

13th February, 1934

THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

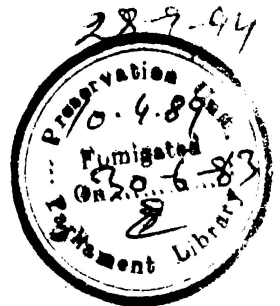
Volume I, 1934

(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.

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LEGISLATIVE ASSEMBLY.

Tuesday, 13th February, 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.

MEMBER SWORN.

Sir Darcy Lindsay, Kt., C.B.E., M.L.A. (Bengal: European).

QUESTIONS AND ANSWERS.

RE-OPENING OF NON-RECRUITED ASSISTED EMIGRATION TO MALAYA.

102. ***Mr. Gaya Prasad Singh:** Is it a fact that about 20,000 Indian labourers are wanted for Malaya? If so, what steps, if any, are being taken in the matter, and what arrangements are being made to ensure fair economic and political status to those that may be sent over?

Mr. G. S. Bajpai: The Honourable Member presumably refers to the request of the Malayan Governments for the re-opening of non-recruited assisted emigration from South India to Malaya. The matter has been considered by the Standing Emigration Committee of the Indian Legislature and the Government of India are now in communication with the Federated Malay States and Straits Settlements Governments. Honourable Member may rest assured that if emigration is re-opened suitable precautions will be taken to safeguard the political and economic interests of the emigrants.

Mr. Gaya Prasad Singh: From what part of the country most of the emigrants to Malaya are recruited?

Mr. G. S. Bajpai: Mostly from Southern India.

PRISONERS IN THE ANDAMANS.

103. ***Mr. Gaya Prasad Singh:** Will Government kindly state (i) the number of prisoners at present in the Andamans; and (ii) their numbers from each Province?

The Honourable Sir Harry Haig: (i) The total number of prisoners in the Andamans is 8,276.

(ii) I lay a statement on the table.

Statement showing the number of convicts from the various provinces in the Andaman Islands as reported by the Chief Commissioner on February 6th, 1934.

Madras	494
Bombay	452
Bengal	419
United Provinces	1,000
Punjab	953
Bihar and Orissa	140
Burma	2,114
Central Provinces	203
Assam	59
North-West Frontier Province	247
Delhi	12
Coorg	1
Baluchistan	1
Central India	1

APPOINTMENT OF INDIANS TO THE CEYLON CIVIL SERVICE.

104. ***Mr. Gaya Prasad Singh:** Will Government kindly state if Sinhalese are eligible for appointment to the All-India Services, and, if so, are Indians allowed the same privileges in Ceylon?

The Honourable Sir Harry Haig: The only All-India Service for which Ceylonese are eligible for appointment is the Indian Civil Service, and that only through the open competition in London. Indians are not eligible for appointment to the Ceylon Civil Service.

Mr. Gaya Prasad Singh: Why is this discrimination given to the Ceylonese Government to allow their people to compete for the Indian Civil Service while the same facility has been withheld from the Indians in the Ceylon Civil Service?

The Honourable Sir Harry Haig: I quite agree with my Honourable friend that it does constitute a marked anomaly. The reason is that in accordance with a certain section of the Government of India Act, all British subjects are eligible to compete in the examination in London. Until that Act is amended, it will be impossible to take the steps that the Honourable Member suggests. I may add for his information that the question of dealing with this anomaly will come up for consideration in connection with the new Government of India Act.

Mr. K. C. Neogy: Are the Ceylonese by any chance treated as Indians for the purpose of Indianisation of the Indian Civil Service?

The Honourable Sir Harry Haig: I should be glad if my Honourable friend would give notice of that question so that I may answer after proper consideration.

INSANITARY CONDITION OF THE ROAD NEAR MANDIR BHARAIN IN PAHARGANJ, DELHI.

105. ***Mr. S. G. Jog:** (a) Are Government aware, and if not, will they please enquire and state, that the road near Mandir Bharain, Paharganj, Delhi, is always flooded with drain water?

(b) Is it a fact that the said road is adjacent to New Delhi and are Government aware that its insanitary condition is dangerous to the health of the public as well as of the Government servants residing in the said locality and having access to New Delhi?

(c) Is it a fact that the inhabitants of the said locality have made several representations to the Municipality for providing suitable means to drain out the flooded water, but without any response?

(d) Do Government propose to remove the obnoxious condition of the locality? If not, why not?

Mr. G. S. Bajpai: (a), (b), (c) and (d). The facts are that the owners of two private houses discharged drain water on to the road without permission. No representations on the subject to the Municipal Committee are on record, but suitable action is being taken by the Municipal Committee, Delhi, to put a stop to the nuisance.

REVIVAL OF THE BORAX INDUSTRY.

106. ***Bhai Parma Nand:** (a) Will Government be pleased to state if it is a fact that the number of places where the industries of refining Borax (*Suhaga*) was carried on, has been declining during the last ten years?

(b) If so, will Government be pleased to state whether they intend to revive this industry by putting on a suitable tariff? If not, why not?

The Honourable Sir Joseph Blore: (a) Government have no definite information on the point, but they are aware that imports of borax by land into India for refining purposes have been declining in recent years.

(b) It is open to the industry to submit for the consideration of Government its claims to protection should it consider that it fulfils the conditions laid down by the Fiscal Commission in paragraph 97 of their Report.

GRIEVANCES OF THE STAFF OF THE LATE GOVERNMENT OF INDIA POSTAL WORKSHOP AT ALIGARH.

107. ***Bhai Parma Nand:** (a) Will Government be pleased to state if it is a fact that when the Government of India Postal Workshop at Aligarh was abolished in 1931, some of the staff were made to retire and some were transferred to the Postal Department on the same salary? Was notice given after a year and a half to the transferred staff either to retire compulsorily or to rejoin the same service with a break in service and in a lower grade, *viz.*, 85—4—75?

(b) Are Government aware of the hardship caused to the members of the staff who accepted service at different places in the Province and who were later on forced to accept a much lower salary and refund the amount of their pay drawn during a year and a half?

(c) Is it a fact that the rules and regulations of the Postal Department as to appointment, pension, etc., are applicable to the members of the Postal Workshop? If so, why was a deviation in the rules made after the staff joined the new posts and worked there for a year and a half under the same Director General of Posts and Telegraphs?

(d) Do Government propose to take steps to see that the orders of the late Director General are not set aside by the present incumbent of the office, and that this grievance of the staff is redressed?

The Honourable Sir Frank Noyce: (a) The facts are substantially as stated by the Honourable Member. I may, however, inform him that the question whether the lower division scale of pay (Rs. 35-4-75) should apply to the upper division clerks of the defunct Postal Workshop, who have been appointed in the Postal Branch of the United Provinces Circle, is under the consideration of the Director-General.

(b) As already explained the question of the correct fixation of the salary of the officers concerned is at present being considered by the Director-General and so far as Government are aware no refunds have as yet been made by the officials concerned, nor have Government received any protests against their transfer to other stations in the United Provinces.

(c) The reply to the first part is in the affirmative. As regards the second part the Honourable Member's attention is invited to the reply I have just given to part (a) of this question.

(d) As already explained the question is at present under the consideration of the Director-General.

PERIODICAL MIGRATIONS OF KABULI MONEY-LENDERS TO VARIOUS PARTS OF INDIA.

108. ***Bhai Parma Nand:** (a) Are Government aware of the fact that there are periodical migrations of Kabuli money-lenders to various parts of India every year, and that these Kabuli money-lenders lend out money to illiterate folks in the villages of different parts of the country at exorbitant rates of interest and recover their loans by resorting to extra-legal methods?

(b) Are the Government of India prepared to intercede with His Majesty the King of Afghanistan on their behalf and stop their migration for this purpose?

Mr. B. J. Glancy: (a) Government are aware that certain Afghan subjects visit India in the winter and lend money to Indians. They have no information about the rates of interest charged and are not prepared to endorse the suggestion made by the Honourable Member as to the methods employed by these money-lenders to effect recovery of their loans.

(b) No. These persons are during their sojourn in India amenable to the laws of India and if they offend against those laws they can be prosecuted.

Bhai Parma Nand: May I ask the Honourable Member, if the Government are not aware, would he kindly make some enquiry into this matter?

Mr. B. J. Glancy: I shall be very pleased to make further enquiries.

CONVICTIONS FOR GAMBLING.

109. ***Bhai Parma Nand:** Will Government be pleased to state what is the number of convictions, in connection with *Darra Sutta* (Digit sutta) gambling in inter-provincial cases and those involving British and State subjects, respectively, during the last three financial years in various parts of India?

The Honourable Sir Harry Haig: I regret that the information is not available with the Government of India and the labour involved in collecting it from Local Governments would, I think, be incommensurate with its results.

PROMOTION OF FRUIT CULTURE AND FRUIT MARKETING IN INDIA.

110. ***Bhai Parma Nand:** (a) Will Government be pleased to state if they are aware of the fact that there is a great possibility of the export of tropical and sub-tropical fruits on a commercial scale from different parts of India?

(b) If so, are Government prepared to do something for the promotion of fruit culture and fruit marketing, and to impart suitable training to selected students?

Mr. G. S. Bajpai: (a) Experiments assisted by the Imperial Council of Agricultural Research indicate that there are definite but limited possibilities for the development of an export trade in certain Indian fruits, particularly mangoes.

(b) The matter primarily concerns Local Governments. The Imperial Council of Agricultural Research is also financing a co-ordinated group of fruit research schemes, particulars of which will be found in the Council's Annual Report for 1932-33, which has been supplied to Honourable Members.

Special training in fruit cultivation and fruit preservation is given at the Agricultural Colleges at Poona and Lyallpur.

ACCEPTANCE OF DEFACED COINS, ETC., BY THE TAHSIL AND DISTRICT TREASURIES.

111. ***Bhai Parma Nand:** (a) Will Government be pleased to state whether the Tahsil and District Treasuries are authorised to refuse acceptance of defaced (though not debased) coins, old rupee coins of the East India Company and spoiled or oiled genuine currency notes (though their number and other marks may be quite clear)?

(b) If the reply to part (a) be in the negative, are Government prepared to issue clear instructions on the subject and have them posted on the walls of Government Treasury Buildings for the information of the public to avoid inconvenience?

The Honourable Sir George Schuster: (a) I would invite the attention of the Honourable Member to the provisions of the Resource Manual, a copy of which will be found in the Library of the House. Tahsil and district treasuries are authorised to refuse acceptance of defaced coins and old rupee coins of the East India Company if they appear to have been fraudulently defaced or if their weight has been reduced by more than a certain percentage. They are also authorised to refuse acceptance of spoiled and oiled genuine currency notes if they are not clearly identifiable.

(b) The instructions issued to treasury authorities have been made as clear as possible, but such authorities must necessarily retain some discretion with regard to the interpretation of the rules. It is open to aggrieved persons to appeal to the Deputy Controller of the Currency who can order re-examination at a mint if he considers this to be desirable. In the circumstances Government do not consider it necessary to post information on the subject on the walls of Government treasury buildings.

REFUSAL OF LEAVE ON TRANSFER TO THE CREW STAFF ON THE EASTERN BENGAL RAILWAY.

112. ***Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if it is a fact that D. T. S., Crews, Eastern Bengal Railway, refused

to grant six days' preparatory leave to his staff on transfer and forced the staff to take leave on average pay instead?

(b) Will Government be pleased to state if the staff on transfer are entitled to six days' preparatory leave?

(c) If so, are Government prepared to issue orders to the Agent to convert the leave into preparatory leave? If not, why not?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

ALLEGATIONS AGAINST MR. WOOD, TRAFFIC INSPECTOR, AMINGAON, EASTERN BENGAL RAILWAY.

113. ***Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if it is a fact that serious complaints for molesting Indian ladies, while travelling in trains, were brought against Mr. Wood, Traffic Inspector, Amingaon, Eastern Bengal Railway, that an enquiry was held by the District Officer, and that Guard S. K. Bose who gave evidence against Mr. Wood, has been discharged from service?

(b) Are Government prepared to furnish this House with the findings of the enquiry held by the District Officer?

Mr. P. R. Rau: Disciplinary action in the cases of misconduct of non-gazetted staff is within the powers of the Agent of the Railway to whom full powers have been delegated. No special features have been mentioned by the Honourable Member to justify the Government of India in departing from their usual policy of refusing to intervene in such cases.

STOPPAGE OF THE RELIEVING ALLOWANCES TO THE RELIEVING STAFF OF THE TRAFFIC DEPARTMENT, EASTERN BENGAL RAILWAY.

114. ***Pandit Satyendra Nath Sen:** (a) Are Government aware that relieving allowances to relieving staff of the Traffic Department, Eastern Bengal Railway, have been stopped and travelling allowance upto 35 days instead has been introduced?

(b) If so, will Government be pleased to state if they received any representation from the staff in the matter, explaining their difficulties to meet the extra expenses for working as relieving hands?

(c) If so, will Government be pleased to state if the nature of work of relieving staff has been changed?

(d) If not, will Government be pleased to state why a change in the system of payment of their allowances was felt necessary?

(e) Will Government be pleased to state if it is a fact that relieving staff in the Traffic Department of the Eastern Bengal Railway, are generally temporarily posted at a station if they work there for more than 35 days and no allowance is allowed?

(f) If so, will Government be pleased to state if it is a fact that even in such posting the relieving hands have had to maintain two establishments—one at Headquarter and another at out-station?

(g) If so, are Government aware that it is regarded as a hardship to meet double expenses without any extra allowances?

Mr. P. B. Rau: (a) and (d). The question of relieving allowances was reviewed by the Railway Board in 1931, and it was decided to make the practice then existing on the Great Indian Peninsula Railway uniform on all State-managed Railways. It was arranged that the relieving staff should, instead of relieving allowances be granted the usual travelling allowance admissible on tour as also the compensatory allowance, if any, which would be admissible to them at headquarters. Under the Supplementary Rules daily allowances cannot ordinarily be drawn beyond 10 days. In March 1932 powers were granted to Heads of Departments to grant full exemption from this rule, but it was stated that when it could be foreseen that relieving staff would be required to stay at a particular station for more than 6 weeks, they should be temporarily transferred.

(b) Yes.

(c) No.

(e) Government have no information regarding the position in the Traffic Department on the Eastern Bengal Railway, but Government consider that it is only when a man is sent to another station to work for a comparatively short period that any special compensation is called for. When he is sent for comparatively long periods it is reasonable to treat it as a temporary transfer.

(f) I am unable to say whether the facts are as stated.

(g) This is purely a hypothetical question.

FUNCTIONS OF THE WELFARE OFFICER, EASTERN BENGAL RAILWAY.

115. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that a Welfare Officer has been appointed on the Eastern Bengal Railway?

(b) If so, will Government be pleased to state the functions of the officer?

Mr. P. B. Rau: (a) Yes.

(b) I would invite my Honourable friend's attention to the memorandum placed by the Railway Board before the Standing Finance Committee for Railways, a copy of which will be found on pages 14-16 in Volume X No. 6 of these proceedings.

DISCONTENT AMONGST THE GUARDS IN THE CALCUTTA DISTRICT OF THE EASTERN BENGAL RAILWAY.

116. ***Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if they are aware that wide discontent has been created amongst the guards working in the Calcutta District of the Eastern Bengal Railway on the issue of a circular, dated the 19th June 1933, regarding punctuality of trains service, asking the guards to cultivate a neat handwriting always to write in ink and to summarise detentions by formula using code letters A, B, C, D to X, Y, Z?

(b) Are Government aware that the guards were hitherto allowed to prepare their reports with pencils? If so, why?

(c) If so, do Government propose to consider the desirability of withdrawing the order issued by the Divisional Superintendent?

Mr. P. B. Rau: With your permission, Sir, I propose to reply to Questions Nos. 116, 117, 118 and 120 together. Government have no

information. Details of administration of this sort are left to the Agents of Railways and Government see no reason to interfere.

STOPPAGE OF THE ALLOWANCE OF CERTAIN PORTERS ON THE HOWRAH DIVISION OF THE EAST INDIAN RAILWAY.

†117. ***Pandit Satyendra Nath Sen:** Will Government be pleased to state the reason why the allowance of Rs. five granted to the porters working on Shunting Van Goods Pick-up Service Trains on the East Indian Railway, Howrah Division, has been stopped whereas the same allowance is being given to the porters in other divisions?

NON-PAYMENT OF CONSOLIDATED TRAVELLING ALLOWANCE TO THE CREWMEN ON THE EAST INDIAN RAILWAY.

†118. ***Pandit Satyendra Nath Sen:** (a) Will Government be pleased to state if it is a fact that the Divisional Superintendent, Howrah, East Indian Railway, sanctioned in the month of January, 1932, payment of consolidated travelling allowance to the crewmen engaged on other than running duties?

(b) If so, will Government be pleased to state the reason why the payment of such allowances has not yet been made to the crew staff concerned although more than a year has been allowed to pass?

SCARCITY OF WATER AT ASANSOL.

119. ***Pandit Satyendra Nath Sen:** With reference to the article "Grievances at Asansol—Scarcity of water at Asansol", which appeared on page 4 of the *Railwaymen's Times*, dated the 16th November, 1933, will Government be pleased to state what action was taken by the East Indian Railway authorities regarding the complaint?

Mr. P. B. Rau: A provision of 4½ lakhs has been made in the next years' budget for improvement of the drinking water supply at Asansol; and if the Assembly approve of this, it is hoped to complete the project before the end of 1934-35.

STOPPAGE OF THE INCREMENT OF A CLERK WORKING UNDER THE CONTROLLER OF STORES, EAST INDIAN RAILWAY.

†120. ***Pandit Satyendra Nath Sen:** Will Government be pleased to state if it is a fact that order was passed on the file of a clerical staff under Controller of Stores in the East Indian Railway, who applied for his due increment, to the effect that further increment is stopped as he made an application? If so, why?

TRADE TREATY BETWEEN INDIA AND THE UNITED STATES OF AMERICA.

121. ***Sirdar Sohan Singh:** (a) Will Government please state if there is a Trade Treaty between India and the United States of America? If so, is it a fact that while this treaty guarantees full business rights and protection to American merchants in India, it contains no corresponding protection to Indian merchants in the United States of America?

† For answer to this question, see answer to question No. 116.

(b) Will Government be pleased to lay on the table a copy of the Treaty?

The Honourable Sir Joseph Bhore: (a) There is no direct trade agreement between India and the United States of America, but there is a Convention of Commerce concluded as long ago as 1815 between His Britannic Majesty and the United States of America, Article 3 of which is applicable to India. The provisions of this Article are unilateral inasmuch as they make no stipulations for the treatment of Indian trade in the United States of America.

(b) A copy of the Convention referred to has been placed in the Library of the House.

PROVISION OF SHELTER TO THE INDIAN RAILWAY STAFF AT STATIONS DAMAGED BY THE EARTHQUAKE.

122. ***Lala Rameshwar Prasad Bagla:** (a) Is it a fact that the Indian railway staff of all the stations which have been damaged owing to the earthquake between Jamalpur and Patna stations have not been provided with any shelter and are living in the open, whereas the European and Anglo-Indian employees of those places have been given tents?

(b) If the answer to part (a) be in the affirmative, will Government kindly state why this discrimination was made in providing shelter?

(c) Do Government propose to provide them shelter now and issue instructions not to make this distinction?

Mr. P. R. Rau: (a), (b) and (c). Government have been informed by the Railway Administration that there has been no discrimination in providing railway staff with tents or other temporary shelter after the recent earthquake. The available tents, tarpaulins, corrugated iron sheets, etc., were used in the first instance to provide shelter for those employees who had been housed in railway quarters, irrespective of whether they were Europeans, Anglo-Indians or Indians. After this had been done 47 surplus tents were used for accommodating employees who had been living in non-railway quarters. In addition to these arrangements the Indian Apprentices' Hostel and the H. E. School building were made available for occupation by the staff who were still without shelter, but none would occupy them at first. About 50 huts of bamboo and straw were also constructed, of which only 30 were occupied as some of the Indian clerical staff refused to occupy the others, because they considered that the Indians occupying the 30 units were not of their class. Arrangements were then made for erecting 100 Bengali type huts for the clerical staff. It will be seen, therefore, that every effort was made to provide shelter for all railway employees, irrespective of caste or creed, but that for various reasons the accommodation available for some days after the earthquake was not at any time fully occupied.

EMPLOYMENT OF THE PEOPLE OF AJMER-MERWARA IN THE CENTRAL PUBLIC WORKS DEPARTMENT.

123. ***Diwan Bahadur Harbilas Sarda:** (a) Are there any orders purporting that in case new works are started under the Central Government and the employment of extra engineers becomes necessary, retrenched men of the Central Public Works Department should be given the first chance and thereafter retrenched men of the various Provincial Public Works Departments should be taken?

(b) Are Government aware that of late a few vacancies in the Central Public Works Department have been filled by such retrenched men?

