable the Finance Member coming before the Legislature and saying that special Statutory protection should be given to this particular Bank while this Bank is not doing any good to these landed classes. In fact, in this particular matter, other banks are slightly better than the Imperial Bank; they occasionally do advance money on the security of landed property, but the Imperial Bank by Statute cannot do so. Therefore, it is not desirable that the Honourable the Finance Member should come before us and demand that we should give our Statutory protection while this Bank still continues to pay dividends of 12 per cent. although the bank rate of interest is only three and a half.

In this connection, I would strongly urge that if it is demanded that the Imperial Bank should be a Statutory Bank, then a special Branch, which I should call the Rural Credit Department, should be established in connection with the Imperial Bank and a portion of their capital ought to be devoted to this purpose, that is, they ought to give money to those banks which I should call long-term banks which give loans to the landlords on the security of their property and also to co-operative banks which give loans to the tenants for a short time on the security of their crops. Sir, in 1921, the Bank had nine crores of Government securities, and now the Government securities have gone up to Rs. 40 crores—I am told, 46 crores. Now, since the Bank has got such a large amount of Government securities, will it not be reasonable for us to demand that at

[Dr. Ziauddin Ahmad.]

least a portion of it ought to be invested in the shape of loans to landlords and tenants directly or through land mortgage and co-operative banks? Of course the thing is that Government securities are not really a novel form of investment for which we ought to create a bank by means of a Statute. There are always a number of people who are always willing to buy such securities. You do not want a Statutory Bank only for this purpose, that it may help to buy Government securities. Now we have created a Reserve Bank, and if, in order to keep up the prices of these Government securities at a normal level a Statutory Bank is necessary, I say that the Reserve Bank serves that purpose and it is not necessary to create a second Statutory bank for this object. So far, I have shown that as regards the landed interests, this Bank is of no use to them whatsoever, and it is quite unnecessary to create by means of Statute a special bank which may give fat dividends to its shareholders of something like 12 per cent. which they are giving now. If we give any assistance from the public funds, we ought to give it to those banks who give in their turn assistance to the people of this country, and the people of this country really mean the agriculturists, because they form the bulk of the population. Therefore, I again emphasize that if we create this Bank by means of a Statute and continue the Imperial Bank of India Act, 1920, then one of the important conditions which should be imposed on this Bank is that it should create a Rural Credit Department and should reserve certain funds for the benefit of the landlords and tenants, which may be given either directly or through land mortgage and co-operative banks and the whole Bill should be redrafted with this object in view. If the authorities of the Bank, however, are unwilling to agree to assist the landed classes, then we on our side should press the point that they do not deserve any Statutory assistance and any Statutory protection from the Legislature and from the country.

The next point which I would like to press is this. Of course, we cannot press it in the case of the private banks. They are at liberty to do whatever they like, but in the case of the Imperial Bank which asks us for Statutory protection and which asks us to legislate for them, we have every right to demand the facilities for the transmission of money from one place to another. In this connection, I would like to remind the House that in England a cheque can be cashed at par at any bank. If you take a cheque from one bank and present it to any other bank, it is always cashed at par. But in India cheques are not cashed at par. Unfortunately, the Imperial Bank is not following the noble example of a first class business. They are following the example of the third class hawkers by having different rates in different places. I took some pains to find out as to what their rules were for discounting a cheque, and I was told that in some places they have four annas per hundred with a minimum of eight annas and in other places there is no such minimum. If you take a cheque of Rs. 10, then they will not deduct a discount of four annas, which means four annas per cent., but they will deduct eight annas. Whatever my friend may say about it, he will say from a theoretical point of view, but I have really suffered and paid to the Bank. When they charge me in this way, I have every right to call them swindlers, because I have lost the money. We can understand it if it has a uniform rule, but if you will make inquiries, you will find that in some branches the rule is that the minimum discount is always fixed and the rule is that, if you take a cheque even for Rs. 10,

they will charge you eight annas under the rule that the discount is four annas per cent. with a minimum of eight annas. Again, if you take a cheque for a thousand rupees, then you have got different rules in different branches. I have got a letter from my own branch where I actually paid four annas per cent. only three days back on a thousand rupee cheque. They said that the rule is two annas per cent. if the sum is for Rs. 1,000 or above with a minimum of Rs. 2-8-0 and, therefore, I must pay discount for a sum of Rs. 2,000. This rule is not observed in every branch. So, when a Bank which has got Statutory provisions makes different rules for different branches, it is not following an example of a first class business, but of third class hawkers by making different rules in different provinces. I have every reason to complain against this practice, as I have lost thousands of rupees because of the rule of minimum discount.