(c) Do Government consider that Ajmer-Merwara, being one of the centrally administered areas should have a reasonable share in the matter of senior appointments in the Central Public Works Department, Delhi, when there are men fully qualified for such appointments?

(d) Are Government aware that suitable and qualified men from Ajmer-Merwara can only look up to the Central Government for employment? Do Government propose to issue orders that they should be given preference over the retrenched Public Works Department officers of the Governors' provinces who have ample scope for employment in their own provinces?

(e) Are Government aware that the policy of the Governors' provinces is to exclude generally people who are not natives of the provinces concerned and that the people of Ajmer-Merwara are not eligible for employment in any of the Governors' provinces?

The Honourable Sir Frank Noyce: (a) No. Orders have been issued that in filling vacancies in the clerical staff of the Central Public Works Department preference should always be given to retrenched personnel, due regard being had to the duties of the posts to be filled and the qualifications required to fill them efficiently.

(b) Yes.

(c) By "senior appointments" the Honourable Member perhaps refers to gazetted appointments. I am afraid it would not be desirable to allot a definite share of these posts to candidates from any particular centrally administered area. Apart from difficulties arising from the smallness of the cadre, the work performed by this staff, which includes all work connected with New Delhi, is largely of an imperial and not of a provincial nature. Government are prepared, however, if the choice should at any time lie between two or more equally qualified candidates, to give weight to the fact that any one of them resides in a centrally administered area.

If the Honourable Member has also in mind some of the subordinate posts, I may add for his information that the Chief Engineer proposes in future to treat men from Ajmer-Merwara on an equal footing with men belonging to the Delhi Province, who are, *ceteris paribus*, given preference over other applicants for employment.

(d) and (e). Government are aware that in practice preference is given in Governors' provinces to men belonging to these provinces, and recognise that residents of centrally administered areas, such as Ajmer-Merwara, are handicapped in securing employment in a Governor's province. As regards the re-employment of retrenched personnel, no retrenched men from Governors' provinces have yet been re-employed in the Central Public Works Department, and Government do not propose to issue any order giving preference over such men to residents of Ajmer-Merwara.

GRIEVANCES OF THE PEOPLE OF BEECHLA TANK AGAINST THE RAILWAY AUTHORITIES.

124. *Diwan Bahadur Harbilas Sarda: (a) Is it a fact that when Railway was first opened in Ajmer, there were four ways leading to Beechla Tank locality and the land for these ways was given free of compensation by the people of the locality to the Railway?

(b) Is there a large number of houses, bungalows and huts in and about Beechla Tank, and consequently a large population with no proper road or way for them, open to be used at all hours?

(c) Is it a fact that there are over-bridges on the Railway yards for the exclusive use of people similarly situated on stations like Delhi, Bombay, Lahore, Ahmedabad and Rewari, etc.?

(d) Has the public of Ajmer represented in writing on the subject to the Local Government and the Railway authorities of the Bombay, Baroda and Central India Railway metre gauge? If so, what action has since been taken by the said authorities?

(e) Is it a fact that since the opening of the Railway in Ajmer, the main gate of the Railway Station was used by the people of this Beechla Tank locality? Has it or not been of late closed to them?

(f) Do Government propose to construct a bridge over the Railway yard for the use of the people to go to the Bisla?

(g) Have the Railway authorities completely closed the way leading from Ghasi Ram's Dharamshala to the Beechla Tank, which was used both by the pedestrians and wheeled traffic?

(h) Are Government prepared to invite the attention of the Railway authorities to construct an over-bridge?

(i) Are Government aware that several people have been run over by engines while crossing the Railway yard?

(j) Is it a fact that large numbers of cultivators bring vegetables to the Railway Station in head-loads now instead of cart-loads for export to Bombay?

(k) Do not the Railway derive a good income from the cultivators of vegetables in Ajmer who export their produce to Bombay by rail?

Mr. P. R. Rau: The information is being obtained from the Railway Administration, and a reply will be laid on the table in due course.

RETENTION OF SURPLUS STOCK OF RUPEES BY GOVERNMENT ON THE CREATION OF THE RESERVE BANK.

125. ***Sir Cowasji Jehangir:** Will Government be pleased to state what action they propose to take on the recommendation of the Joint Committee on the Reserve Bank Bill that the Government proposals for dealing with the surplus stock of rupees to be retained by Government when the Reserve Bank is created should be further studied by the Legislature?

The Honourable Sir George Schuster: Government propose to put the Memorandum before the Standing Finance Committee for their consideration at an early date.

Mr. B. Das: May I inquire if thereafter it will be placed before this House and the House will be given a day for discussing the subject?

The Honourable Sir George Schuster: I shall be glad to know whether Honourable Members have any particular wishes on this subject. Government are anxious that this matter should be fully considered by the Legislature and that is the reason why we propose in the first place to put the matter before the Standing Finance Committee which seems to be the obvious representative body of this Legislature to consider the matter.

Mr. B. Das: Was there not an understanding in the Select Committee of the Reserve Bank Bill that this question would be brought up before the Legislature?

The Honourable Sir George Schuster: My Honourable friend is quite aware of what passed in the Select Committee on the Reserve Bank Bill on this matter, and we have made this proposal with the purpose of giving effect to what we put before the Select Committee.

Sir Cowasji Jehangir: I quite understand the reasonableness of my Honourable friend's proposal to put it before the Committee first, but if the members of the Committee who happen to be Members of this House desire that their proposals or conclusions should be placed before this House, will the Honourable Member have any objection to do so?

The Honourable Sir George Schuster: Certainly not. As I have already said, we are only too anxious that the House should have every opportunity for considering the matter.

SHORT NOTICE QUESTION AND ANSWER.

CHANGE OF THE WAVE-LENGTH OF THE BOMBAY BROADCASTING STATION.

Kunwar Hajee Ismail Ali Khan: (a) Are Government aware that now-a-days some foreign radio station is broad-casting at the same wave-length and time when Bombay is transmitting and it is absolutely spoiling the Bombay programmes?

(b) What do Government propose to do to remove the grievances of Bombay's listeners in?

(c) Are Government prepared to change the wave-length of the Bombay station immediately?

The Honourable Sir Frank Noyce: The facts were approximately as stated, but the wave-length of the Bombay station has been changed, from the 9th February, to 350.9 metres which, it is hoped, will remove the difficulty.

UNSTARRED QUESTIONS AND ANSWERS.

INFORMATION REGARDING CERTAIN QUESTIONS PROMISED IN THE LEGISLATIVE ASSEMBLY.

35. Rai Bahadur Lala Brij Kishore: Will Government be pleased to state if they are in a position now to give the information promised in replies to my following starred questions:

(i) No. 1096, dated the 1st April, 1933;

(ii) No. 818, dated the 12th September, 1933?

Mr. P. R. Rau: (i) A reply was laid by me on the table of the House on the 30th August, 1933.

(ii) The Railway Board are still in correspondence with the Agent, East Indian Railway, on the subject. I shall place a reply on the table as soon as possible.

ACTION TAKEN ON CERTAIN QUESTIONS ASKED IN THE LEGISLATIVE ASSEMBLY.

36. **Rai Bahadur Lala Brij Kishore:** With reference to the replies to my starred questions No. 1095, dated the 1st April 1933, and No. 1375, dated the 11th December 1933, will Government be pleased to state whether any, and, if so, what action has been taken?

Mr. P. R. Rau: As regards starred question No. 1095, a copy of the Honourable Member's question was sent to the Agent, East Indian Railway, for any action that he may consider necessary. The matter is within the competence of the Agent to decide, and the Government are not prepared to intervene.

In regard to starred question No. 1375, the Agent, East Indian Railway, reports that there never was a separate gate, manned by a ticket collector, for the use of ladies at Unao station. What the Honourable Member refers to is presumably the back door of the *zenana* waiting room which stands detached from the main station building. This door and the back doors of similarly situated *zenana* waiting rooms at several other stations in the Lucknow Division have had to be closed as it was found that they were being used clandestinely by passengers without tickets to leave, or get access to, platforms. In the circumstances, the Railway Administration does not propose to re-open such doors.

INCONVENIENCES TO PASSENGERS ON THE RAHMATNAGAR RAILWAY STATION ON THE EAST INDIAN RAILWAY.

37. **Mr. Muhammad Azhar Ali:** (a) Are Government aware (i) that on the East Indian Railway line in the district of Lucknow—Oudh, Sultanpur, Lucknow branch—a station is named 'Rahmatnagar'; (ii) that the people of the town Amethi Bandigi Mian, in which the above station is built and the people of the vicinity, memorialized that the station be named after the great saint—Bandigi Mian as 'Amethi Bandigi Mian'; (iii) that no heed was paid to the public representations and protests; and (iv) that the Revenue and other Government papers from the days of the Mughal Emperors up till now, and also the public of the district, know the place where the station is situate as 'Amethi Bandigi Mian'?

(b) If so, will Government please state the reason why the station is styled as 'Rahmatnagar'?

(c) Are Government prepared to meet the public wishes?

(d) Are Government aware (i) that the citizens of the 'Qasba (town) Amethi' and its vicinity have boycotted the station, and traffic and trade is not therefore increasing; (ii) that there is no *pucca* road to the town or to the main road from Rahmatnagar station and that conveyances cannot reach the station, and (iii) that there is no platform or waiting room or a shelter from sun and rain at the station? If so, why?

Mr. P. R. Rau: Government have no information. The selection of station names is settled by Railways in consultation with the local civil authorities, and the Government of India see no reason to intervene in this case; but a copy of the question is being sent to the Agent, East Indian Railway.

INCONVENIENCES TO PASSENGERS ON THE GUNJMURADABAD RAILWAY STATION
ON THE EAST INDIAN RAILWAY.

98. **Mr. Muhammad Azhar Ali:** (a) Are Government aware (i) that on the East Indian Railway, between *Unao* and *Balamau* stations in Oudh, there is a station called Gunjmuradabad and that a great annual *Urs* (anniversary of a saint) is held there, and special trains are run on that occasion; (ii) that there are no sufficient double lines near or at the station, and the train timings cannot be so arranged as to afford passengers any convenience to arrive at the Gunjmuradabad station in time for the *Urs* or on return journey to catch corresponding trains at Unao for Cawnpore or Lucknow?

(b) Are Government prepared to do something to give facilities to the passengers?

(c) Are Government aware (i) that very great hardship was experienced by passengers in July, 1932 and 1933 on the *Urs* day as the trains to Unao were detained and hundreds of people were landed at Unao; (ii) that no First and Second Class compartment is attached to the special trains; (iii) that there is neither any platform at Gunjmuradabad nor any arrangement for water supply or shelter from rain and sun?

(d) If the reply to part (c) be in the affirmative, do Government propose to meet the difficulties above-mentioned?

Mr. P. B. Rau: (a) The East Indian Railway Administration report that Gunjmuradabad is a flag station with a small dead end siding on the Balamau-Unao Branch on the Moradabad Division of the East Indian Railway. There is a shrine of a Muslim Saint at which an Annual *Urs* is held during the month of *Rabi-ul-Awwal*, which is the third Lunar month of the Muslim year.

This *Urs* attracts a gathering of pilgrims of between two to three thousands every year. In addition to the two regular passenger trains each way, a special train is run to and from Cawnpore and Gunjmuradabad on the chief *Mela* day at suitable timings in consultation with the shrine authorities.

(b), (c) and (d). The Railway Administration are not aware what hardships are alluded to, as no complaints were made either at the time or subsequently. Although it is not usual to attach upper class carriages to *Mela* rakes, there being no demand on such occasions for this class of accommodation, the Railway Administration propose, as an experimental measure, to attach an upper class coach to the special to be run in connection with the *Urs* fair in July next. Gunjmuradabad being a flag station, no special facilities exist in the way of platform accommodation, covered sheds or water supply arrangements. The provision of such facilities will be considered if they are justified by a permanent, and not spasmodic, increase in traffic. During each *Mela*, however, the Railway Administration report that additional *bhisties* were appointed for supplying water to passengers.

REMOVAL OF THE OFFICE OF THE SUPERINTENDENT OF POST OFFICES, BARISAL
DIVISION, TO A PLACE IN THE OUTSKIRTS OF THE TOWN.

99. **Mr. S. C. Mitra:** (a) Are Government aware that the office of the Superintendent of Post Offices, Barisal Division, has been removed to a place in the outskirts of the town, away from the Post Office and the offices

of the Local Government, and opposite to the Gurkha Barracks, to the great inconvenience of the public and the employees?

(b) Has the attention of Government been drawn to the correspondence published in the *Amrita Bazar Patrika*, dated the 27th October, 1933, in which complaints on behalf of the public were made as to their inconvenience owing to the shifting of the Superintendent's office to a distant corner of the town?

(c) Is the building a two-storied one, and does the Superintendent with the dealing clerks sit on the first floor and the record clerk and the copying clerk and despatcher accommodated on the ground floor? Did not the Postmaster-General, Bengal and Assam, consider the arrangement inconvenient and unserviceable?

(d) It is a fact that the actual floor space, and also cubical space, in the new building is less than that of the old building and as a consequence there has been congestion of files and records causing inconvenience to smooth working?

(e) Do Government propose to make an enquiry into the matter and shift the office to a more convenient building and quarter?

The Honourable Sir Frank Noyce: (a) No. The position of the new office is about 10 minutes' walk from the old one. No complaints of inconvenience have so far been received by the Postmaster-General, Bengal and Assam Circle, either from the general public or from the staff of the office.

(b) No. Issues of the paper have been examined, but the correspondence has not been found in it.

(c) The reply to the first part is in the affirmative. The Postmaster-General was assured, both by the Superintendent and the Head Clerk, that the arrangement was convenient.

(d) The floor area in the new building, though about 1 per cent. less than that occupied by the office in the old building, is quite sufficient.

(e) In view of what have been stated in parts (a) to (d), no further action is contemplated.

REFUSAL BY THE SUPERINTENDENT OF POST OFFICES, BARISAL DIVISION, TO ATTEND TO THE WORK OF THE POSTAL CO-OPERATIVE CREDIT SOCIETIES.

40. **Mr. S. C. Mitra:** (a) Is it a fact that the Superintendents of Post Offices generally act as *ex-officio* Presidents of the Postal Co-operative Credit Societies?

(b) Did the previous Superintendents of the Barisal Division act as President of the Barisal Postal Co-operative Credit Societies?

(c) Has the present Superintendent of the Barisal Division refused to attend the monthly meetings of the Committee of management of the Society, remarking that he will have no time during the whole of the year to attend at such meetings?

(d) Has any Superintendent of any other Division similarly refused to work? If not, what is the reason for the Superintendent, Barisal Division, refusing to attend to this matter affecting the interests of all the postal employees in the Division?

The Honourable Sir Frank Noyce: (a) So far as the Bengal and Assam Postal Circle is concerned, the reply is in the affirmative. No information is readily available in respect of other postal circles.

(b) Information prior to the year 1930-31 is not available. During 1930-31 and 1931-32, some of the meetings of the society were presided over by the then Superintendent.

(c) The fact is substantially as stated by the Honourable Member.

(d) As regards the first part, Government regret that the information is not readily available. As for the second part, the Superintendent in question declined to accept the presidentship on account of heavy pressure of office work and suggested that somebody else should be elected as President.

RESEARCH FUNDS FOR MEDICAL PURPOSES.

41. **Rao Bahadur M. C. Rajah:** (a) Do Government, through their advisory officers on committees, assist in the direction and control of such foreign funds for medical purposes of research and scholarships as the Carnegie and Rockefeller funds for India?

(b) Are Government aware that members of the independent medical profession in India are denied facilities obtainable from these funds?

(c) Do Government propose to exercise their influence towards seeing a more equitable distribution of such funds?

(d) What are the respective amounts of research funds for medical purposes, originating in and obtainable in India, that are distributed as salaries to non-Indians and to Indian workers drawing above Rs. 250 per mensem for the last five years?

Mr. G. S. Bajpai: (a), (b) and (c). Government have no information whether Carnegie funds are given for purposes of medical research or scholarships in India. The International Health Board of the Rockefeller Foundation, however, award Fellowships to Indians which are designed to meet definite needs in public health service. A copy of a memorandum containing information regarding the award of these Fellowships has been placed in the Library of the House. The allotment of funds rests with the donor, and Government cannot interfere with the method of distribution.

(d) The Government of India make an annual grant-in-aid to the Indian Research Fund Association for medical research. Such information, as is readily available regarding the total amount of salaries paid from the funds of the Association to Indians and non-Indians drawing above Rs. 250 per mensem during the last five years, is given below:

Year.	Indians (including Anglo-Indians).		Non-Indians.
	Rs.		Rs.
1929-30	2,27,771	3,59,737	
1930-31	2,80,044	3,14,377	
1931-32	2,74,457	3,27,708	
1932-33	2,27,982	2,75,567	
1933-34	2,12,935	2,36,042	

COUNTER-SIGNATURES ON VACCINATION CERTIFICATES.

42. **Rao Bahadur M. C. Rajah:** (a) Will Government please state the reasons, if any, for demanding counter-signatures on vaccination certificates

issued by practitioners with recognised medical qualifications as obtainable in India? Has this demand been suggested or supported by the Haj Enquiry Committee?

(b) Is the system of such counter-signatures prevalent in other departments of the State? If so, in which? Is it sponsored or supported by Government directly or indirectly? If so, why?

(c) Are Government prepared to exercise their influence towards a discontinuance of this system where they can?

(d) Is it a fact that many Government Departments issue medical forms in which the certifying officer has to disclose the ailment from which the applicant is suffering?

Mr. G. S. Bajpai: (a) The Honourable Member is presumably referring to the orders requiring vaccination certificates of Haj pilgrims to be counter-signed when not issued by certain recognised authorities. Counter-signature is considered necessary in order to ensure the validity of a certificate. The need for such counter-signature was envisaged by the Haj Inquiry Committee.

(b) The Honourable Member probably wishes to know whether counter-signature of certificates of passengers proceeding to other parts of the world is also required. It is not possible to give an exhaustive list. But the Honourable Member is informed that this is so. For instance, certificates of vaccination issued to passengers sailing from India for other countries, e.g., South and East Africa, have also to be counter-signed by a Civil Surgeon, a Port Health Officer or a District or Municipal Medical Officer of Health.

(c) Government consider that some system of verification is necessary in the passenger's own interest and is intended to enable the Health Authority at the port of debarkation to satisfy itself as to the validity of a certificate.

(d) In some cases the rules provide that the nature of the illness shall be defined in the medical certificate.

CIVILIAN APPOINTMENTS HELD BY MEMBERS OF THE INDIAN MEDICAL SERVICE.

43. **Rao Bahadur M. C. Rajah:** (a) Are civilian appointments in India held by members of the Indian Medical Service in the nature of services lent by the Central to the Local Governments?

(b) Is it open to the Local Governments to refuse such offers?

(c) Have Government, directly or indirectly, divided India or caused it to be divided into districts of various classes with reference to their being officered by medical men of particular denominations? Have Government built their own hospitals for these men in all places?

Mr. G. S. Bajpai: (a) The question is not understood.

(b) and (c). The Honourable Member's attention is invited to the Press Communiqué issued by the Government of India on the 10th May, 1928. A more recent list of the posts reserved for officers of the Indian Medical Service is contained in the Home Department Notification No. F. 245/33, dated the 25th September, 1933. Copies of both these documents will be found in the Library of the House. No officer is transferred to civil employment in a province without the consent of the

Local Government. As regards the last part of (c), the Government of India have no information regarding the position in the provinces. Information, as to the authority or authorities by which hospitals in directly administered areas in charge of Indian Medical Service officers were constructed, is not readily available.

SIGNING OF PLEDGES BY INDIAN ENTRANTS TO THE PERMANENT INDIAN MEDICAL SERVICE.

44. **Rao Bahadur M. C. Rajah:** Can Local Governments choose Indian officers of the Indian Medical Service in preference to non-Indians in posts reserved for the latter? Are Indian entrants to the permanent Indian Medical Service cadre being asked to sign pledges, while the non-Indians are not so asked?

Mr. G. R. F. Tottenham: The reply to the first part of the question is that ordinarily Local Governments cannot choose Indian Officers of the Indian Medical Service in preference to non-Indians in posts reserved for the latter; but, if a suitable British officer is not available, an Indian officer may be, and often has been, appointed to a reserved post.

The reply to the second part is that Indian Medical Service officers, whether Indians or non-Indians, are not required to sign any pledges.

INSTITUTION OF THE WOMEN'S MEDICAL SERVICE.

45. **Rao Bahadur M. C. Rajah:** (a) Has the Women's Medical Service been instituted directly by Government? Is it supported indirectly? Is the formulation of this service on lines analogous to the Indian Medical Service? If so, why?

(b) Do Government contemplate dividing India into reserved posts meant solely for incumbents of the Women's Medical Service? If so, do Government intend such reservations as a necessity for war purposes?

Mr. G. S. Bajpai: (a) The Women's Medical Service is under the direction and control of the National Association for Supplying Female Medical Aid to the Women of India, which is a private body and is known as the Countess of Dufferin's Fund. The Association receives a grant from Central Revenues.

(b) No.

INDIANS WITH INDIAN QUALIFICATIONS ENROLLED TO THE INDIAN MEDICAL SERVICE AND THE WOMEN'S MEDICAL SERVICE.

46. **Rao Bahadur M. C. Rajah:** How many Indians with purely Indian qualifications have been enrolled in the permanent cadre of the Indian Medical Service, and the Women's Medical Service during the last five years, in each year and for each service, respectively? Have any Indians, with graduate medical qualifications obtained in India, been refused consideration as applicants to these services solely because they had no higher degree than a graduate qualification? If so, do Government now propose to consider these qualifications as insufficient? If so, will Government please state their reasons, if any?

Mr. G. R. F. Tottenham: The answer to the first part of the question is that three Indians with purely Indian medical qualifications were

granted permanent Commissions in the Indian Medical Service in 1931: one each in 1930, 1932 and 1933; and none in 1929. No Indians with such qualifications have been appointed to the permanent cadre of the Women's Medical Service during the last five years.

The reply to the second part of the question is in the negative. The subsequent questions do not, therefore, arise.

ABOLITION OF COMPETITIVE EXAMINATION FOR ADMISSION TO THE INDIAN MEDICAL SERVICE.

47. Rao Bahadur M. C. Rajah: Will Government be pleased to state their reasons, if any, for abolishing competitive examinations for applicants to the permanent cadre of the Indian Medical Service? Have these examinations been abolished for any other All-India Services? Are there any reasons for preferring nominations to these posts? Do Government intend to give a fair chance to all competitors in the near future? If not, why not?

Mr. G. R. F. Tottenham: The answer to the first part of the question will be found in the speeches of Sir Ernest Burdon and Mr. Mackworth Young, as Army Secretaries, in the debates on this subject, which took place in the Legislative Assembly on the 2nd September, 1925, and the 28th January, 1930.

The answer to the second part of the question is in the negative.

The reasons regarding which information is asked for in the third part of the question will be found in the debates quoted above.

As regards the last two parts of the question, Government cannot admit that competitors do not possess a fair chance at present. In any case, they can see no possibility of reopening competitive examinations so long as the future of the Service under the new Constitution is under consideration and the prospects of securing adequate competition for the Service as a whole remain a matter of doubt.

MEMBERS OF THE INDIAN MEDICAL DEPARTMENT ATTACHED TO THE ROYAL ARMY MEDICAL CORPS.

48. Rao Bahadur M. C. Rajah: Will Government please state whether members of the Indian Medical Department attached to the Royal Army Medical Corps in India are on a different footing as regards their pay, denomination, etc., as compared to the Indian Medical Department members attached to the Indian Medical Service? Are the two branches confined to and reserved for different classes in India? If so, why? Will Government please state the number of officers enrolled from each of the two sections to the commissioned cadre of the Indian Medical Service?

Mr. G. R. F. Tottenham: The reply to the first part of the question is in the affirmative.

The reply to the second part is also in the affirmative. The reason is that the Assistant Surgeons' branch is recruited for duty with British troops while the Sub-Assistant Surgeons' branch serves with the Indian Army.

The reply to the last part of the question is that four Assistant Surgeons, possessing the requisite medical qualifications, have been appointed to the Indian Medical Service. No Sub-Assistant Surgeons have been so appointed, because none possessed the required medical qualifications.

REVIVAL OF THE CENTRAL ADVISORY BOARD OF EDUCATION IN INDIA.

49. **Dr. Ziauddin Ahmad:** (a) Is it a fact that the Honourable Sir Frank Noyce on behalf of Government said on the 16th February, 1932, that the Government of India have accepted and are prepared to act on the recommendations of the Hartog Committee about the establishment of Advisory Board?

(b) Is it a fact that Government have recognised the necessity for the resuscitation of the Advisory Board?

(c) Is it not a fact that Government are committed to establish this Board as soon as financial conditions improve?

(d) What is the estimate of expenditure on the establishment of the Advisory Board?

(e) When do Government propose to establish the Advisory Board?

Mr. G. S. Bajpai: (a) Yes.

(b) Yes.

(c) Yes.

(d) Rs. 45,000 annually, rising to Rs. 59,000.

(e) As soon as financial circumstances permit.

TRANSFERS OF STAFF ON THE MORADABAD DIVISION, EAST INDIAN RAILWAY.

50. **Khan Bahadur Haji Wajihuddin:** (a) Has the attention of Government been drawn to an article published in the *Railway Times*, Bombay, on the 15th July 1933, under the heading "Rolling Stone gathers no moss"?

(b) Will Government be pleased to state if it is a fact that the Moradabad Division of the East Indian Railway tops the list in respect of transfers especially of staff placed under Assistant Superintendent, Commercial?

(c) Will Government be pleased to state:

(i) if there is any rule under which an employee should or should not be kept as far as possible near to his home station;

(ii) whether particular classes of employees are subjected to this treatment of constant shiftings, or all?

(d) Are Government aware that these transfers entail hardships on the employees specially those who are not provided with quarters by the Railway, whether free or on rent, and also that the education of their children suffers as a result of these changes?

(e) Are Government prepared to see that definite reasons for effecting the transfers are communicated to the employees to enable them to be satisfied that the hardships entailed by these shiftings are rightly based on administrative reasons?

Mr. P. R. Rau: (a) Yes.

(b) to (e). Full powers regarding the transfer of staff from one station to another have been delegated to the Railway Administration, and Government are not prepared to interfere. The question has, however, been sent to the Agent, East Indian Railway, for consideration of the suggestion made.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I lay on the table the information promised in reply to starred questions, No. 1173, asked by Sardar Sant Singh on the 27th November 1933, and to No. 1436, asked by Mr. Bhuput Sing on the 16th December, 1933.

FLUCTUATION IN THE PRICE OF PETROL IN DELHI.

*1173. (a) The reply to the first part is in the affirmative. As regards the latter part, the Honourable Member is referred to the reply given by me to his starred question No. 460 on the 4th September, 1933.

(b) No such instructions have been issued.

(c) Licences for petrol pumps are issued without preference being given to any particular firm. During 1933, six applications have been sanctioned by the Delhi Municipal Committee for the erection of Russian petrol pumps within their boundaries and one by the New Delhi Municipal Committee. Permission has been refused only in one case for the installation of a pump on Queen's Road, Delhi, on the ground that it is not desirable to allow further pumps to be installed on that road.

REFUSAL OF FACILITIES FOR THE IMPORT AND SALE OF RUSSIAN PETROL IN DELHI.

*1436. (a) Enquiries have been made and the New Delhi Municipal Committee report that a site was allotted to the Chief Agent to the Central Petroleum Distributing Company near Connaught Place, New Delhi, on the 13th September, 1933. His second application for three more sites is under consideration. This Company, it is believed, deals in Russian Petrol. No action has yet been taken by the Company to instal a petrol pump and kiosk on the site allotted to them.

The Delhi Municipal Committee sanctioned six applications during 1933, for the erection of petrol pumps within their boundaries to the Agents for Russian petrol. Permission has been refused in one case by the District Magistrate on the ground that it has been the policy during the last two or three years to refuse further applications for the erection of petrol pumps on Queen's Road. Six further applications of Agents for Russian petrol are pending with the Delhi Municipal Committee.

(b) No. The New Delhi, Municipal Committee report that no application for a site has been received from the Burma Oil Company since the 13th September, 1933, and no application from this Company has been received by the Delhi Municipal Committee since the 1st March, 1933.

(c) The position stated appears to be substantially correct.

(d) and (e) The Government of India have no information but they will be prepared to make the necessary enquiries if any specific instances are quoted by the Honourable Member.

(f) No obstructions are being placed in the way of import and sale of Russian petrol.

(g) Does not arise.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to unstarred question No. 12, asked by Mr. S. C. Mitra, on the 30th January, 1934.

NON-OBSERVANCE OF HOLIDAY ON ACCOUNT OF THE JAGADDHATRI PUJA IN THE GOVERNMENT TEST HOUSE, ALIPORE.

12. (a) The Honourable Member's information is correct.
- (b) Gazetted holidays pertaining to all communities are allowed at the Government Test House as far as possible, but it is always open to the head of an office to cancel a holiday if the state of work demands, as was the case in the instance referred to by the Honourable Member.
- (c) The Head of the Government Test House is a European officer. Of the remaining four officers two are Hindus and two non-Hindus.

Mr. B. J. Glancy (Political Secretary): Sir, I lay on the table the information promised in reply to starred question No. 1855, asked by Mr. Gaya Prasad Singh on the 11th December, 1933, and to starred questions Nos. 1449 and 1450, asked by Mr. M. Maswood Ahmad, and to No. 1451, asked by Maulvi Muhammad Shafee Daoodi on the 20th December, 1933.

SMUGGLING OF ARMS INTO INDIA FROM AFGHANISTAN.

*1355. By India the Honourable Member presumably means British India and not tribal territory where the Indian Arms Act is not in force. This tribal territory in practically all parts of the Frontier separates Afghanistan from British India, and it is a fact that a considerable number of weapons are brought from Afghanistan into tribal territory. Some of these are no doubt imported illegally into British territory, but Government have no reason to think that such importation is systematic or on a large scale. Every possible effort is made by the police and by the Frontier Constabulary to check this form of smuggling.

RESTRICTIONS ON THE PUBLICATION OF A VERNACULAR WEEKLY NEWSPAPER IN BALUCHISTAN.

*1449. (a) and (b). Yes.

(c) Yes. Permission was given on such terms in accordance with orders regulating the publication of newspapers and printed books in territories administered by the Governor-General in Council beyond British India.

(d) and (e). The Government of India feel that special measures of control over the Press are required in Baluchistan owing to the inflammable nature of the tribal population. They are therefore reluctant to interfere with the discretion of the Local Administration who are responsible for maintaining the peace. They will however take up with the Local authorities the question whether less drastic conditions could not be applied in future to requests for permission to publish and edit newspapers in Quetta.

RESTRICTIONS ON THE PUBLICATION OF A VERNACULAR WEEKLY NEWSPAPER IN BALUCHISTAN.

*1450. (a) Application was made by Abdus Samad, Achakzai, of Gulistan.

(b) Yes.

(c) No application was made to the Political Agent, Quetta, for a copy. The Extra Assistant Commissioner in whose jurisdiction Gulistan lies was instructed to inform the applicant that the permission asked for could not be granted.

(d) As explained in the latter part of the reply to Question No. 1449 put by the Honourable Member Government are proposing to take up the question with the Local Administration.

RESTRICTIONS ON THE PUBLICATION OF A VERNACULAR WEEKLY NEWSPAPER
IN BALUCHISTAN.

*1451. The Honourable Member's attention is invited to the replies given to Questions Nos. 1449 and 1450 asked by Mr. M. Maswood Ahmad.

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

- (i) the information promised in reply to starred questions Nos. 461 to 472 and 475 asked by Sardar Sant Singh on the 4th September, 1933;
- (ii) the information promised in reply to unstarred question No. 70 asked by Mr. S. G. Jog on the 13th September, 1933;
- (iii) the information promised in reply to starred question No. 1088, asked by Rai Bahadur Kunwar Raghbir Singh on the 21st November, 1933; and
- (iv) the information promised in reply to starred question No. 64, asked by Rao Bahadur M. C. Rajah on the 30th January, 1934.

ORGANIZATION AND CONTROL OF TRAVELLING TICKET EXAMINERS ON THE
NORTH WESTERN RAILWAY.

*461. (a) I understand that no records relating to the formation, organisation and control of the Ticket Travelling Examiners' cadre in 1912 with the reasons for the transfer of their organisation and control to Traffic in 1915 are at present available.

(b) No. I am informed that the re-transfer of control from Traffic to Audit in 1916 was the outcome of a change of procedure in the collection, check and audit of tickets.

CREW SYSTEM ON THE NORTH WESTERN RAILWAY.

*462. (a) and (b). The Agent, North-Western Railway reports that a crew system was introduced in the Lahore District as an experimental measure at the end of 1922, but was discontinued in February, 1924, as it was expensive, though a modified system with 2 men per train was continued for some time further.

ORGANIZATION AND CONTROL OF TRAVELLING TICKET EXAMINERS ON THE
NORTH WESTERN RAILWAY.

*463. (a) The reply to the first part of the question is in the affirmative. As regards the second part, I would refer the Honourable Member to the reply given to part (c) of question No. 889, asked by Bhai Parma Nand on the 23rd March, 1932.

(b) Yes.

(c) The Agent, was informed that the Railway Board had come to the conclusion that it was better to leave the control of Travelling Ticket Examiners under Audit, at any rate until the question of separating Accounts from Audit on all railways had been decided.

ORGANIZATION AND CONTROL OF TRAVELLING TICKET EXAMINERS ON THE
NORTH WESTERN RAILWAY.

*464. (a) I am not aware of any orders issued by the Railway Board on the subject.

(b) No. The step was taken after mature deliberation. The orders of the Railway Board were obtained in 1927, to Travelling Ticket Examiners employed on 4 Divisions being placed under the control of the Chief Commercial Manager as an experimental measure. In April, 1928, the Auditor General asked that arrangements should be made

to relieve the Audit Department altogether of these duties, and the Railway Board authorised the present arrangement.

(c) and (d). The Committee referred to was appointed to advise on the organisation and control of all ticket checking staff. The terms of reference also included the consideration of the emoluments of the staff. Government regret their inability to place on the table a copy of the report of departmental committees.

ORGANIZATION AND CONTROL OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*465. (a) No. Checking by Special Ticket Examiners had been on trial since July 1926, i.e., long before the transfer of the Travelling Ticket Examiners from Audit to Traffic.

(i) and (ii). The main purpose of the appointment of S. T. Es. was to provide a mobile staff who would exercise an efficient check at stations with a view to preventing ticketless passengers from commencing a journey, and the Administration is satisfied that they justified their appointment.

(b) No. The men were reverted to their original posts in order to reduce establishment charges.

ABOLITION OF THE CADRE OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*466. (a) The Travelling Ticket Examiners cadre was abolished on the 1st June, 1931, to secure permanent economy without detriment to efficiency.

The reply to the second part of this question is in the affirmative.

(b) Prior to the abolition of the Travelling Ticket Examiners cadre on the 1st June, 1931, the total strength of Travelling Ticket Examiners and S. T. Es. was 203. The strength of the new cadre of S. T. Es. was fixed at 206. In 1933 an addition of 30 S. T. Es. was made on the Lahore Division in order to test whether an increase in the cadre of S. T. Es. would be likely to prove profitable to the Administration. The majority of these additional S. T. Es. were found from surplus staff and the remainder from retrenched staff.

SPECIAL AND TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*467. Yes.

(i) and (ii). No such sanction was accorded by the Agent, North-Western Railway. A reference is invited to the reply given to question No. 466.

NORTH WESTERN RAILWAY DIVISIONAL PERSONNEL OFFICERS' CONFERENCE.

*468. (a) and (b). I give below the names of the officers who attended the Conference, seven of whom belong to the Transportation (Traffic) and Commercial Branch :

1. Mr. M. S. Gregory.
2. Mr. S. P. Manning.
3. Mr. E. D. Few.
4. Mr. A. N. Sud.
5. Mr. W. S. Aggarwal.
6. Captain K. M. Simner.
7. Mr. B. L. Cameron.†
8. Mr. Z. H. Khan.†
9. Mr. T. B. Chandwani.†
10. M. S. Malik.†
11. Mr. J. W. Henderson.†
12. Sardar W. M. Khan.†
13. Mr. W. H. Brown.†

†Belong to the Transportation (Traffic) and Commercial Branch.

ABOLITION OF THE CADRE OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*469. (a) The answer to the first part of the question is in the affirmative.

The Agent reports that the new system with its better control and supervision ensures a more thorough and effective check than was previously made by Travelling Ticket Examiners.

(b) No.

GROUP SYSTEM OF TICKET CHECKING ON THE NORTH WESTERN RAILWAY.

*470. (a) A reference is invited to the reply given to part (a) of Question No. 469.

(b) Yes.

(c) The Agent informed his Divisional Superintendents that there was no objection to the S. T. Es. in each group working singly whenever this was considered expedient; but it was also made clear that these men when working singly would still remain under the orders of their group-in-charge.

No such letter as No. 173-M. C., dated the 27th November 1932 can be traced as having been issued from the office of the Agent, North Western Railway.

ORGANIZATION AND CONTROL OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*471. Yes.

(a) Checking tickets of passengers in trains and collecting excess fares from such passengers travelling without tickets.

(b) The papers containing this information are not now available.

(c) Programmes were prepared by the Superintendent under the supervision of the Assistant Accounts Officer in charge of the Branch.

(d) The mileage allowance was the same as for guards.

ORGANIZATION AND CONTROL OF TRAVELLING TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

*472. Yes.

(a) After a careful consideration of the whole question, Government came to the conclusion that there was no justification for treating ticket inspecting or examining staff as running staff and continuing to them the mileage allowance they were formerly in receipt of.

(b) and (d). The staff formerly designated as Travelling Ticket Examiners checked tickets of passengers on trains only. The staff now designated as S. T. Es. check tickets on trains as well as at stations.

(c) Running duty, in contradistinction to stationary duty, means duty performed by staff who are directly connected with the charge of a moving train.

NON-ADOPTION OF THE MOODY-WARD SCHEME OF TICKET CHECKING ON THE NORTH WESTERN RAILWAY.

*475. The reply to the first part of this question is in the negative.

(a) to (c). Do not arise.

(d) A division is divided into convenient sections to each of which a group of S. T. Es. consisting of four men and a group in charge is detailed for 3 months. There are also flying groups consisting of the same number who do surprise checks either of individual trains or of individual stations.

DEMOTION OF CERTAIN DRIVERS OF THE GREAT INDIAN PENINSULA RAILWAY.

70. (a) to (c). The Agent Great Indian Peninsula Railway reports that the Drivers referred to were demoted to 'C' Grade during the first half of the year 1931, but have now been reinstated, and that the reply to parts (b) and (c) of the question is in the negative.

(d) This does not now arise.

ABSENCE OF WAITING ROOMS AT RAJGHAT STATION, EAST INDIAN RAILWAY.

*1088. (a) and (b). Government have been informed that Rajghat station is visited annually by a fairly large number of pilgrims, and that there are at present no waiting rooms for 1st, 2nd or inter class passengers. Records of passenger traffic at this station during the last three years show that the number of 1st and 2nd class passengers using it is insufficient to justify the provision of waiting rooms for them. Although the number of Inter class passengers is large enough to justify the provision of a waiting room of that class, funds for its construction are not available at present. The matter will receive due consideration when the financial position improves.

OVERCROWDING OF THE PRINCIPAL TRAINS ON THE METRE GAUGE SECTIONS OF THE SOUTH INDIAN RAILWAY.

*64. (a) The reply is in the negative.

(b) Yes, in some of the older types of III class corridor stock.

(c) Yes—on the Bombay, Baroda and Central India, Bengal and North Western, Eastern Bengal, Madras and Southern Mahratta and Assam Bengal Railways.

(d) The Agent, South Indian Railway states that carriages provided with two-seater benches are not usually utilised on important main line trains and that steps are being taken to replace them by the latest type of 3rd class carriages when they are condemned or pass their time limit.

'THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I move:

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as reported by the Select Committee, be taken into consideration."

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

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as reported by the Select Committee, be taken into consideration."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, the other day, there was a certain advertisement about cholera pills, and it was questioned whether, by eating those pills cholera

would be cured or it would be invited. The same is the case with our Commerce Department. It is a sporting question whether the Commerce Department is intended to promote commerce or to stop commerce. Looking into the figures, we find that the volume of trade is continually diminishing during the last five years. I notice that in 1929-30 the volume of trade was 520 crores, next year it fell down to 400 and then to 292, and last year it was only 271 crores. If the volume of trade is diminishing and the Honourable the Commerce Member does not take any effective measure to stop the fall, he might at least have some mercy on his twin son, i.e., the Railway Department, because a diminution of the volume of trade would substantially affect the income of the Railway Department. This is at least the thing which I was thinking he would do. The only answer which I expect the Commerce Member will give will be that he is helpless in this matter, that it is due to world depression and to forces of nature over which he has no control. But if we give ourselves up to forces of nature and do not exert ourselves, then I ask the same sporting question, i.e., what is the use of maintaining a costly Department if the Department leaves the whole thing to the forces of nature, and general conditions of the world.