Sir, the next point which I should like to make is the differential treatment shown to the members of the staff. Here I have got a copy with me of a report and I am not going to read out the whole of it, because I propose to follow the sweet example of the Honourable the Mover to be very brief and to finish it as quickly as possible. I will, therefore, only read one or two passages from this report. The report (on page 3) deals with the salaries of the staff. I believe this report is in the hands of every Honourable Member:

"While the Bank has thus been stubbornly refusing to provide even a living wage to the vast number of its Indian employees, it has provided for the European staff and a handful of Indian officers salaries, allowances and other amenities which put to shame even the Lee Concessions. Many of the allowances which the clerical staff of the Bank of Bengal and the Imperial Bank used to enjoy in 1927 have been withdrawn altogether. The compassionate allowance granted to the widows of the deceased employees, overtime allowance, holiday allowance and all these things have been withdrawn."

Then, coming to the security of the service, they say:

"That apart from these dismissals, the Bank follows another method of discharging the employees, that is the method of forcing them to retire before time."

Then there is a full paragraph about insecurity of the service, which I need not quote. My submission, therefore, is that if we create a body by means of the Statute, it is the duty of the Legislature and of the Government of India to see that the servants employed by that Statutory body are adequately safeguarded and this matter should not be left entirely to the shareholders or the Directors or the Governors as in the case of the private banks. Had it been a private bank, we had no right to interfere with it, but as this is a bank created by a Statute, we have got every right to see that the interests of the employees are adequately safeguarded. I next come to page 8 where comparison has been made between the European and the Indian employees. The report says:

"In the Bengal Circle, there are 110 Europeans and 10 Indians; in the Bombay Circle, there are 68 Europeans and 8 Indians; in the Madras Circle, there are 50 Europeans and 9 Indians; in the Central office, there are 9 Europeans and no Indian. Total 237 Europeans and 36 Indians. The authorities make much of the fact that for the last two years no European officer has been recruited but as a matter of fact many years will elapse to find proper work for the European officers already taken in."

That is what the report says about discrimination. There is only one sentence more which I would like to read from this report about the discrimination between Indian and European staff:

"The Indian Directors are powerless even if they have the will to protect the interests of the Indian staff. They are mere puppets in the hands of the Managing Governors and the Secretaries of the Bank. They cannot assert against the policy of the Bank. This is an evil common to almost all the Shareholders Banks."



[Dr. Ziauddin Ahmad.]

I may add, including the Reserve Bank, which is to be established in the near future.

This is the opinion of the staff of the Imperial Bank and this I have quoted from their report which probably everybody has seen.

**The Honourable Sir George Schuster:** Would my Honourable friend tell us what he is reading from? He says he is reading from an official report. I do not know what he is referring to.

**Dr. Ziauddin Ahmad:** I can just pass it on to my Honourable friend. This is the memorandum submitted by the General Secretary of the Imperial Bank Indian Staff Association, Calcutta. Christmas is rather long ahead, otherwise I would have presented it as a Christmas present for 1934.

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): You can present it on the Parsi New Year day.

**Dr. Ziauddin Ahmad:** This is the opinion which was expressed by the representatives of the staff of the Imperial Bank. Therefore, my request that, if any bank or any body is created by Statute, then the protection of the interests of the staff rests with the Legislature and with the Government of India and it cannot altogether be left to the sweet will and pleasure of the shareholders, because, after all, there should be some difference between a bank created under the Companies Act and a bank created by the Central Legislature. What is the difference between the two? The difference is that in the one case the shareholders can do whatever they please and, in the other case, the shareholders and their representatives, the Directors, cannot do whatever they please, because they are also responsible to the Legislature who are responsible for bringing them into existence. If the whole constitution is redrafted, then this particular point should be borne in mind.