As regards protection, I will say at the outset that the whole world has now adopted the policy of protection. The days of free trade are gone. Mr. Joseph Chamberlain no doubt at one time, when I was a student in England, advocated the theory of free trade, and his famous speech about two loaves of bread in his two hands which he delivered in Manchester is still ringing in my ears. But those days are gone and the world has accepted the theory of protection, and each and every Member in this House has accepted that theory, provided it is real protection and not duty levied under the false name of protection. Protection must be protection and nothing else. As I was saying there is one thing which is missing in the administration of the Commerce Department, and that is this: they have not a strong advisory committee consisting of business men; such an advisory committee is always useful. They may not always accept the advice of this committee, but they ought to have at their service the advice of very good and experienced business men. What happens at present is that certain representatives of industry have got access to the Commerce Department and other industries are comparatively unfortunate in not having equally strong advocates, and they naturally suffer. I think if a committee of this kind be instituted and its advice is invited in all important matters, then some of the mistakes might possibly have been avoided

Mr. N. M. Joshi (Nominated Non-Official): There is the Standing Advisory Committee for the Department!

Dr. Ziauddin Ahmad: I said a standing advisory committee of business men, not of the Legislature. If we protect a particular industry, then it is our duty to see that the protection is complete and that the industry is really protected. But we should also see that the consumers are not unduly taxed on account of this protection. We should also see that the people of the country, the agriculturists and labourers, in whose interest the protection is primarily given, are benefited by it. I will take the case of the sugar factories. We gave protection, and I say rightly, to sugar, but unfortunately the price of

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sugar is controlled not by the prices at which the Indian factories manufacture sugar, but by the prices of the imported sugar after paying heavy duty and freight. There are any number of factories in a place like Pilibhit, but the prices at which sugar is sold at Pilibhit are not the prices at which the sugar is manufactured there, but the prices at which Java sugar would be sold at that place after having all these customs duties and freight from Calcutta to Pilibhit. The result is that the consumers are taxed unnecessarily for the benefit of capitalists. But the Commerce Member will only say, as he said before, that when a larger number of factories are established and when India is able to produce the entire amount of sugar required, then the mutual competition will be very strong and the prices will go down. This may be true, but how long will it take? It may take many years and during this interval the consumers will have to pay an exorbitant price.

Another point which we ought to consider is what is the profit which these protected industries are now making. I think if the Honourable the Commerce Member collects statistics about these sugar factories, he will find that their profit in very many cases ranges between 50 and 150 per cent. Are we really justified in giving protection merely to benefit these capitalists? No advantage is gained by the poor cultivators for whose benefit protection was given: they get very uneconomic prices for their sugar-cane, and the manufacturers pay them less price for their sugar-cane than for fuel in the locality. I, therefore, say that if protection is given, it is the bounden duty of the Government, which give the protection, to see that the protection is not used to the great disadvantage of the consumers, and that it is not used mainly and primarily for the benefit of the capitalists, but that the cultivators and labourers and the poorer people are benefited. I do not mind taxing the consumers, provided the benefit of the taxation goes to the poorer people; but I would strongly object to any kind of taxation which is intended for the benefit of capitalists alone. Therefore, though we strongly advocate the principle of protection, whenever it is applied to any particular industry, it ought to be shown on the floor of the House that by that protection the poorer classes of the people will be benefited . . .

Bhai Parma Nand (Ambala Division: Non-Muhammadan): How long is it that protection has been given to sugar? Is it very long? It is only a few months—15 months or so; that is all.

Dr. Ziauddin Ahmad: I am only considering the principles which ought to be laid down, that is, whenever protection is given, the Government of India ought to see every year that the benefit does not go to the capitalists alone, but also in some measure to the poorer people: statistics should be collected year after year and the report should be laid before the House in the case of all these protected industries: they cannot levy a tax on the consumers for nothing; when we levy a tax, we should satisfy the consumers that the duty imposed upon them is not for the benefit of the capitalists only, but for the benefit of the poorer people

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): But, is it possible in a Tariff Bill to make a provision that the producers of the raw material or labour should get a share of the benefit given by protection?

Dr. Ziauddin Ahmad: When you are levying a duty, we ought to accept certain principles before we proceed to legislation; otherwise we should refuse to pass such legislation. I am really trying to make out a case that we should refuse to consider this Bill unless these provisions are made. . . .

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan: Rural): What provisions? Is sugar included in this Bill?

Dr. Ziauddin Ahmad: I merely cite sugar as an illustration. We are told that the duty imposed by this Bill is not a protective duty. That is what the Honourable the Commerce Member said on the floor of this House. He also said that it is not a revenue duty. But he said it is intended to restore the same competitive conditions which existed some years ago. That is the point we are going to consider. In this connection. Sir, I think there are one or two relevant questions which we ought to consider. In the first place, the Bill that is before us is due to the depreciation of currency in Japan, with the result that Japan has been able to send out to India enormous quantities of her goods. Is it or is it not the case? I think there can be only one answer to this question that this is the case. From this it follows very clearly that the export of Japan has enormously increased on account of the depreciation of her currency, that is to say, the import of India is really the export of Japan. Then does it not follow from this that had we depreciated our currency, we should also have been able to send out large quantities of our goods as Japan has done and is doing? Therefore, this is an inevitable conclusion that the depreciation of our currency would necessarily lead to improve the export of our country. We have been appealing time after time on the floor of this House that our export trade should be increased so that we may be able to pay 78 crores of rupees which we have to pay to England every year by our balance of trade, by means of our goods; and, to achieve our object, we implored time after time that our ratio, which is really too high, should be devalued so that our exports may increase. But, Sir, the Government were not convinced of our arguments, and when the Honourable the Commerce Member laid this Bill before the House, I thought that he must at least have been convinced in his own mind that the increase in the exports of Japan were due mainly to the depreciation of her currency, for, if that were not so, this Bill would not have been necessary, and he would have voted with us when the question of 1s. 4d. ratio was discussed and not with the Government. Sir, I feel that his voting with the Government and supporting 1s. 6d. at that time and bringing forward this Bill almost soon after is an action which is unintelligible. Had we accepted the principle of the depreciation of our currency, this particular Tariff Bill which is now before us would not have come before us at all, because the whole question would not have arisen. Even if we insist, though unreasonably, illogically and with all the other adverbs, that may be added synonymously to continue the ratio of 1s. 6d., and if we still have to face the depreciated currency in the case of Japanese goods, then, I ask, why do you pick up salient articles and apply different principles, why not apply one formula for all the goods that are coming from Japan? Instead of going through all the details item by item, it would have been necessary to have only a one-clause Bill. The currency of Japan some years ago valued 137 rupees, and now it is 80. This really means that some years ago goods worth 100 yens could be purchased by India at Rs. 137, and now you can purchase the same goods for Rs. 80

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only, and, therefore, if we have to pay the *ad valorem* duty, say, Rs. 25 per cent. then it really means that, for an article costing 100 yens, you would have paid Rs. 34 had the yen not depreciated, and we now pay only Rs. 20. The Exchequer loses Rs. 14. One formula alone would have been necessary, namely, for the purposes of *ad valorem* calculation 100 yens should always be considered as equivalent to Rs. 137 and not the current rate of exchange. Therefore, one single Bill might have been sufficient for all these things, and the Bill should have contained a provision to the effect that, in regard to countries which have a depreciated currency, the exchange in terms of rupees should not be at the present market rate, but it should be at the standard rate specified in the Bill itself, and if Government had applied that one formula to meet the depreciation, then all difficulties would have been solved. Suppose tomorrow Japan continued to depreciate her currency further, again the difficulty will arise and I do not know how we could meet it, but if we applied the principle of fixing the taxation at a standard rate of currency, the whole question would have been solved and solved definitely, and the presentation of this measure or of any other measure analogous to this or even a continuous discussion of these things would have been unnecessary. Therefore, Sir, I requested on the last occasion, and I also request today, that we ought to adopt this particular formula by means of which all the articles that come from Japan would be equally affected.

Then, Sir, with regard to the specific articles mentioned in this Bill. I feel we do require certain information. We are all interested in and affected by the protection, and, therefore, it is very necessary that certain things should have been mentioned, certain information should have been placed before us. For instance, take any particular industry, say Chinaware. In this case we ought to have been supplied with information as to how many factories there are in India, how much dividend they are declaring, what is their output at present; we should also know what is the total consumption of goods per year in the whole of India, how much Chinaware is imported into this country, and by means of this protection how many years it would take for us to manufacture the whole quantity of goods required for this country. These are matters which ought to have been discussed and which ought to have been laid before us before protection could be advocated. The Honourable Member may say that he does not want protection at all. If that is so, then the whole object for which we are fighting will be defeated. These materials which should have been supplied to us have not been placed before us, and it is unfortunate that we have been discussing these things in air. We have been discussing the matter without sufficient data before us. Take as an illustration the hosiery industry. We have a Tariff Board Report on this, but the Report was not available to the Members of this House, though, of course, now it has been supplied to us. I feel that it is somewhat unfair that such important materials were withheld from us, because, in the absence of this valuable material, we do not know the position of the industry in this country, we do not know how long it would take for us to capture the entire trade, and whether the amount of protection now given, or rather the duty that is now imposed is sufficient to afford the necessary protection. Of course, Government would have got all the information, but when they ask us to vote in favour of this measure, we cannot give our votes conscientiously without going into the facts and without being convinced that the thing is necessary.

There is one thing to which I should like to draw the attention of the House and that is that this specific duty of so much a dozen or so much a weight is applied only to non-British goods and not to British goods. That is very clear. Is it not a fact?

The Honourable Sir Joseph Bhoré: Are you referring to hosiery?

Dr. Ziauddin Ahmad: I am talking of the items in this Bill, not to any particular item.

The Honourable Sir Joseph Bhoré: My Honourable friend must realise that I shall have to go through the whole Bill in order to reply to his question, but my own feeling is that there are obviously cases in which specific duties are applied, one example of which is, for instance, cotton piecegoods.

Dr. Ziauddin Ahmad: Cotton piecegoods do not come under this Bill. I am talking of the Bill which is now before us. For instance, taking pages 3, 4 and 5 of the Bill, we have got five columns. The first column refers to the number of the article, the second column to the name of the article, the third column to the standard rate of duty, the next column is the column for British goods only. Take item No. 20 of the Bill on page 4. You will find in the case of non-British goods, the duty is 30 per cent. or eighteen annas per dozen, whichever is higher, but there is no specific duty mentioned in the case of British goods. It is, therefore, evident that the whole of. . . .

The Honourable Sir Joseph Bhoré: There is a case I can give on page 3 of the Bill, item No. 14,—the case of heavy chemicals. The duty is one rupee and five annas per cwt. or 25 per cent *ad valorem*, whichever is higher. You will find that the specific duty is applicable to goods from all countries.

Dr. Ziauddin Ahmad: Leaving out that particular item, take items 18, 20, 21, 22, 24, and further on.

Mr. N. M. Joshi: May I ask whether this question of differential duties was not discussed at all in the Select Committee?

Dr. Ziauddin Ahmad: I frankly admit that it did not occur to us at the time, nor was this mentioned to us.

Mr. N. M. Joshi: The differential rates exist in the Bill itself and I am surprised that you did not notice it.

Mr. President (The Honourable Sir Shammukhan Chetty): Order, order. The Honourable Member should continue his speech.

Dr. Ziauddin Ahmad: I frankly admit that I noticed it only after I had deposited my minute of dissent. But it is a fact that the specific duties provided in the Bill apply only to non-British goods and not to British goods. How it would affect, I would give an illustration; I will not enter into details of any particular commodity. Let me illustrate this by one instance, and that is the question of plates. Here I have got a specimen plate which is imported from Japan. The value of this plate is one rupee a dozen. The specific duty under this Bill is one rupee per

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dozen, and so the price of the plate will be two rupees per dozen. There is another plate here which does not come from Japan, but from other places. The value of this plate is Rs. 1-12-0 per dozen, but the duty is not one rupee, but it is 20 per cent. *ad valorem*, and that is annas six only, and so the total cost will be Rs. 2-2-0. Therefore, by putting on a specific duty of one rupee per dozen on a plate, you raise the value to Rs. 2, and, on another plate of the same pattern, the value has been raised only from Rs. 1-12-0 to Rs. 2-2-0. Now, coming to our own manufacture in this country, the price is Rs. 4-8-0 per dozen, and, therefore, it must be evident that our manufacturers will not be benefited, because their selling price is Rs. 4-8-0, but only those countries will be benefited to whom the specific duty is not applicable.

An Honourable Member: But the Japanese plates will still sell cheaper.

Dr. Ziauddin Ahmad: I do not want to discuss the thing in detail, because we shall deal with each item separately afterwards. But the principle which I notice in this Bill is this that the specific duty, as provided in this Bill, is not sufficiently high to protect our Indian industries. The duties should have been sufficiently high to protect the Indian industry and the condition which I have enumerated in the case of sugar ought to have been imposed in this case also, that is, a periodical examination, but it is not the case now. Take the case of hosiery again. We were told by a number of manufacturers that unless you levy a duty of one rupee per lb. it will not be sufficient to help the home industry. My Honourable friend, Mr. Pandya, has received a letter from the Southern India Chamber of Commerce in which they say:

"In continuation of my letter No. G-100, dated the 30th instant, I beg to inform you that my Committee have examined the original invoice No. 90 of Messrs. J. Rustomji and Co., Kobe, Japan, dated 2nd August, 1933, relating to 10 cases of Japanese Cotton Hosiery Undervests shipped to Bombay. A true copy of the original invoice is enclosed for your kind inspection.

From this invoice will be seen that the importers' price C. I. F., Bombay in Indian currency for this Japanese quality in assortment of 28, 30 and 32 sizes and 30, 32 and 34 sizes is only 2.55 yen per dozen which works out approximately to Rs. 2-0-0 per dozen on the basis of Rs. 80 per 100 yen. In our opinion this Japanese quality corresponds to the Indian quality K-8 manufactured by Messrs. The Madura Knitting Co. of Madura, South India. We have obtained the following figures from these manufacturers relating to their cost of K-8 quality today."

I need not go into the details, but the total cost price per dozen of K-8 quality comes to Rs. 5-5-0. Therefore, this is the price at which it is manufactured. If we give protection to hosiery, is it or is it not our duty to study very carefully at what economic price Indian manufacturers can manufacture hosiery in this country, and, after arriving at this figure, we ought to give protection so that we may be able to produce hosiery in India at an economic price. But if we do not give protection to the extent which is necessary for their production but give only half protection, then it is no protection at all. Give either full protection or no protection; this half protection has no meaning. If you give only half protection, the result will be that the prices of articles will be regulated by the price of the imported articles and the entire burden will fall on the consumers and the Indian manufacturers will not be benefited at all by it. The consumers will be very heavily taxed. A portion of their contribution may go to the Government, but the manufacturers here will not be a gainer.

The principle which I want to emphasize very strongly is this. If you want to protect any particular industry, give it sufficient protection and impose the necessary conditions, so that they may be able to capture the entire industry of that country. If that is not possible, do not unnecessarily impose additional burdens on the consumer. There is one other danger. We pass a Bill for protecting a particular industry and we think we have done our duty. What happens is that the foreign companies establish their own factories here and they kill all our cottage industries. Take the case of Bata. It is a Czecho-Slovakian firm which has got branches all over this country and they are killing our cottage industries. Then there is Vimco. It is a Swedish Company, run with foreign capital, and it is killing the cottage match industries established in this country. Also take Carreras, the cigarette manufacturing company. Then there is another Unilever soap factory in the vicinity of Bombay which is likely to capture the whole of the soap industry. If this Bill is allowed to be passed, then Japan will establish big factories for making hosiery, and those persons, whom this Bill is intended to protect, will not really be protected and Japan will be creating conditions under which Indian manufacturers will not be able to compete. Take the case of the textile industry in Shanghai. There several nations established their factories, but ultimately the entire trade was captured by the Japanese who have a great advantage over others in that they use only one yarn, whereas other countries have got different kinds of yarn for different purposes, and, therefore, they are placed in a position of disadvantage. That is the point we have got to consider when we give protection. It is the duty of the Government to see that our own people are benefited and that no facilities are provided for the foreigners to establish their own factories and capture the entire trade and kill the home industries. As I said, we are in a very awkward position at present. We are going to pass this Bill without having sufficient material before us.

There is one point which I should like to bring out. We were told that the prices of these articles have fallen and I said that they had fallen in terms of a fictitious managed currency called the rupee. Looking at the question carefully, I maintain that the prices have not fallen. It is really a standing problem for India that the fall in agricultural products is much lower than the fall in the manufactured article. If we take no action to raise the price level of the agricultural products and make an attempt to raise the price level of manufactured products, then the purchasing power of the agriculturist will be hit very hard. I shall illustrate it by means of figures which will be very easily intelligible. I have got before me the Review of the Trade of India prepared by the Government of India. The comparative fall in prices of raw materials and the manufactured articles in India is given and the prices of the exported and the imported articles. In the year 1929, the price index of raw material was 217 and the price of imported articles was 157, and now, in the year 1933, one was 114 and the other is 131. What it really means is this. If the agriculturist wishes to purchase any of these manufactured articles, he brings in a certain amount of his agricultural products whose value in 1929 was Rs. 217. With this, he wanted to buy certain manufactured articles. Then he had to pay Rs. 167 for it and he kept Rs. 50 in his pocket. What is the position now? For the same quantity of agricultural products which he brought, he could only fetch Rs. 114. That is, instead of Rs. 217 he would fetch only Rs. 114, and then, for the same quantity of manufactured article, he will have to pay Rs. 131, that is Rs. 15 more. In other words, in 1929, from agricultural products he purchased certain quantities and kept Rs. 50 in his pocket, and now, for the same commodities, he has to pay Rs. 15 more out of his own

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pocket. One cannot say that these articles have been cheaper. In fact, they have become more expensive for agriculturists. We find that the prices of agricultural products has fallen by 47 per cent and the prices of the manufactured article by 22 per cent. only. That is, the fall in agricultural products is more than twice the fall in the case of manufactured articles. If you do not take into consideration the agricultural products, it is a process which will bring more misery to the country than the depression which we are labouring under. Our purchasing power, which is already low, will be lower still and this particular Bill which is now before us will make our position exceedingly difficult instead of giving any relief to the agriculturist class and it will create terrible trade depression.

Sir, I should like to mention one matter before I finish. I am sorry

12 Noon. Mr. Mody is not here. Now, my Honourable friend, Mr. Mody, brought forward an argument on the floor of the House: "What right have the consumers got to pay uneconomic value for the manufactured articles?" But he entirely forgot to consider "What right has he got to purchase cotton at uneconomic prices and what right has he got to purchase foodstuff at uneconomic prices?" (Hear, hear.) I am glad my friend, Mr. Mody, has come. Sir, the other day, he brought forward an argument: "What right have the consumers got to purchase any manufactured articles at uneconomic prices?" I would put it to him: "What right has he got to purchase cotton at uneconomic prices for his mill (Mr. H. P. Mody: "I do not"), and what right has he to purchase foodstuffs at uneconomic prices?" (Hear, hear.) Therefore, if the uneconomic prices have got to be balanced, you must begin with the agricultural products, and the manufactured goods should then come in afterwards.

Sir, I should like now to mention the case of hosiery at this stage, particularly for two reasons. This particular article is mentioned in two Bills, that is, in the old Tariff Bill and also in the new Tariff Bill and the incidence of taxation is different in the two cases. I agreed at one time that one system was better, but, then, afterwards, considering carefully the matter again, I changed my opinion and thought that probably the other thing would be better; but had I known that this basis would be introduced in the second Bill, then it would have been different. My reason is that this particular commodity has been investigated by the Tariff Board and this is a commodity on which the question of protection has to be practically considered. In the other case, there is no demand that we are going to have protection, but in this case we want to grant protection. Therefore, I am very strongly in favour of protection, provided the protection is real and is not a deception. The other thing is that in the case of the second Bill we have given a time-limit that it will be enforced on a particular date. Here in this particular case there was nothing: all of a sudden the Bill was enforced and all articles numbering twenty-two were affected. In the case of the other articles, the increase in the customs duty was from twenty-five to thirty-five, but in this particular case the increase goes up in some cases to 260, in some cases to 240 and in some cases to 200. Therefore, the sudden increase in this matter without a previous warning is a highway robbery. You put down a duty and say, "from tomorrow it will apply". Of course if it is for revenue purposes, you may be justified, because it is done for the public good, but if it is for protective purposes, then also I can understand your position. It is neither for revenue purposes, nor for the protection of any article. Sir, the sudden raising of

the duty from 25 to 140 is a process which I do not know by what name to call.

Sir, before I sit down (*Honourable Members*: "Go on"), I should like to emphasize once more the points I have brought out and give a summary of the conclusions which my arguments lead up to. The duty imposed in this particular Bill is a duty which is not going to be imposed as a specific duty on British goods: it is only for non-British goods.

The Honourable Sir Joseph Blore: Sir, that is quite untrue. Take hosiery, for instance, in which my Honourable friend is so deeply interested. You will find that the specific rates apply to everybody.

Dr. Ziauddin Ahmad: But not in the case of all the items. I am interested in all. For example, taking the case of hosiery on page two, if you will look into the Tariff Bill

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. This is purely a question of fact on which there need not be any argument and discussion. The scheme of tariffs followed in this Bill is not uniform. In certain cases, the specific duty is applicable to all goods from whatever country they come. In certain other cases, the specific duty is applicable only to non-British goods.

Dr. Ziauddin Ahmad: Thank you, Sir, for making the point clear. Sir, I maintain that this is not a protective duty. That, I think, has been admitted, because the duty can neither protect and does not aim at protection. The third point is that this is not a revenue duty. Had it been a revenue duty, it would have come into the Finance Bill at the usual time after the voting of the demands. It is really a duty imposed in order to raise the price level of manufactured articles under the false pretext that it is intended to protect some of these industries, and it is a false alarm. A good many of us, the Members of the Legislature, have received deputations, telegrams, memoranda, etc., from individuals pressing the rival claims of the protection and of consumers in hosiery, and we have not got sufficient data before us. The only conclusion we can derive from the statement of facts is that any protection under one rupee a pound will not be able to protect our industry, and I think if all these figures were laid before us, it would make the position clearer. I hope when we discuss the next Bill, we will be in a better position, if all these facts are brought out, to arrive at some equitable conclusion. With these words, Sir, I will conclude and say that it is high time that this thing should be carefully considered and we should not pass these items, item by item, unless the principles and the full implications and significance have been understood and clearly explained. (Applause.)

Mr. J. Ramsay Scott (United Provinces: European): Mr. President, I would like to congratulate the Government on the successful termination of the Indo-Japanese negotiations. We all know what an immense amount of extra work these negotiations have entailed on the Commerce Department and I should like to specially mention that the thanks of the country are due to the Honourable Sir Joseph Blore, the Honourable Mr. T. A. Stewart and Dr. Meek, but if I had to award an apple to one of these three graces, I should be in a worse fix than the great Paris himself as I should probably have to award a *Japanese* apple, as I see from the papers that there have recently been large imports of apples from Japan. My Kulu

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friends and Kumaon constituents have asked for protection under the Safeguarding Act, but without avail. In a recent film I saw an old friend of mine, Mr. Stanley Bruce, presenting the Lord Mayor of London with the fruit of Australia for his Christmas pudding. There is much that might be done in this country to advertise our products and to help in the better marketing of them. Government themselves, according to their Yellow Book, have little information and this is a matter that the Imperial Council of Agriculture Research should take up, but, in the interests of the industry and of the country, I do ask Government to help and give protection.

Now, Sir, if I wanted to express my appreciation of the work of the three Government Graces in another form and wished to drink to their healths with a glass of beer, I should probably, in the near future, have to do so with Japanese beer, for the products of Murree and Solan are being ousted from the market. In the manufacture of Indian made beer, Indian agricultural products are used and no harmful ingredients or adulterants.

In this Bill it is noticeable that the policy of discrimination against Japan is *entirely* avoided and although the country gave the Government, last year, powers to discriminate in the Safeguarding of Industries Act, the Government have been prevented from their use by their Agreement with Japan. I do not here propose to discuss the rights or wrongs of this Agreement on this Bill, but we do consider that the 40 odd industries must be adequately safeguarded and, if in protecting them against the invasion of Japan, we do have to tread on other toes, it must be done if the object of the Safeguarding Act is to be obtained and the Act of last year is not to be a dead letter. The industries which have made out a case to Government for protection are not in this Bill sufficiently protected, but the Commerce Member has told us that we can put up no recommendations for higher duties than Government have themselves put forward. This is a very unsatisfactory state of affairs, and, however, much I may ventilate this grievance on the floor of this House, I am powerless under this Constitution to take any real steps to implement the half-hearted efforts of Government.

I now propose to deal with one or two industries within the purview of this Bill. Since the introduction of this Bill, hosiery has become an industry protected under the Tariff Board. The Tariff Board sat in 1932 and completed and signed their report on November 10, 1932. Government have, however, only issued their orders in February, 1934. Sir, this report has not improved with keeping, and the protection advocated has been denied the industry for over a year, *a year*, Sir, in which Japanese imports have reached their apex, and a year, Sir, in which the Indian industry has nearly been exterminated. Is it right, is it just for Government to have held their hand for so long before announcing their intention of coming to the rescue? The measures in this Bill are part of the recommendations of the Tariff Board, but they are hardly before us or considered before they have been altered and whittled down and now the new proposals called Tariff Board proposals are neither safeguards nor protection to the industry. The recommendation in this Bill is Rs. 1-8-0 per dozen on undervests which is based on the Tariff Board proposals. The incidence of the custom duty by this method falls heavily on the smaller sizes and if not high enough on the bigger sizes. I am personally in favour of a tax by weight as introduced in the new Bill, but the rate per lb. would have to be large enough to afford protection and, in my opinion, and that of the industry,

nothing less than 12 annas per lb. will be the slightest use. The Tariff Board in one of their recommendations also arrived at this figure.

The real danger in Japanese imports is that the bulk of undervests is lighter in weight than Indian made undervests, and, therefore, a higher duty is needed than would at first sight seem necessary. We must remember that *every* article imported replaces one made in this country, and, if the duty is on a poundage basis, the tendency will be for Japanese imports to get lighter in weight to escape the duty and I would like Government to again carefully examine the Tariff Board's remarks on this subject. With regard to socks and stockings, the average weight of a dozen pairs of socks is about 14 ounces, and the cost *c.i.f.* about 14 annas per dozen. The specific duty at nine annas per lb. is, therefore, about eight annas per dozen pairs, making a total cost of Rs. 1-6-0 per dozen. The cost of socks manufactured in this country is about Rs. 1-15-0 per dozen pairs; so that the protection is not by any means adequate. Here also I should like to suggest a duty of 12 annas per lb. for plain and 14 annas per lb. on fancy.

Next we come to the fabric, cotton knitted fabric, which is not protected in this Bill, but receives protection under the Textiles Protection Act. Here we have the anomaly continued, for this knitted fabric is a cotton piecegoods and should be protected to the extent of 50 per cent. You have heard, Sir, of woven fabrics such as cellular materials which are also used for undervests; well, Sir, a notification was issued the other day in which this material is dutiable as cotton piecegoods at 50 per cent. In my opinion, now that cotton hosiery is protected, all these inequalities ought to be corrected. Cotton knitted fabric in the piece ought to be treated as cotton piecegoods and come within the Japanese cotton piecegoods quota. A higher duty should be charged for dyed and bleached than for grey goods. I would suggest a duty of seven annas per lb. for grey and eight annas per lb. for bleached and coloured.

At the time the Tariff Board was making its recommendation, the yen was round about Rs. 90 per 100 yen, but when Government brought in their Bill on December 22, the yen was Rs. 79 per 100 yen, and *no allowance* has been made for the further depreciation. An opportunity should now be taken to correct the Tariff classifications and make them comprehensive. The Woollen Hosiery definition in clause 31 is *comprehensive* and knitted cotton apparel should be included here and also given a specific duty. Our Tariff Schedules and classifications at the present moment are a patch-work sort of affair. It wants a thorough good overhaul and a proper water-tight job made of it.

Now, I come to the woollen section in clause 31. The woollen industry was first established in Japan in 1876, mainly for the supply of Military and Naval requirements, and in 1929, apart from smaller concerns, there were five important companies with a paid up capital of £8,000,000. There had been for some years a large trade in the manufacture of muslin delaine mainly used for making kimonos, but the production of this cloth has been falling off since 1927 as the Japanese are adopting European clothing to a constantly increasing extent. The capital of these five large concerns shrank to about £4,500,000. A change came over the industry and the five principal companies in 1931 earned 25 per cent. and in 1932, 32 per cent., while one company, the Itami Cloth Company, earned 75 per cent.

The woollen industry in India is about the same size and has lost just as much capital in the last decade, but, owing to Japanese competition, it

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has not been able to pay any dividends on its ordinary share capital in the last three or four years.

The harmful part of the present competition is not so much the quantity of imports from Japan, but the quite unnecessarily low prices at which Japan sells her goods; prices which seriously disturb all the markets, not only of India, but of the world. The fault I have to find with clause 31 is that materials made from waste wool and shoddy are exempted from the specific duty. Heavy cloths such as overcoatings and cloth for menials and servants clothing have been made in large quantities in this country, all from Indian wool. This clause now encourages the importation of shoddy materials, materials made from rags and cast off clothing and other refuse. I might say *everything* cheap and nasty. These cloths at present come from the Continent, and although bright and attractive and nicely finished, have no wearing properties and no durability. Is it in the interests of the consumer that the market should be flooded with such materials and is it in the interests of the agriculturist that an outlet in India for the use of many thousands of lbs. of Indian wool should be closed? The mill industry at the present moment already have 75 per cent. of their plant idle and now the cottage industry will be killed. Have not Government Members noticed the many hundreds of Government *chaprassie* who occupy themselves in the hand spinning industry? Such yarn is woven into coarse materials with which imported shoddy articles compete.

There is also the case of the enamel industry. The Government suggested a small protection which, I was sorry to see, turned down in the Select Committee. The safeguarding of hollow-ware was originally in the Bill, and so, I presume that Government will be prepared to support their own provisions. The production of these factories working full time is about 10 lakhs worth, while the imports are twice as great. It does seem to me that it would not take long for the industry to hold its own against Japan if it were given a small protection. I know my Bengal friends will have much to say on this matter.

In conclusion, I would ask the Government to bear in mind that they cannot serve two masters, India and Japan, and as this Assembly has given them the power to safeguard India's industries, it is high time Government settled down to the job of adequately protecting India's industries. (Applause.)

U Ba Maung (Burma: Non-European): Sir, I wish to say something on this amended Bill which will apply to Burma as well when it is passed in this House. Sir, although I was not present at the sitting of the House when the Bill was referred to the Select Committee, yet I have already gone through the printed proceedings which took place at the beginning of this Session. In it, as far as I see, there are criticisms from two opposite quarters, that is, some Honourable Members sided with representatives of some industries, while some other Honourable Members sided with the representatives of importers. Sir, as for me or on behalf of the Burmese people, we belong to neither. Therefore, I will have to criticise this amended Bill from the view point of the agriculturists alone, and if I have to speak the truth, there is hardly any Burmese importer or Burmese industrialist who is concerned with this Bill. Moreover, the Members of the Tariff Board did not come to Burma, nor did they make any examination of witnesses from Burma, because there is hardly any article

as contained in the Bill, which is manufactured in Burma. But there is one small solitary undervest factory, whose supply is not in a position to meet the demand of the masses of Burma. Sir, even in this respect, I do not think that the Government do not intend to see any one who has a monopoly and help him at the expense of the consumers. Sir, with regard to the situation in Burma, I think every Honourable Member of this House knows that Burma is purely an agricultural and not an industrial country. As the economic depression is very acute at present, the price of agricultural produce has gone down considerably, the masses have been greatly affected already. It is a pity that the Government have not yet seen their way to raise the price level of agricultural produce and stabilise the same. If the Government take some steps for the control of agricultural produce, or its protection, or the introduction of an Agricultural Relief Bill, or at least any other means by which they can raise the economic status of the agriculturists, the people of Burma will be very grateful for such measures. Sir, in my humble opinion, if the Government see both the interest and welfare of manufacturers and agriculturists equally, I may say with certainty that this Bill will find an easy passage without any further amendments. As it is now, it looks as if the Government are interested in safeguarding the manufacturers and industrialists, while the welfare of the agriculturists have entirely been ignored. Sir, when this Bill was introduced on the 22nd December, 1933, and the people of Burma came to know about it, there was considerable agitation against the new specific duties which affected the barest necessities of life, and which the people could ill-afford to bear in their strained circumstances. Further, since my arrival in Delhi, I received a large number of telegrams, but it is not necessary to tire the House by reading them all. But I will read a few of them to enlighten the House with the public opinion of my country on this measure. In fact, I received telegrams from all parts of Burma, but I will read only those telegrams which I received from the principal towns of Burma. This is from Mandalay:

The citizens of Mandalay assembled in public meeting under the Chairmanship of U Ba U, Member, Legislative Council, resolved by an overwhelming majority that in view of Burma being an agricultural and not an industrial country consuming imported goods from overseas and devoid of mills to manufacture hosiery and other commodities in sufficient scales the proposed enhancement of import duty on foreign goods adversely affect the masses especially at a time of exceptional depression in paddy and other trades and it further resolved to request you to be good enough strongly to oppose the new Tariff Bill."

The next telegram is from Prome which is one of the three biggest towns in Burma, and it runs as follows:

"Owing to low prices of paddy and acute economic depression and in view of non-existence of industries in Burma producing hosieries and undergarments the new tariff wall is unjustified. Please put in Burma's strongest protest."

The next telegram is from Bassein:

"Whereas Burma not industrialist but agriculturist and whereas big drop in land values and price of paddy and consequently masses greatly affected with poverty and I strongly protest against rise in duty and new tariff."

The above telegram was from a mass meeting from Bassein. I have received altogether more than ten telegrams after I left Burma. Sir, the next important point I would, however, bring to the notice of the Honourable Members is that it is expected that Burma will soon be separated from

[U Ba Maung.]

British India and that the short interval, during which it is likely to remain part of British India, will not justify the imposition of the above mentioned tariff, from which Burma will derive no benefit.

Mr. S. G. Jog (Berar Representative): But the tariff will cease to exist as soon as Burma is separated.

U Ba Maung: On the contrary, such imposition would be not only unjust, but will give rise in Burma to legitimate discontent and will justify the prevailing belief that Burma is being ruled, not on its own interests, but in the interest of British India. Therefore, I believe, Sir, that the House will be pleased to see the justice and reasonableness of my above claim and I fervently hope that the House will exclude Burma from the operations of the proposed tariff duties mentioned in the Bill. This situation was brought by me to the notice of the Select Committee on this Bill and I am glad to see that some of the Honourable Members of the Select Committee have appreciated the justification of my contention and put down their minutes of dissent. The Burmese people and myself are deeply indebted to the Honourable Members, Dr. Ziauddin and Mr. S. C. Mitra, who say thus in their note of dissent at page 3 of the Select Committee's report:

"The Member representing Burma claimed entire exemption from specific duty, for the following reasons:

1. Burma is likely to be separated from India very soon.
2. The industry does not exist in Burma at all, the question of restoration of previous competitive conditions does not arise."

Sir, I have already given to the House the public opinion prevailing in Burma against such a protection and I believe there are no reasons for the Government of Burma to be of any different opinion. In this connection, if Burma is excluded from the operation of this amended Bill, there may be some apprehensions on the part of the Central Government that if articles are imported to Burma, they may be smuggled into British India. But the existing precautions by way of check by the Customs authorities is a complete answer to such a proposition.

The last point to which I wish to draw the attention of Government is that as the Government declare that the present measure is not from the revenue point of view, there seems to be no reason why any protection should be given with regard to articles which are not manufactured in Burma.

In conclusion, I need no more dilate on this point. I hope I have made clear to the House that Burma requires no such protection and I have every hope that this House will not support the imposition of fresh duty as contained in the Bill so far as Burma is concerned.

I think I have said enough and I do hope that Honourable Members will enlist their sympathy and support for my people who are mainly consumers.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, when I went through the report of the Select Committee, I found that out of a dozen members of the Committee, of whom eight were elected and four nominated Members, it was only one elected Member—who belongs

to my party—who did not sign a note of dissent. I was really surprised when I found that, in this report of the Select Committee which is to be accepted by this House as containing all the wisdom that can be expected of those men chosen by this Assembly, the members are not only not unanimous, but a majority of them are against this or that provision of the Bill as it is to be passed.

Mr. B. Das (Orissa Division: Non-Muhammadan): The majority are for the Bill.

Mr. Amar Nath Dutt: My Honourable friend says that the majority are for the Bill, but, if only he had taken a little trouble to go through the minutes of dissent, he would have found that the majority do not agree either here, there and almost everywhere. So I think I shall be perfectly justified in saying that the majority do not accept the provisions of the report of the Select Committee as a whole, and I think he cannot quarrel with me in this respect.

Sir, I find that the Bill was introduced on the 22nd December last and that certain protection is proposed to be given to hosiery and other articles. For hosiery my Honourable friend, Mr. Ghuznavi, wants exemption of the whole industry. I am sorry I cannot agree that the industry should be exempted wholly, but it appears to me that there is some justification in asking for not levying any duty on those articles which have already arrived and are in the warehouses. This seems to be rather a reasonable proposal and I think my friend, Mr. Mitra, also agrees in it. I do not know what can be the argument against it.

This, Sir, is a minor thing. The one thing about which I should like to speak is the omission of a particular class of article from the Bill which found a place in it in clause 18 and which forms article No. 184-A. But certain things have been omitted from it and that is domestic hollow-ware. Sir, there is an enamel industry in our country in its very infancy, but Honourable Members of this House will be surprised to see the quality and finish of the articles if they would only take the trouble of going a few paces from this place and see some of those articles placed near the Notice Office. If anybody wants to have samples here and if the President allows that, they can be brought up here also. Sir, there are about half a dozen firms which produce this article. Gentlemen, who went to far off countries and received education in this technical art, came here and started small factories with a small capital, and still this House will be surprised to hear of the achievement of those enterprising young men of our country. Sir, there is, close to Delhi, in that great city of Aligarh from which my Honourable friend, Dr. Ziauddin Ahmad, hails, an enamel factory owned by a Nawab. There is also an enamel factory, the Empire Enamel Works, started by a gentleman named Muhammad Abdul Karim who got his training in the Bengal Enamel Works. So, not only have the proprietors of the Bengal Enamel Works started their own factory, but they are trying to popularise this industry by teaching men of other provinces, as is seen here, who have started factories of their own. It has been said that the poorer classes will be hard hit if these industries were protected in the way proposed in the Bill. I must plead ignorance of the way in which the poorer classes live in Provinces other than Bengal, but I think I can speak with some knowledge of the poorer agriculturists of my province, at least of West Bengal. People who say that the poorer classes use enamel ware in larger quantities than other ware are not correct.

[Mr. Amar Nath Dutt.]

My friend behind me (Mr. Anwar-ul-Aziz), who hails from East Bengal, which is not my part of the Province and who has knowledge about his part says that they use earthen ware; and in fact, the poorest in our country are so poor that they cannot afford to have any ware other than earthenware. The only other vessels they use is generally made of brass—a brass *lota* or a brass tumbler and perhaps one or two *thalis*. In the house of the poorest agriculturists, be he a Muhammadan or a Hindu, you will find these brass things. Enamel ware is used to a very small extent by the poorer classes, and when it is used, it is used to keep oil and things like that. Enamel ware is used more by the poorer middle classes than by anybody else; and if Honourable Members will compare the enamel ware imported into India with the stuff produced in Indian factories, they will find that the Indian made article is ten times more durable than the ones imported from foreign countries. The foreign article has a thin enamel coating which chips off very easily, and men who purchase the foreign stuff have to purchase it five or six times a year; while, in the case of the Indian made article, you will find that it will last for years. Considered from that point of view, therefore, it is ultimately cheaper. And if we give protection to this enamel industry, in the long run there will be competition in the Indian industry itself and the prices will go down and the poorer people will be able to get the articles at much cheaper prices than they can expect to get from foreign countries. As regards the quality of the goods, I think every one in this House knows the common saying among the industrial people: "It is not for us to see that the goods last long, because if you manufacture a thing which will last long, then you have no expectation of selling another article for years; that is not good business." Foreign importers are generally actuated by this sentiment of having more business by sending things which will not last long, but which will bring more money into their pockets in the shape of more orders. But in the case of the enamel ware that is being manufactured in India, they do not follow this business principle, which I characterise as an immoral principle on which no business can thrive in the long run. Be that as it may, I submit, it was rather curious to find the omission of a particular item from the original Bill with the connivance of some of the elected Members who ought to have the interests of their national industries at heart. How I wish that there had been a note of dissent by members of the Government. I do not know whether it is permissible or it is banned by the rules of conduct of a Government servant, to put in a note of dissent in a Bill which is in the Select Committee; but to me it appears that they can very well do it, when it is against the very Bill which they themselves have introduced, and nobody can accuse them that they were doing something at other's behest or bidding. That being so, I would have welcomed some observations from the Honourable the Commerce Member who happens to be the sponsor of this Bill and who, after due deliberation and carefully going through the report of the Tariff Board, came to the conclusion—and I think I am giving out no secret when I say that he made an exhaustive inquiry into the possibilities of this industry and he was convinced, as were other gentlemen who were with him, that this industry required protection: it was not in a light-hearted way that they put in this item; but it was after carefully going through the information of the experts and seeing things with their own eyes that they put in the item in the Bill which they introduced. It is surprising that some members' argument prevailed in the Select Committee and it was omitted. I would like very

much to see the re-incorporation of that omitted portion of the Bill. With these words, I support the Bill and ask the Members to see that this hollow-ware is included again in the Bill.