Another point that I should press is this. Last time, when I was speaking, my Honourable friend, Sir Cowasji Jehangir, said that there was no discrimination whatsoever in Bombay between English and Indian firms and he was very strong about that point and so I had to keep quiet then. When I visited Bombay last time, I made personal inquiries on this particular point. I say that Sir Cowasji Jehangir may be right as far as his experience and the experience of his friends is concerned. But his experience is not shared by other people whom I had the opportunity to meet. If my Honourable friend wants, I shall submit the names of those who were responsible for this opinion. If my Honourable friend, Mr. Pandya, were here, he would give out how discrimination was made in the case of Madras when a particular case was taken to the High Court and all the facts were brought out. This is also a point I should like to mention that if any bank is created by an Act of the Legislature, then there should be no discrimination whatsoever. Members on the Treasury Benches and also the Home Government have always emphasised and we have also accepted that there should be no discrimination in trade between

Europeans and Indians, and I press that the principle may be accepted elsewhere. Unfortunately discrimination is not pressed from this side of the House, it is really pressed from the side opposite. They are more responsible for introducing discrimination than we on this side of the House are responsible. I do not like to go in greater detail on this point, but I would like to have the Bill redrafted so that certain provisions which they introduced in the Reserve Bank Bill might also be introduced in this Bill. Some other things, in addition to those, must also be included. For example, there should be some time limit for the Directors. A Director should not hold office for any length of time, but there should be some time limit, and if the Bill is not going to be referred to the Joint Committee again as suggested by me, then probably we will have to consider this question in greater detail. My Honourable friend, Mr. Pandya, pointed out on several occasions that a Director once appointed remains a Director unless he is removed by an act of God. This statement can be easily verified from facts. I, therefore, suggest that there should be some rule by which a Director should not remain in office for a very long period, because, if a man is asked to do a particular work, he brings in fresh energy, ideas and principles. If he has anything in him, then all his ideas and principles are exhausted in five years and he has got nothing more to offer. Really to perpetuate him in a particular work is actually to make the work monotonous and it is impossible for the man to make any new contribution. People may say that he will bring in his long experience. But the experience which a man had 30 years ago cannot be applied to the affairs of today. Circumstances and time always change and fresh blood and fresh enthusiasm and fresh ideas must always be brought in. Persons who have no new suggestion to offer should not be perpetuated in office. This is another point which we have to consider. My friend, Mr. Mitra, suggests there should be an age limit. I do not like to enter into this question now, but, at the same time, I must say that the value of a person does not increase with age. It increases upto a certain age, but when a man has really finished his active life, then he begins to decline. The other day I gave the example of a horse which I should like to repeat. If a horse costs 100 rupees at the age of four, then that horse does not cost Rs. 600 at the age of 24, because, long before the age of 24, the horse will cease to be workable and it will fetch no price whatever at the age of 24. My friend, Mr. Mitra, also enquires whether I would like to impose an upper age limit, and I would reply that I would certainly like to have an age limit, but it is rather difficult to determine. Of course, the age of 65 may be fixed in the case of a Director of the Imperial Bank. I am just reminded that some of the Governors who have been nominated recently to the Imperial Bank are beyond the age of 80 and they are persons who are not likely to attend any meeting of the Directors and probably it is to their credit that they do not attend meetings at all, because they will not bother the administration in the least. This question also should be considered and an age limit should be imposed in the case of the Directors.

Another point to be considered is, whether it will not be possible to open branches of Imperial Bank at places where the Reserve Bank branches exist. The Reserve Bank will exist in Bombay, Calcutta, Madras, Rangoon and Delhi, and it is very easy to establish branches at these places, because organisation already exists there. The other condition should be that the list of shareholders ought to be kept at these places in order that they may be available to those persons who are standing for election. With these words, I move.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That a recommendation be made to the Council of State that the Bill, as reported by the Joint Committee, be recommitted to the same Joint Committee, with instructions that the Bill be so drafted that the Imperial Bank may cease to be Statutory Bank as soon as the Reserve Bank is established and that no Statutory privilege should be given to the Bank unless and until it agrees to advance money on the security of immovable property."

The Assembly then adjourned till Eleven of the Clock on Monday, the 29th January, 1934. .