Mr. B. Das: Sir, I rise to support the motion before the House; and if I support it, my support is qualified to the same extent as it was when I made the speech on reference of the Bill to the Select Committee. For that three of my friends and I myself have put in a separate note. Our view is this: as has already been put by my friend, Mr. Ramsay Scott, the extent of protection under the Safeguarding Act given in this Bill does not cover all the industries, and if Government do not take steps to make further inquiries into the case of other industries similarly affected, they will soon vanish. It has been pointed out in newspaper articles that the Indo-Japanese agreement was a success. My friend, Mr. Ramsay Scott, has congratulated the Honourable the Commerce Member on the Indo-Japanese agreement, and I also congratulate him on it, but I do warn him to beware of Japan. . . .

Mr. Gays Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Why not beware of Manchester and Lancashire also?

Mr. B. Das: If my friend, Mr. Gaya Prasad Singh, would like to hear my views on Manchester and Lancashire, he will hear them on another occasion: today I am talking of the Japanese menace to India. Japan has destroyed our industries, as my friend, Dr. Ziauddin Ahmad, rightly pointed out, by the depreciation of her currency, by subsidy of money which, as I pointed out the other day, has resulted in a deficit in the Japanese budget to the extent of 800 million yens this year, and it may be more as time goes on. All these things are going to kill the industries of other countries, so that Japan will raise the prices. . . .

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Question.

Dr. Ziauddin Ahmad: Why do you not follow the same process?

Mr. B. Das: My friend, Dr. Ziauddin Ahmad, asks me why do we not follow the same process, why India does not follow the same process? India, Sir, situated as she is, has no power to influence the Government to depreciate her currency so as to raise the price level. It is impossible for us to do it. It is well known that our currency is regulated from Whitehall and not by public opinion in India. I am not going to consider that factor today as to how much depreciation or appreciation of our currency will raise the price level in our country, but the whole country clamours, all the industries clamour, because the "most-favoured-nation" treatment had been accorded to Japan. As soon as it was terminated, Government brought out the Safeguarding of the Industries Act, and thereby they gave a warning to every importer who was bringing out goods for only a temporary gain, but, at the same time, destroying the whole foundation, the whole structure of the smaller industries that were just trying to make headway in India. My friend, Dr. Ziauddin, argued what is the use of partially protecting the industries in the country? Neither the Commerce Member nor any other spokesman of Government has maintained that they are going to protect the industries; but, as I understand, Sir, this measure is a balancing measure. They are just balancing up the prices allowing these industries merely to

[Mr. B. Das.]

continue for a few months or for a few years more till world conditions change, till Japan is compelled by other world factors to avoid the system of subsidy that she has been paying for the last three or four years when prices would rise. Sir, already signs, ominous signs, are coming from America. Japan cannot go on in the way she is going on. There will be a collapse of her economic and financial structure and she will not be able to finance and subsidise her industries as she is doing now. With the little knowledge of economics that I have, I feel that Japan is heading to a downfall, whether it will come a year hence or earlier, I will welcome that downfall. . . .

Mr. Amar Nath Dutt: Wish is father to the thought.

Another Honourable Member: Why do you wish it?

Mr. B. Das: For the safety of India and Indian industries.

I admit, Sir, we have got a certain rivalry with the British manufactured products, but that does not mean that I will help Japan to sell her goods here, so that, by competition when India slowly manufactures more and more goods which are now brought from England, India should also find a formidable competitor in Japan.

My friend, Dr. Ziauddin Ahmad, pointed out that certain articles have specific duties and some articles have specific duties only for non-British goods. I was not present on the floor of the House when the Ottawa Pact came in. I understood that my friend, Dr. Ziauddin Ahmad, was a party to it. In the Select Committee, we did inquire, and the Honourable the Commerce Member and the experts who were there gave us figures, and we found that the specific duties that were being levied on certain articles against non-British goods were the same or slightly less than the British articles will pay under the present tariff. . . .

Dr. Ziauddin Ahmad: Is that correct?

Mr. B. Das: It is correct. I examined the Commerce Member on two or three items, and when those figures were given out, I was satisfied, but this Bill was not the occasion for me to write a minute of dissent on the Ottawa Agreement, because I took to my heels and went to London on Orissa's business and I could not take part in the debate, but this was not the occasion for writing a minute of dissent, and, I do hope, when the Commerce Member rises, he will give figures to satisfy the House. My friend, Mr. S. C. Mitra, and I myself inquired into and asked for certain figures and those figures were supplied to us. Of course, there are certain items like fuel oil, sugar candy, etc., which carry a general specific duty, and, as I said the other day, I again make this assertion, that the time is coming fast when the Government of India, to save themselves from bankruptcy, will have to resort more and more to specific duties. We have found that *ad valorem* duty has failed and it is failing, not due to the scientific principles of commerce and industry, but due to unscientific principles that a certain aggressive nation like Japan has brought forward whereby the prices have gone down and Government are not getting adequate revenue.

Sir, my friend, Dr. Ziauddin, and my friend from Burma, U Ba Maung, whom I congratulate for his able defence for the cause of his province,—though I cannot support him in detail, I congratulate him on his able defence in the cause of his own province which he described as his country, because he was expecting Burma to be separated in a short time, and I wish him God speed in that separation,—both my friends raised the question of agriculturists. The Safeguarding of the Industries Act did not raise the question of agriculturists at all, and if my friends can persuade the Honourable the Commerce Member or any other Member of the Treasury Benches to bring forward any kind of legislation which will raise the price of the agricultural commodities, Sir, I will always welcome it, and I have demanded it. But we know that the other day, while replying to the Resolution of my friend, Mr. Joshi, on unemployment, the Honourable the Finance Member made certain statements. He said certain inquiries were going on and it would take three or four years to collect all these statistics, then the Federal Government would be functioning, and they will consider whether they could make any proper use of those statistics. How can I ask this Government under the guise of the present Bill to raise the price level of agricultural commodities? Although they have a Wheat Bill,—and I hope the Honourable the Commerce Member will also bring forward a Rice Bill, whereby the prices of paddy also will be raised in India. . . .

Dr. Ziauddin Ahmad: Can my friend suggest any method by which pressure can be brought to bear on the Treasury Benches except the one thing that I can think of, that is to say, refuse to consider the raising of the prices in the case of manufactured articles?

Mr. B. Das: I am glad, my friend has asked me that question, and the reply is that there should be complete unity both inside this House and outside in the country. By united action, apply pressure on the Government, so that they can do good to the country and not do things in their own way. At the same time, I must admit that my friend, Dr. Ziauddin Ahmad, has given his support to the Bill, but his only grouse is that the Government have done nothing so far to raise the prices of agricultural commodities, that is all, but that is a general charge. Let us wait in a deputation on the Government. Already there is a Committee on the Rice question of which my friends, Mr. Neogy, Mr. Mitra and my friend, Dr. Ziauddin Ahmad, are members. I hope they will press on the Honourable the Commerce Member to bring forward such a measure this Session.

My Honourable friend, Mr. Amar Nath Dutt, said perhaps without
 1 P.M. reading the minutes of dissent that a majority of the non-official Members have dissented. If they have dissented, they have demanded more protection, and only one or two Members have said that relief should be given to certain imported articles, for instance, hosiery, and I was surprised to find my Honourable friends, Mr. Mitra's and Dr. Ziauddin Ahmad's names there. Both of them, and particularly Dr. Ziauddin, is an eminent scholar, but they are enunciating a very vicious principle. That vicious principle is this that whenever the Government put on a new tax, all the imported articles that would be lying in the docks should be exempted from paying the enhanced duty.

Dr. Ziauddin Ahmad: May I ask my Honourable friend to quote from my minute of dissent where I have said this?

Mr. B. Das: The minute of dissent boils down to that principle.

[At this stage, an Honourable Member was seen leaving the Chamber.]

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member should not cross the speaker when he is on his legs.

Mr. B. Das: Even my Honourable friend, Mr. Amar Nath Dutt, suggested that. But I have had ten years' experience in this House and whenever any taxation proposal had been brought up by Government, whether in the General Budget or under a protective measure, the non-official Members on this side have never demanded that particular articles should be allowed to be landed under the old tariff system. Of course, there is only one instance in which it was done, that is the Wheat Bill, but in that case that Protective Bill came to the House without any warning. Here the Safeguarding Act was passed in April, 1932, when all the Indian Chambers of Commerce and all the Indian papers were agitating: "Save us from the Japanese menace".

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muham-
madan Rural): The Government were sleeping for a year.

Mr. B. Das: You can put that question to Sir Joseph Bhore why they had been sleeping. It is not for me to answer that question, but, I thought that six months were required to give effect to the provisions of that Act and so the Bill could not have come before the month of November. Why the Government did not bring the Bill earlier in November and brought it forward only in December, I am not in a position to justify; it is for the Government to justify their position. Of course there will be suffering, but one must not forget that, under the report of the Tariff Board on hosiery, the protection for hosiery will continue for a number of years. If that be so, I do not see how the consumers will be the sufferers. The only sufferers will be the importers, but they will not really suffer, probably they will not make that much of profit as they have been trying to make under the gamble of this Bill. The importer wants to take advantage, and, if he can get hold of a large quantity of the article in India, he will make more profit and, indirectly by competition, reduce the price level, whereby the indigenous hosiery producers will be affected for some time to come. My Honourable friend from Burma, U Ba Maung, has raised a bigger issue, the constitutional issue. As it is today, no part of India can be excluded from any taxation. I recollect another instance. The Indian salt manufacturers are asking for the exclusion of Aden from the protective tariff which this House is going to continue on salt. I have full sympathy with Burma for separation, and I believe that it would be separated, but I would appeal to the Government, if that millennium is coming, let them separate Burma immediately three months hence, or six months hence so that Burma may not lay the blame at our doors that India is profiting. Heaven alone knows whether India profits by any extra taxation that Burma pays.

My Honourable friend, Mr. Amar Nath Dutt, pointed out also that we in the Select Committee did not pay sufficient attention to the protection of enamel ware industries. I was one of those who did not feel at the time that enamel ware should receive the protection that it received.

But if my Honourable friends, who are in support of it, or the Government can supply to the House better statistics whereby we could be convinced that this industry deserves protection, I have no objection to protection for that industry.

One word more. I am surprised to find my Honourable friend, Mr. Mitra, writing a minute of dissent about hardened whale and fish oil and making the statement:

"The poor people use oil in place of ghee, but hydrogenated oil is used only as an adulterant of ghee."

My strongest objection as a reformed Hindu and as a Hindu is that fish oil which could be used as an adulterant of ghee which is so injurious to one's health and which is so bad from the point of view of orthodox people headed by my Honourable friend, the Raja Bahadur—I may be reformed, but I hate to see food cooked in fish oil presented as offerings to God, for no offering is made to God which contains fish or meat. So I appeal to my Honourable friend, Mr. Mitra, to revise his views and not to raise that objection on the floor of the House. If my Honourable friend wants that Government should bring out a legislative measure that vegetable ghee should not be named as vegetable ghee, but as solidified vegetable oil, I am with him, but that subject does not form part of this Bill. With these few remarks, I support the measure before the House.

Diwan Bahadur Hashtias Sarda: Sir, I support the motion made by the Honourable the Commerce Member. My Honourable friend, Dr. Ziauddin Ahmad, said that there would have been no necessity for this Bill if the exchange value of the rupee had been lowered. This is perfectly correct, and I endorse every word of what he has said about it. If the rupee had been devaluated, Indian exports would have been stimulated and imports into India would have been checked. Every country, which has large exports or imports, has, in the interests of its own manufactures, devaluated its currency. India which has large exports of raw materials and imports of manufactured goods would also have been greatly benefited if the value of the rupee had been lowered.

Another point that the Honourable Dr. Ziauddin Ahmad made was that he would not support any tariff Bill until he was convinced that the benefit of protection given by that Bill was shared equally, or at any rate, a large share of that benefit went to the worker and not all to the investors or the proprietors of the manufacturing concerns. While we all wish that the labourers should benefit from any advantage that is given to industry by either protection or otherwise, I would suggest that we must also remember that we must do justice to the owners of manufacturing concerns. Let us be just to them too. We must remember that the wealth of the country depends to a great extent on those who invest capital. It is the man with the money whom you call a capitalist, who organises industry. It is he who furnishes the means to start factories. It is his enterprise which practically gives birth to manufacturing concerns. I am not a capitalist, nor do I hold any brief for the capitalists. I hold no brief in fact from either importers of goods from foreign countries or manufacturers in this country. I take a detached view of the question. I consider that the interests of India as a whole should guide us in all our decisions with regard to these matters. I am perfectly well aware that labour

[Diwan Bahadur Harbilas Sarda.]

is as necessary as investment of money for the prosperity of manufacturing concerns. Labour also have a very fair share of protection, but let us not, for the sake of the larger interests of the country, try to smother the capitalist either.

As regards the hosiery question, it appears to me that a large number of hosiery concerns have recently been either closed or are very near being closed. This is not due to any influx of imported goods from England. This is due to the flooding of the market by cheap Japanese goods. The exchange value of the rupee as against the sterling, is the same as it was before and, while this has been so, new factories for hosiery were started in India; but recently they have suffered, because the exchange value of the yen has depreciated. It is because of the depreciation of the currency of that country that the Indian market has been flooded with cheap goods and the industrial products of this country have consequently suffered. Therefore, it appears to me that to a great extent, I do not say wholly so far as hosiery is concerned, the question reduces itself to a choice between the benefit of the importers and to some extent the benefit of the consumer, and the benefit of the manufacturers of this country. As it is the earnest desire of all to stimulate the manufactures of this country, I think it is our duty to help those manufactures and, therefore, levy duties on those imported articles the import of which in any way retards the progress of our manufacturing activity.

There is one little thing which I want to say. In cases of this kind, Government generally receive applications for protection from a number of industries of different kinds and they make inquiries into and scrutinise these applications and try to find out which of the industries require protection or safeguarding. We, as Members of this House, have no means of knowing what industries have applied for protection, what have refused protection, and for what reasons protection or safeguarding has been refused. It is, therefore, due to us that the Honourable the Commerce Member should find means to put us in possession of facts on this question so that we may be able to judge what industries, when we are discussing a Tariff Bill, require protection and make recommendations accordingly.

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

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

Mr. S. C. Mitra: Sir, I strongly support the motion for taking this Bill into consideration. It is a very beneficial measure. Our complaint rather is that it has come so late. We in this House passed the Safeguarding of Industries Act and it took the Government several months to come before us to give effect to our Resolution. Sir, it has been justly claimed by some of the Indian industries that under the present Bill they would not get sufficient protection to save themselves against abnormal foreign competition. My friend, Dr. Ziauddin Ahmad, said that half protection

was worse than no protection. Here I do not agree with him. I shall be glad to accept what is now being offered and persist in trying to get more, and I hope the Government will see that in the new Bill, where they are not merely safeguarding or giving temporary shelter to Indian industries, but where Government are committed to the principle of discriminating protection, I hope they will give adequate protection to Indian industries. I fully agree with my Honourable friend, Dr. Ziauddin's contention that a thorough inquiry should be made on relevant facts concerning these articles before we give protection to any of these industries, and we should no doubt consider whether it would conduce to the convenience and advantage of the consumers also in the long run. As regards this present Bill, at least about one article, namely, about enamelled wares, I found myself that the figures we received in Select Committee led us to think that there was not much ground for giving that particular industry protection, but subsequently I have been convinced by going through the figures about the total Indian production at present, its future potentialities, and the Indian production, say, two years before and the total Indian consumption, that they have made a very good case for me to revise my opinion. I took full responsibility in Select Committee, I say, for deleting that particular clause, but now I find that out of nearly Rupees 33 lakhs worth of articles consumed in India during year, more than 12 lakhs worth of articles are already produced and the potentiality of these companies that have been established in Bombay, Bengal, the Punjab and the other provinces is so much that, within a very reasonable period, they will not only produce far better and durable articles, but produce them cheaper also. So I should like to be satisfied that Government will make a thorough inquiry into all these different points before they come up for protection.

Sir, due to this abnormal competition prevailing in India during the last two or three years, it is not only these few articles that have been brought under the purview of the present Bill, but there are other smaller manufactured articles in India that also require adequate protection if they are to survive at all. Sir, we cannot in this modern age remain mainly an agricultural country. It is for the good of the country that now the educated classes have turned their attention towards manufacture, and the Government should encourage them in every possible way by utilizing those articles and providing sufficient protection wherever there is any real need for it.

My friend, Dr. Ziauddin Ahmad, rightly said why these Bills were not sponsored by the Member who is in charge of Industries. He further said that if it was a taxation measure, then it should be taken up by the Honourable the Finance Member. I take it that it is not for the purpose of getting a little more money that these measures are introduced, and so the Honourable the Finance Member did not bring forward this legislation, but the Honourable Member in charge of Industries should certainly have taken up this legislation.

There is only one other point on which I would like to say something and that is about the contracts. In my own minute of dissent, I made it clear that I did not agree that all the articles ordered for before the 22nd of December, 1933, should be accepted in India as duty free, but the articles that had already reached Indian shores by a fixed date, say, about the 15th January, 1934, that is, the period of three weeks that it

[Mr. S. C. Mitra.]

takes for the articles to reach from Japan to Indian shores, might be exempted from the purview of this Bill, and that should be considered by this House. My argument is this. Mr. Das contends that they had previous notice and, therefore, they should suffer, if they intended to make any illegitimate profit out of it. I think you will agree, Sir, that if it is found that anybody wanted to bring in a large quantity of Japanese goods with the intention, more or less, of frustrating the object of a Bill like this, he should be penalised. But that is no ground why *bona fide* contracts should not be respected. What I mean is this. If there had been any legislation within two or three months after the passing of the Safeguarding of the Industries Act, then certainly the onus was heavily on the importers, because they knew that some Bill was on the anvil to put the Safeguarding Act into operation. But when a year passed and there was no action taken on the ground of negotiations with the Japanese Government, the Bill certainly came more or less as a surprise, on the last day of the Session. If the Government are satisfied that it was not with the intention to frustrate the effects of this Bill, but, with a *bona fide* purpose of the trade, that some of the importers have ordered for goods, then I do not see any reason why, for that limited period, on the analogy of the Wheat Protection Bill, we should not protect these *bona fide* traders. Then, I look at it from a further standpoint. When the goods are here, if they are not heavily taxed, it is not detrimental to the interests of the Indian manufacturers. The loss will be borne either by those Indians who ordered for the goods or the consumers. It does not very much affect the interest of the Indian manufacturers, because there will be no such import in the future. So, if there is no great objection from the Customs Department, Government may yet reconsider the case of the *bona fide* importers for a very limited period only. With these words, I support the motion.

Mr. A. H. Ghumanvi (Dacca cum Mymensingh : Muhammadan Rural) : Mr. President, on the last occasion when I was speaking in this Honourable House I said that this was an amazing piece of legislation. Today I find that it is not only an amazing piece of legislation, but it is a jugglery in legislation. Sir, what do we find? This Bill was introduced on the 22nd December of last year. Within six weeks from that date, we find another comprehensive Bill being introduced with regard to the same goods, namely, the hosiery. The first Bill provided ten annas per dozen of socks and the importers had to pay the import duty at the rate of Rs. 1-8 per dozen for undervests. What do we find in the new Bill which is now before us? It is nine annas per lb. Therefore, those goods, which have arrived and will be taken delivery of before the next Bill comes into force, will pay more import duty. Take, for instance, one dozen undervests which weigh one lb. The man will have to pay Rs. 1-8-0 for this one lb. goods, but after six weeks he will have to pay nine annas only. Then, again, we were told that this Bill had nothing to do with the raising of revenue. It was a sort of protection that was being given to the Indian industry in order to raise its price to the price which was maintained in 1931-32. If there was no idea of raising any revenue or getting hold of a certain amount of money quickly, where was the need for this indecent haste in bringing forward this Bill on the 22nd December last without waiting for the new Bill which is a comprehensive measure and which is now before the House? It only reminds me that the Honourable the Finance Member is in need of money and, therefore, this Bill was introduced in such a hurry. By

means of this Bill you are penalising the importers who will have to clear the goods now and not wait till the new Bill is passed. You are charging them Rs. 1-8-0 now for the same goods if it weighs 1 lb. for which you would have charged nine annas only. The Tariff Board was asked to report and that was in April, 1932. They reported in November, 1932. All these 14 months this report was not brought before us, nor could we understand or gather whether any protection was necessary. Nothing was before us, nor was there anything before the Select Committee to enable them to come to any definite conclusion, whether the proposal was for really giving effective protection or any protection at all. I asked on the last occasion, for whose benefit was this Bill being introduced? Surely it was not for the consumers, it was not for the industrialists, because they do not want this nine annas a lb. And they have been asking for at least one rupee a lb., if not more. My Honourable friend, Mr. B. Das, said that half a loaf is better than no bread, and that we must accept this half and go on asking for the full. But my Honourable friend forgets that this is not a question of half a loaf put into your stomach. We want protection for our industry so that it can compete with other countries. If you give half protection, it will not enable our industries to compete with other countries. Then why do you raise the price for the consumers when you are not benefiting the industry thereby?

Mr. K. C. Neogy: Will the Honourable Member then join us in asking for the enhancement of the duty proposed?

Mr. A. H. Ghuznavi: Yes. Certainly I will join you wholeheartedly and I will tell you my reason why. The other day a local newspaper, the *Hindustan Times*, remarked about the speech made by me and by Sir Abdur Rahim and Sir Muhammad Yakub that we were communally-minded fellows, that we were looking to the interest of communalism and that the industrialists were not Mussalmans and that, therefore, we were opposing the Bill. Surely let us forget at any rate in commerce our communalism and this was far from my mind when I made my speech the other day. Here I have got a number of telegrams and most of them came from Mussalmans and they are all in the trade and they have requested us to ask for more protection. I may say at once that more Mussalmans are interested in this industry than Hindus, and still we are told that, because the Mussalmans are not interested in this industry, therefore we are supporting the importers who are all Mussalmans. There, again, it is not true. So far as the importers are concerned, they are fifty-fifty. Half are Hindus and half Mussalmans. My point is that you have to satisfy us with the following test which I find from the Government report. They also say that the test has to be applied before giving any protection to any industry. I say, I am not satisfied that the Government have fulfilled the test. My point is that because I have not the Tariff Board report before me, I cannot say that they have satisfied the test. The Government have not given effect to what they themselves said previously. What they said was to give protection at Rs. 1-8-0 a dozen and this was in 1932 and then they took into consideration the depreciation of the yen. Surely if they said that it should be Rs. 1-8-0 a dozen in 1932, it should be at least Rs. 3 a dozen, taking into consideration the great difference in the depreciation of the yen in 1932 and 1934.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): What is the difference?

Mr. A. H. Ghuznavi: I am afraid you will have to ask my Honourable friend, Dr. Ziauddin Ahmad.

Mr. C. S. Ranga Iyer: Is it the worse or the better?

Mr. A. H. Ghuznavi: It is the worst.

Mr. C. S. Ranga Iyer: Therefore we ought to protect ourselves.

Mr. A. H. Ghuznavi: Sir, we are quite prepared to give them protection, provided they come into the field, and with a competitive price and with reasonable protection they can sell and they can meet the requirements of India as a whole. Surely the protection that should be given should be for a restricted period. We have to make very great enquiry to find out whether we are not going to put in the list a few industries which want to make money at the expense of the consumers. Before giving protection to an industry, we want to satisfy ourselves that these tests are fulfilled. As regards the new industry for which protection is sought to be given on their own showing from the report of the Tariff Board, I find they cannot supply more than 23 per cent. Then, Sir, it has been said in season and out of season that the Indian industry had very great difficulties in competing with Japanese goods, because of the depreciated yen. But the figures I find in the Government report give a different story. The Indian industries have been increasing from year's end to year's end. In 1926-27, the Indian manufacture was 3,52,000 and in the seven years, ending 1932-33, it has doubled. That is, at present it stands at 7,46,000. Surely you cannot say that you have been closing down your workshops and, as one Honourable Member said, you cannot go on unless you are restored to the prices in 1931-32. What is the reason then if your production is increasing year by year?

Mr. B. Das: The boycott movement.

Mr. A. H. Ghuznavi: That was the reason I gave the other day when the Honourable the Commerce Member said about the huge imports that are coming from Japan. That is not so. Japan has captured the imports of other countries. Our total imports have not increased. Japan has captured not from India, but from other countries, because Indian production is going up, whereas the imports of other countries have diminished and Japan is taking their place.

Mr. C. S. Ranga Iyer: Then why should we be the victim of one country, I ask, from an economic point of view?

Mr. A. H. Ghuznavi: My Honourable friend, the Deputy Leader of the Nationalist Party, was shedding much tears the other day when I was making my speech and he said that he would rather see 30,000 Japanese workmen out of work than 300 Indians. Today my Honourable friend's heart is melting for the uplift of the Harijans, tomorrow it may be the case of my Honourable friend, Dr. DeSouza, and, later on, my Honourable friend, Sir Henry Gidney, may have a share in the sympathy of Mr. Ranga Iyer. Sir, human memory is short and the memory of the Assembly is shorter still. What was the attitude of Indians when the Russo-Japanese war was going on in 1898? Did we not take pride as an Asiatic Nation that Japan was fighting the Western Nation? Has my

Honourable friend forgotten that, probably he was not born then. Did we not send batches of Indians to learn trade and industry in Japan? Is not my Honourable friend, Mr. Neogy, aware of the hearty farewells that we used to give our young boys when they were sent to Japan for training? Now, of course, he is up in arms against Japan. Japan has been able to capture the whole world trade by her efficiency, and my Honourable friends here want to subsidise inefficiency.

Sir, the real truth as it strikes me is this. To enable you to quieten the Manchester and Lancashire shouting, you have reduced the duty in piece-goods to 50 per cent., because you must give something to stop criticism. But I will be able to show that this increased duty will not benefit the industries at all. They will never be able to compete with the nine annas a pound, but it will do what the *Hindustan Times* said the other day, namely, bring in imperial preference by the back door. The orphans of Bombay in 1930 did not realise that they were doing this. If they had not pushed imperial preference, this country would have benefited and today this Assembly would have had as Members men who would have been ornaments to any legislative body if they had not been made to resign as a protest. Again, the same thing is being repeated. If it is a genuine support of Indian industry, no Indian can say that he will not support it. But, surely, I am not going to yield and, at this time, when their buying power is almost gone, to raise the prices and not to give the benefit of the lower prices which is now prevailing. Sir, I am myself a free trader; I do not believe in protection at all. But to my mind the real protection that should be given to the industries is not by raising a tariff wall and making the prices go up, but by taxing those who can pay and subsidise the industries on conditions which should be laid down and which they are to fulfil, viz., that they can in a reasonable time supply India's demand and at a reasonable and fair competitive price.

Sir, the Tariff Board's report shows another thing. They say that a factory which can economically produce at least 200 dozen underwear a day requires a capital of a lakh and a half. I should like to find out how many of these factories are existing in India at the moment excepting those mills which have got a branch in hosiery. And let them say whatever they like, but they are not using Indian yarn. They cannot, excepting one or two who are attached to the mills who are producing their own yarn. But the ordinary hosiery concerns are using foreign yarn.

There has been great objection to giving exemption to contracts. One objection is that, by exempting these existing contracts, you only pay a profit to the importers. The second objection that has been raised is that these goods will come into India at a lower price and, therefore, the Indian industry will not be able to compete; and then the third objection is that in these protective duties there has never been any exemption allowed. My answer is this. If you raise by 5 or 10 or 15 or 20 per cent., I can understand that prices go up to that level. But here you have in some cases raised to 240 per cent. and, on an average, it is, on your own showing, 97 per cent. Surely prices cannot go up to 97 per cent. at all. Therefore, the loss will be of these poor importers who innocently imported these goods. And then if you do not exempt these existing contracts, you will have to bear in mind that in future Indian money will be very shy in doing any trade with foreign countries and Indian capital will think twice before risking and losing it. You act abruptly, without giving any notice whatsoever. It has been said that notice was actually given that the commercial treaty was coming to an end. But how can these poor fellows, who have

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nothing to do with politics and do not understand what is up your sleeves, understand that you will jump up one day after months and months and put up the duty to 240 per cent.? Therefore, if you do not want Indian capital to be shy in doing trade with foreign countries, it is only fair to reduce their difficulties and penalise them only to that extent that you have to in the circumstances. At any rate, if you cannot give the exemption to the existing contracts, surely give exemption to the goods that have arrived at the ports in India.

Sir, let me make this prophecy in conclusion. These imports will be stopped. It is no use trying to feel that they will continue; they will stop. You will not be able to make them, because the protection that has been given is not sufficient. The result will be that, so far as the hosiery trade is concerned, they will go on making those shirts. For the Japanese cloth the duty is only 50 per cent. and these shirts will be sold at a cheaper price than you can make them here; and some importers will divert their trade and, instead of importing, they will be making these things and selling them in the market. It has started and your Indian hosiery industry will never be able to compete with them. And then if it is found to be fair to give sufficient protection to the industry by putting a 50 per cent. duty on Japanese piecegoods, why is it not found fair to put a 50 per cent. duty on Japanese hosiery? Is that not also a cotton textile and coming under the same category? There you want to placate Lancashire. Here, of course, Lancashire does not come into the field and, therefore, you can put up 97 per cent. which you think is a sufficient protection, but the industries do not think so.

Sir, with these words, I still hope this House will seriously consider this matter. If you want to give protection, give by all means sufficient protection to the industry, and do not go half way. By going half way you only raise the price. I will also ask this House, whether it will not seriously consider the question of exempting contracts or at any rate exempting the goods which arrived in India before the 31st January.

Mr. C. S. Ranga Iyer: Sir, my friend, the Honourable gentleman from Calcutta, concluded his speech with his usual admiration for protection even though a professed free-trader. He said: "Give sufficient protection, for the protection you have given is not sufficient; it will not sufficiently encourage the industry concerned. It will only hit the poor Japanese"; and he took me severely to task, with his characteristic earnestness increased by his lustre of eloquence, for not having shed tears for the Japanese industrialists. He said that I have been shedding tears for Harijans. I have been working among the Harijans. My friend has not been working among the Japanese workmen, though he tries to find work for them on the floor of this House at the expense of the working people of my own country.

I do not for a moment deny that Mr. Ghuznavi is actuated with the best of intentions and also speaks purely from the standpoint of indigenous importers, who he feels are affected and also from the standpoint of consumers who he feels are in peril. I do not for a moment question his sincerity. However, he mitigated the severity of my attack thinking probably that I was equally sincere when I attacked the Japanese enthusiasm to bring down our industries in order to promote their own—he softened the severity of my attack when he said that I would rather have 80,000

Japanese suffer than 300 of my own people. My figures were more "monstrous"—they ran into millions. However, that is entirely the issue with which I am concerned, I perfectly agree from a humanitarian point of view—not from that of a patriot for the patriot is selfish—but from the point of view of a man who wants to benefit the universe and whose enthusiasm for the working classes, whether Japanese or indigenous, knows no latitudinal or longitudinal limitations—from that standpoint I admit defeat on this issue and I acknowledge that my Honourable friend from Calcutta stands on a higher pedestal. (Laughter.) We must, however, express some gratitude to him for having elevated this discussion from the communal to the commercial plane, for he controverted a statement of fact in the *Hindustan Times* which was, as he said, far from what he knew to be the truth. For his analysis proved that Hindu as well as Muslim importers would be hit by this Bill. That is fortunate, for in these matters I agree with my Honourable friend that we must not bring in the communal aspect at all; for India stands to gain by this Bill and that is why I say "Do not approach it from a communal point of view". As conceded by Mr. Ghuznavi, the Mussalman as well as the Hindu has to look at it from the commercial point of view; and, if they look at it from that stand point, I have not the slightest doubt that they would bless the Commerce Member for having awakened at last after the anxious days and months that our people have been passing through in this country, for having awakened at long last from almost, what seemed from Mr. Ramsay Scott's point of view, a *Kumbhakarna* sleep. (Laughter.) After hearing the rather enthusiastic speech of my friend, Dr. Ziauddin Ahmad, followed by that other enthusiastic speech of my friend, Mr. Scott, from Cawnpore, I thought that the Honourable gentleman sitting on the Treasury Benches, Sir Joseph Bhore, was almost between the devil and the deep sea. (*A Voice*: "Which is which?"). My friend, Mr. Jog, follows it up and asks me who is the devil and who is the deep sea. I would certainly not call my friend, Dr. Ziauddin Ahmad, a devil: he is the deep sea of arithmetic which his constituency understands and which this House loves to understand—the deep sea swallows up everything that comes before it. On this particular occasion, however, he forgot when in Select Committee that there was a lack of uniformity in regard to the duties which on his discovery after he put his signature to that report he placed before us with all the enthusiasm and earnestness which he always shows and which we always appreciate. The devil, Mr. Scott, an amiable, devil from Cawnpore, not an extremist of extremists, because he does not reject this Bill,—he is merciful, he is not satisfied with it; he keeps his powder dry; but being an amiable gentleman, more of an angel than a devil, I should think, he accepts what is given and reserves his right to agitate for more. Sir, therefore, it is easy for the House to understand that the Honourable the Commerce Member is a moderate of moderates, unwilling to inflict the hardship which my friend, Mr. Ghuznavi, thought he was inflicting, not on Japan—probably on that point he is right—but on the consumers of this country: he is not inflicting any hardship on them; but on the contrary he is helping the producers. Sir, we cannot draw the line too thin—the line of demarcation between the consumer and the producer: sometimes the consumers of almost nothing and the producers of everything, have a point of contact when the case of the workmen is concerned; and until Mr. Ghuznavi fails to produce and the Honourable the Commerce Member produces the figures regarding the numerous workmen employed in the numerous indigenous industries which are affected, which are injured, which are threatened, by the Japanese

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depredation, until that is shown, I at any rate will maintain that the large number of workers in the country, both in well-established industries and in struggling industries and in the cottage industries, stand to lose a great deal. You cannot very well say that the consumer is affected. He is not. The consumers in the villages are not affected, because they are also producers, working at the handloom, and at any rate for certain months in the year when they go off work in the agricultural fields.

Dr. Ziauddin Ahmad—probably I am not misrepresenting him when I say—for I heard him rather indistinctly—I do not say that he 3 P.M. was speaking indistinctly, but he was inaudible somewhat to my ears and I heard him faintly—he said “You are not increasing the prices of agricultural commodities and you are increasing the prices of industrial products; that is not the right kind of economics and that is not the proper thing for a Government to do”. That was his point of view, and as he shakes his head in assent, I am sure I have understood him correctly and explained his position distinctly. That is a rather difficult position, I concede. That is the position with which the Governments in all the countries in the world are faced today. Cheapness—that is the curse that is afflicting all the countries of the world and has caused depression: cheapness of raw products, cheapness of food stuffs, cheapness of manufactured articles; but cheapness has never descended so low as in the case of Japan; and if we make concessions to that cheapness, what will happen? One of the speakers, I thought, was going to talk of some other kind of cheapness. One of the speakers said that if you raise a tariff wall, the Japanese people will come to this country and set up their factories, and there is that danger. Sir, I would welcome the Japanese people to come to my country and set up factories; I would welcome Americans to bring their capital and set up factories in this country; I would welcome Chinese, Mongolians, Tibetans, in fact all the nationalities including the inhabitants of Mars and Timbuctoo. (Laughter.) I do not believe in the old war-like slogan that we should not bring foreign capital into this country,—no, I do not believe that. Once upon a time, Sir, I had a very interesting conversation with one of the great Muslim leaders of the Punjab, now no more, who held an honoured position both in the Government of India and in his own province, and he was disputing with me the Congress slogan: “Why bring in foreign capital into this country”. He said what we want is capital in a poor country like India. There was much in what he said, for, you remember, Sir, once upon a time, the friends of the community to which my friend, Mr. James, has the honour to belong, had almost all the jute capital in their hands, and today the largest number of jute shares are in the hands of Indians themselves, and I do not mind, if the Japanese people have to solve their unemployment problem in their own country, transfer their capital and bring some of the Japanese experts to this country,—I would welcome them, and then if the Honourable the Commerce Member were to come forward and say—I want to crush down the Japanese factories in India—I would examine the question purely from an Indian point of view, and I would give the Japanese the consideration that I would the Indian, because they would be employing Indian labour. They will not be bringing all the Japanese from Japan to be employed here, and if the Japanese want some tracts in this country on which no Member has been able to enlighten us, if the Japanese want some lands in this country to set up their factories, even to found a colony, I would welcome it, but that is not a live issue

today, and let us not draw across the trail a red herring which one Honourable Member at any rate was drawing.

Sir, Mr. Ghuznavi said that he would prophesy something. It was a dreadful prophecy. He said these imports will be stopped. I do not think it will be a bad thing if these imports stop. We are not prohibiting them, but Mr. Scott, at any rate, will be happy if these imports stop. . .

Mr. A. H. Ghuznavi: No.

Mr. J. Ramsay Scott: Yes.

Mr. C. S. Ranga Iyer: I have to judge here as to what Mr. Scott himself says as against what Mr. Ghuznavi prophesied. His latest prophecy had the shortest life. Sir, he said, if I heard him right, that, so far as the hosiery industry was concerned, they put the duty so high as 97 per cent. giving Great Britain a preference as against Japan. . . .

Mr. A. H. Ghuznavi: I did not say that.

Mr. C. S. Ranga Iyer: Well, I thought the Honourable gentleman said that. Perhaps I was not able to catch him, I am sorry. He said, you are putting down the Japanese hosiery heavily instead of helping them. . . .

Mr. A. H. Ghuznavi: No fear.

Mr. C. S. Ranga Iyer: I thought he said, do not put them down at all.

Mr. A. H. Ghuznavi: I did not say anything like that.

Mr. C. S. Ranga Iyer: Well, I did not catch his point. Probably he wanted imposition of heavier duties on Japanese hosiery?

Mr. A. H. Ghuznavi: No fear.

Mr. C. S. Ranga Iyer: Well, Sir, I do not want to be too long, but I am sorry I did not follow this point when the Honourable Member spoke. He was complaining about hosiery, and on this point I would put to him one question, or rather I would ask the Honourable the Commerce Member one question. What are the import duties of the Japanese people on this particular article coming into their country from outside? That is a point I would like to have information upon, for I did not follow what Mr. Ghuznavi said. He at any rate has wallowed, it is clear as he talked, in so much confusion, but not being well informed about tariff duties in Japan, and having in my possession only the Report of the Tariff Board which he misrepresented, as I shall presently show, I had to put the plain question, and on the answer of the Honourable the Commerce Member will depend what I may call the clarification of an issue which Mr. Ghuznavi has deliberately clouded. Apropos hosiery, two or three times heavier duties, if my recollection is correct, though facts are not in my possession, are imposed by Japan. Much play is made about the hosiery. . . .

Mr. B. Das: Pig Iron.

Mr. O. S. Ranga Iyer: Well, let us have Mr. Das talk of pig iron. I know how much pig iron Japan bought from us once, and I know how little of it they buy from us now. Was I going to be fooled by Japanese seduction. Japan may play the role of 'Tantalus,' but I shall not be tantalised even by Mr. Ghuznavi's opinion about the Tariff Board Report. This is what the Tariff Board said about this Japanese matter:

"If the duty is levied on the basis of weight, allowance will have to be made for the difference in weight between comparable qualities of Indian and Japanese goods. We understand that the imported goods often weigh not more than two-thirds of the weight of the Indian manufactures with which they compete. Thus, Indian goods weighing three pounds a dozen have to compete with imported goods whose average weight will not be more than two pounds a dozen. To afford adequate protection, it will therefore be necessary to fix the duty per pound sufficiently high to cover this difference."

So much for Mr. Ghuznavi's quotations,—or rather his impression of the Tariff Board that he gave us. . . .

Mr. A. H. Ghuznavi: The Tariff Board reported Rs. 1-8-0 a dozen.

Mr. O. S. Ranga Iyer: Well, Sir, here is a quotation which I have read from the Report of the Indian Tariff Board about the Cotton Textile Industry, and he cannot dispute the facts. It is not favourable to Japan,—and he said the whole thing is favourable, and he said he had received telegrams. Sir, I have also received telegrams. . . .

Mr. A. H. Ghuznavi: That is not. . . .

Mr. O. S. Ranga Iyer: Sir, I don't propose to give way, and when I was willing to give way, the Honourable gentleman was not willing to take the opportunity and make a statement. . . .

Mr. A. H. Ghuznavi: Why read the wrong page?

Mr. O. S. Ranga Iyer: I have read the right page. It may be wrong from the Honourable gentleman's point of view, but when I gave him an opportunity to right a wrong, he did not take it. Sir, I want to be brief. I am already too long, but I must make my case, and as so much has been mentioned about telegrams from various people protesting against this measure, I must place on record this telegram from the Madurai-Ramnad Chamber of Commerce. This is what it says:

"Proposed specific duty nine annas per pound on cotton undervests extremely inadequate in view of Tariff Board's and Select Committee's recommendation of Rupees 1-8-0 per dozen. We understand reliably that imported cotton undervests weigh only one three quarter pounds per dozen average and in this basis specific duty on cotton undervests should be at least fourteen annas per pound. Please request Government to include cotton pullovers, jerseys, sweaters, bathing costumes, shirts, underdrawers and all other hosiery under cotton undervests. We strongly feel proposed duty six annas per pound on cotton knitted pieces insufficient. Please move Government to increase duty on knitted pieces adequately and to levy uniform duty on all weights of cotton knitted pieces."

Sir, lastly Mr. Ghuznavi spoke of fluctuations of the yen. I have got figures before me. . . .

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): No figures please.

Mr. C. S. Ranga Iyer: I hear a whisper from my friend, Colonel Gidney. I appreciate his impatience, but if I make a present of these figures in regard to the fluctuations of the yen, and if I were to place them before the House, my friend, Mr. Ghuznavi, will find that he is at a great disadvantage. But I will present these figures to him instead of to the House.

Lastly, Mr. Ghuznavi was speaking for the poor man who is going to benefit by the cheapness of the article. Cheapness is not good to the man who has not a copper in his pockets. Our poor people have no employment and Mr. Ghuznavi will be taking away whatever employment they have got, because, as he said on a former day, our industries are not well established, and not being well established he will shake them out of existence. If he studies—I do not know if the Japanese people have a Tariff Board report, but if he studies the Japanese tariffs, he will find that on boots and shoes they have a 100 per cent. duty, on globes for hurricane lanterns 100 per cent., on laundry soap 100 per cent., on toilet soap 100 per cent., and he knows our figures so far as this particular Bill is concerned, and I shall not educate him on the advantage that Japan derives by not following a policy of Free Trade being a Free Trader herself. Sir, we are living in a new world. Nails have been driven into the coffin of Cobdenism. As I do not want to prolong the speech, I do not enlarge this argument, but this much I may say that if Mr. Ghuznavi is a free trader, his past votes and speeches on the floor of this House have indicated that he has been a progressive free trader, progressing in the direction of discriminating protection (Laughter), and he knows that his contemporaries in England, great free traders, have become protectionists themselves. The free trade argument did not cut during the last General Election much ice in England; it will not cut any ice in India, for we have been fed by the countrymen of Sir Cowasji Jehangir, following the industrialists of Bombay, on the diet of protection. Every true industrialist is a free trader at heart. Mr. Mody is, I think, a free trader of free traders, but he only wants conditions favourable for a free trade policy. He wants industries to reach the stage of adolescence when they can look after themselves and fight foreign competition. If such a fair condition is achieved, then Sir Joseph Bhoze will vote for Free Trade.

The Honourable Sir Joseph Bhoze: Sir, there have been so many cross currents and under currents in this debate that it is a little difficult for me to know how to deal with it. I may perhaps begin with my Honourable friend, Mr. Ghuznavi. I would like to say at once that I for one do not cast the slightest doubt upon his sincerity, nor do I personally suggest that any considerations except commercial considerations have influenced him in putting forward the case that he has put forward. He puts forward the case for the importer of cheap goods. I lay stress on the importer and not on the consumer and I will make the reason for that plain almost at once. I know that the importer may be inspired by highly altruistic motives. I know that he may be inspired with the noble and humanitarian desire to clothe the naked millions of this country at a price, and it behoves us to enquire a little more closely into this question of price. On the last occasion, my Honourable friend waved in the faces of Honourable Members in this Assembly certain garments which he said were imported into this country at a price of, I think, ten annas a dozen. I have had evidence placed before me that those garments were actually being sold in the Delhi bazar at the retail price of Rs. 2-4-0 a dozen.

Mr. K. O. Neogy: We can substantiate that evidence, some of us.

The Honourable Sir Joseph Blore: Thank you. Now, Sir, it is easy to understand the altruism of importers when the altruism has such a golden lining. My Honourable friend, Mr. Ghuznavi, said, if you shut out hosiery, its place will be taken by hand sewn shirts made out of cotton cloth. Is that a hardship? Will it not be in the interests of this country that the consumer should take to an article made probably out of Indian cotton and sewn with Indian hands? To my mind it seems to be undoubtedly in the interests of this country that this substitution should take place if substitution on those lines takes place at all. Then, Sir, I definitely do not subscribe to the doctrine that it is a hardship for the poor consumer to have an obstacle placed in the way of buying the cheapest article whatever its quality may be. I feel that it may be doing a service to him to help him to buy a far better and more durable article even though it may be slightly more expensive in price. There are goods which are expensive at any price. Mr. Ghuznavi made certain statements which, I am afraid, it is quite beyond me to follow. I have no doubt that, as a certain sovereign of England expected to find the word Calais inscribed upon her heart, after death, so will the word hosiery be found to be inscribed on the heart of my Honourable friend, Mr. Ghuznavi. (Laughter.) What my Honourable friend said was: "You will stop imports of hosiery by levying these duties", but, in the very next breath, he went on to say: "These duties are not sufficient, and you will never be able to give the necessary protection by the duties which you are now levying". I cannot reconcile those two statements. Then, again, he says: "It was with the intention of placating Lancashire that you limited the duty to 50 per cent. on Japanese piecegoods." I cannot for the life of me understand how Lancashire could be placated by reducing the duties to 50 per cent. on Japanese cotton piecegoods. However, Sir, I may leave that for the moment, and turn to another class of critics. I really find honest difficulty in understanding the position that they have assumed.

I will first refer to my Honourable friend, Dr. Ziauddin. Dr. Ziauddin I would describe as a normal biped, with his feet in two camps, one foot in the camp of the consumer and another foot in the camp of the producer. That position has a great many attractions, if only the two camps are sufficiently close to one another. Why my Honourable friend, Mr. Mitra, signed the minute of Dr. Ziauddin, I am afraid, I cannot understand. Possibly he fell a victim to the blandishments of the learned Doctor who evidently has successfully whispered soft nothings into his ear. I do not, of course, know about the softness, but I can vouch for the nothings. (Laughter.) My Honourable friend, Dr. Ziauddin, I think, suggested that we have a simple and easy way of escape from all our troubles with Japan. All that we had to do was to have a simple single formula which we could apply and which would automatically raise the duties in respect of all imports from Japan if further depreciation of the yen took place. Then he said, you will get rid of all these Bills and the necessity for bringing in a Bill like this. Surely, my Honourable friend's solicitude for the consumer has deserted him for once. What is the object of having duties put up on all articles from Japan to this country even on such as are not manufactured in this country?

Let me next turn to this question of protection. I find that there has been grave misunderstanding. There has been misrepresentation outside

this House and I am afraid that in some cases that misrepresentation may have been deliberate. Let me again repeat what I have said. We do not through this Bill intend to confer substantive protection on any particular industry. All that we want to do is this. We want as far as may be possible to restore the competitive conditions which existed in 1930-31, making allowance for the general fall in prices. If an industry comes to us and says "this is not sufficient to protect us", our reply to that industry is "prepare your case for protection and, if you have a case, it will be sent to the Tariff Board". I would like to explain that more clearly to the House in view of the fact that there has been so much misunderstanding about it, by referring to one or two specific cases. Take the case of cups and saucers. The duty paid price of a dozen cups and saucers of a kind which comes into competition with articles manufactured in this country was in 1931, 28 annas a dozen. The ex-duty price in 1933, the average price of similar articles was ten annas eight pies a dozen. The proposed duty is now 15 annas bringing the duty paid price to 25.8 annas as against 28 annas in 1931. Honourable Members will see there that we have allowed for a fall in prices. Take another case of pottery. Take the case of tiles, six inches by six inches. The duty paid price in 1931 was 17 annas per dozen. The ex-duty price in 1933 was eight annas a dozen. The proposed duty is six annas a dozen bringing the duty paid price today to 14 annas a dozen as against 17 annas a dozen in 1931. There also we have allowed for the general fall in prices. (Interruption by an Honourable Member.) I am afraid I cannot give way to my Honourable friend. I could give a number of examples to the House, but I think those are sufficient to explain what really were the lines upon which we were proceeding in this matter.

Now, Sir, my Honourable friend, Mr. Ghuznavi, with some show of indignation, said that we were enormously increasing the rates of duty. He said that in some cases it was 200 per cent. and that in some other cases it was more than 200 per cent. If my Honourable friend, as suggested by Mr. Ranga Iyer, had made researches into the rates of duty imposed by Japan on these very articles, I am sure that his indignation would have abated somewhat. I have made those investigations and I think the House will be somewhat interested in knowing the result of those investigations. Let us take the case of hosiery in which my Honourable friend, Mr. Ghuznavi, is so deeply interested. Take undervests. The duty we propose is Rs. 1-8-0 a dozen. We have calculated that Rs. 1-8-0 a dozen is approximately the equivalent of nine annas a pound on a weight basis. I do not ask the House to accept that as final, because that question will come up for consideration when we are dealing with the Cotton Textile Bill and we can go into that matter then. For the present let us proceed on the assumption that the duty is equivalent to nine annas or even ten annas a pound. The duty on similar goods in Japan is 20½ annas a pound. Let us turn to the case of socks and stockings. We have there proposed a duty of something like nine annas a pound. What is the duty in Japan? The duty is 80½ annas a pound. I am sure, Sir, my Honourable friend, will not now persist in what I can only call hysterical criticism on the height of the duties we are proposing in this Bill. There are two other points to which I should like to refer. My Honourable friend, Mr. Das, asked me to support the statement that the specific duties we were now proposing were not going to have the effect of giving the United Kingdom a greater advantage. I have hastily collected a few

[Sir Joseph Bhore.]

figures. I may say at once that they are entirely in support of the proposition that he put forward. Take the case of boots and shoes. The duty we propose is six annas per pair. The average U. K. c.i.f. price is Rs. 2-4-0 per pair, so that the 25 per cent. duty, which will operate instead of the specific duty in this case, is equal to nine annas a pair, whereas the rate we have proposed against Japan and other countries is six annas. Take the case of hosiery undervests. The proposed duty is Rs. 1-8-0 per dozen or 25 per cent. *ad valorem*. The average U. K. c.i.f. price for 1932-33 is Rs. 6-14-0 a dozen. 25 per cent. on that is equal to Rs. 1-11-6 per dozen as against 1-8-0 which we are now proposing. Take the case of lead pencils. A duty of one anna per dozen is what we now propose. The average U. K. price is 9½ annas per dozen. 20 per cent. duty which is the duty leviable on British goods is about two annas per dozen, which is twice the rate of specific duty we are imposing under this Bill on non-British goods.

Mr. A. H. Ghuznavi: Since when has this duty been in existence?

The Honourable Sir Joseph Bhore: I cannot give you the exact date. I could get the information if the Honourable Member wants it. Take again, the case of cast iron pipes. That is an even more striking case. The average value per ton of the Japanese imports was Rs. 73.45. We are now proposing Rs. 25 as a specific duty per ton. The average price of the United Kingdom article is Rs. 390 per ton. Ten per cent. the rate applicable on that comes to no less than Rs. 39. I think, I have said enough to satisfy Honourable Members that there is really no ground for the suggestion that we are through a back door increasing the preference that has been given to the United Kingdom.

There is only one point in conclusion which I would like to refer to and that is the suggestion that we should exempt from the duty those articles that came in after the 22nd December, and in certain quarters it was suggested that we might fix a date up to which that exemption might be granted. I am afraid I must oppose that proposal. We would have to apply that exemption, as Honourable Members will realise, to every single article covered by this Bill, and the administrative work that will be thrown upon the Customs Department would be extraordinarily difficult and heavy. Apart from that, there is another consideration and that is that the importers of these goods had the amplest possible notice. When the Safeguarding of Industries Act was passed in this House nearly a year ago, I made it perfectly clear that we had given notice of the denunciation of the Convention and that that Convention would expire on the 10th October. It must have been perfectly clear to everybody that we intended to take action as soon as we possibly could after the 10th October. Apart from that, a month or two afterwards the question of examining the case for safeguarding, in respect of the industries that had applied for protection under the Safeguarding of Industries Act, was taken up, a questionnaire was issued, it was communicated to all Chambers of Commerce and it was communicated to the industries concerned. Surely people must have known that we were definitely intending to take action under the Safeguarding Act! Now, if, judging from the figures I have given, enormous profits are to be made from this import business, then, if importers were prepared to take a risk because of the possibility of

making those profits, then I say they cannot come to us today and ask for *ex gratia* treatment. I am afraid I must oppose that proposal. I have nothing further to say at this stage. (Applause.)

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

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair proposes to take the Schedule first. The question is:

"That the Schedule to the Bill stand part of the Bill."

Mr. Ghuznavi.

Mr. A. H. Ghuznavi: Sir, I move:

"That in the Schedule to the Bill, the proposed amendment No. 1 be omitted."

Sir, this is an item in the Schedule with regard to fish-oil and whale-oil, hardened or hydrogenated. My amendment is that this should be omitted. So far as we could see in the Select Committee, no case was made out for imposing this duty of Rs. 10 per hundredweight. I have received a telegram today from Bombay as follows:

"Owing increase duty whale fish oil importation totally stopped. See record all custom ports. If duty continued, business would be ruined and result would be special monopoly for Unilever manufacturers. If chance may be given for evidence, ready to prove. Hoping to hear favourable result."

Sir, the case that was made out before us by certain firms in Bombay was that the only party that would benefit by this duty would be the Unilever Company, which is a foreign company. Lever Brothers are in England, and they have started business here as "Unilever Company". The progress of the Unilever Company will mean the ruination of the many Indian soap factories in India. No Indian soap factory will be able to compete with the Unilever Company and, therefore, let us not give them further facilities by putting this duty on this item No. 1. Sir, I move.

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

"That in the Schedule to the Bill, the proposed amendment No. 1 be omitted."

Dr. Ziauddin Ahmad: Sir, before I advance my arguments in favour of this motion, I should like just to continue the story of the biped which my Honourable friend, the Commerce Member, gave to this House. He told us that I was riding a pair of horses, and one of the horses was the manufacturer and the other was the consumer. But, unfortunately, what he has done is that he has driven out one of the horses—the consumer—and in the place of the consumer he has put a new horse altogether which may be said to represent "Finance". So he is also trying to ride two horses, one the manufacturer and the other finance, and, unfortunately, the most important horse, which is the consumer, has been

[Dr. Ziauddin Ahmad.]

driven out altogether, and, while I know that my two horses are driving me in opposite directions, perhaps at cross purposes, I try to find out a *via media* between the two pulls, that is, the consumers and the manufacturers. Sir, if I may be permitted to say so, in the two cases, taxation and the restriction of liberty, it has been the tradition that Members are allowed to have their say in full. We know that the Government have got a majority and the only thing we can do is to lay our grievances before this House, and I submit that the motion for closure by Government on these two matters would really do an injustice to the country.

Coming to the motion before the House, it has been said very clearly on the floor of the House that the Bill is really intended to restore the same competitive conditions, on account of the depreciated currencies of Japan, as existed in 1930-31. This particular fish-oil is not being imported from Japan, a very small proportion only is imported from Japan, and most of it is imported from other European countries which have not got depreciated currencies to the same extent as Japan has got. Now, if the intention is to stop an adulterant of ghee altogether, then this proposal, upon which we always lay great stress, as we always emphasize that an adulterant of ghee should be stopped altogether, what is called vegetable ghee, is nothing but an adulterant for ghee, and, to protect this particular industry which is used only as an adulterant of ghee, is an action which to my mind is not justifiable. We are stopping one form of adulterant in order that the second form of adulterant may be manufactured on a higher scale. Sir, in this connection several representations were made to the Honourable the Commerce Member by various bodies dealing with the subject, and I may be permitted to quote some passages from these representations. One passage runs thus:

"From protection point of view one thing may be added and it is that price of groundnut oil at Bombay is Rs. 7-5 per 80 lbs. of oil delivered. Adding all expenses, depreciation of machinery, big profits and every item of expenses, commission, etc., included, the cost of production cannot exceed Rs. 4 per 80 lbs. So the maximum sale price that should accrue should be Rs. 11-5 per case. Against this the lowest foreign quotation is Rs. 14-12 c.i.f." |

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

From the above quotation it is clear that this industry hardly needs any protection. The cost of production is really much less than the price quoted for the same article from outside. This being the case, I do not see any justification for protection. Then, my friend said that he wanted to restore the price level of 1930-31 and I should like to know how he can justify this restoration of price level of 1930-31 in this particular case when we find that the price of articles manufactured in this country is much less than the price of the imported articles. Now, Sir, I quote from another representation to the Honourable the Commerce Member:

"We hold that the proposed duty of Rs. 10 per Cwt. on Fish oil is absolutely unjustified. We have a very strong case supported by documents signed by the Indian manufacturers and Foreign exporters as also Government statistics that the duty has been proposed under misleading case prepared by the Unilever Factory at Bombay."

We would like to know on the floor of the House how that particular case arose and whether it was misleading or not. This is a point which I think ought to be considered when it has been definitely mentioned. Sir,

I would like to quote one or two other passages from the same memorandum:

"We can prove from documents that the manufacturers of Holland, who were importing more than 75 per cent. of vegetable ghee in India before the start of the Bombay Factory, are the people who own Bombay Factory."

It then runs on:

"Small quantities of vegetable ghee are imported from Holland by the owners of the Bombay Factory at high rated invoices. . . . The result of this policy has been that imports of vegetable ghee have fallen right downwards as under. Customs Revenue derived from vegetable ghee was :

1928-29	. . . . .	26.6 lacs.
1929-30	. . . . .	18.0 lacs.
1930-31	. . . . .	16.4 lacs.
1931-32	. . . . .	5.2 lacs.
1932-33	. . . . .	Not available.

The present India rate at the ports of the Bombay factory is Rs. 15-4 at Karachi and Calcutta and Rs. 14-8 f.o.r. Bombay. No foreign country is quoting at the moment for vegetable ghee less than Rs. 14-12 c.i.f. Indian ports. How can this price compete with Rs. 14-8, when the former has to undergo expenses of Rs. 5-9 per case extra."

Now, I quote from another representation sent to the Honourable the Commerce Member. It runs thus:

"That the statement made to the Committee during its last sitting by the Honourable Government Member of Industries and Commerce, Sir Joseph Bore, that imported Whale and Fish oils are only used for adulteration with pure Ghee is absolutely incorrect for if proper inquiries are made in different provincial towns in the country you will find that it is used for making what is called *Tawda* Ghee by mixing it with major portion of crude oil (ground-nut) and is then sold to the poorer classes, a majority of whom are Muslims at 2 to 3 seers per rupee since the poor classes cannot afford to buy pure ghee at Re. 1 per seer or even less when the prices go up in the winter season. It will not be out of place to mention here that before the advent of these imported whale, fish oils and vegetable products from Denmark, Holland, Norway, Germany and lately from Japan adulteration of ghee was done on a very large scale with all sorts of dead animal fats, pigs too and other inferior ingredients and especially in Bengal and Assam even the python (snake) fats and therefore the import of fish oil had effective check on such dirty mixing."

Mr. N. M. Joshi: Both vegetable oil and fish oil are for adulteration.

Dr. Ziauddin Ahmad: The vegetable oil which is nothing but hydrogenated or solidified groundnut oil, is used for a double purpose. Most of it is used as an adulterant for ghee and part of it is sold as vegetable ghee, although it is nothing but the groundnut oil under a false name. The case of whale oil is also the same. It is used as an adulterant of ghee and also it is mixed with groundnut oil. It is called *Tawda* ghee and is sold at a cheap rate. The point is this. If the intention of the Government is to stop the adulteration of ghee altogether and this duty is to be imposed with that object followed by a very heavy excise duty on the manufacture of vegetable ghee here, then I can understand it. But if you stop one form of adulterant in order to encourage another form of adulterant, then to my mind, this is not a justifiable process. Therefore, on this ground, I am of opinion that this thing may be removed altogether. In the first place, the question of the competitive price, which is really the principle of the Bill, does not arise in this case. Secondly, this particular article is not imported from Japan which, on account of the depreciation of the yen, could be managed to be sold cheaply. Thirdly, if

[Dr. Ziauddin Ahmad.]

we are to follow the principle that all adulterants should be stopped, then we should take effective steps to impose a heavy excise duty on another form of adulterant which is manufactured in this country. As my Honourable friend pointed out, there are only two small factories owned by Indians and the two biggest factories are owned by foreigners. Therefore, I see no reason why we should take steps to encourage the manufacture of this particular adulterant. On the one side we are adulterating our ghee and making pure ghee an impossibility and, on the other side, we are encouraging foreign enterprise. If the Government are not prepared to stop the adulterants of both kinds, whether groundnut hydrogenated oil or whether whale oil, then I see no reason why the other thing should be encouraged. From the point of view of health, as was said on the floor of the House, vegetable ghee is not injurious. From the point of view of nourishment, it is very inferior. But the whale oil and the fish oil are much more nourishing than ordinary ghee. I do not see any logic in stopping it. I cannot understand on what ground this particular item has been included. It does not come under the safeguarding of industries, it does not come under the category of equalising price conditions; it is really objectionable on the ground that you are encouraging one form of adulterant for the sake of another form of adulterant which has less nourishing capacity than the adulterant which we intend to stop by this motion. With these words, I support the motion.

Sir Leslie Hudson (Bombay: European): Mr. Deputy President, I rise
 4 P.M. to support this amendment. My Honourable friend, Dr. Ziauddin Ahmad, has very rightly said that there is no justification for the inclusion of this particular item in this Bill. Of the two items of whale oil and fish oil, the whale oil, which is the main item of the two, is not imported from Japan at all. Admittedly it comes in, as the learned Doctor has said, as an adulterant, in fact it is an adulterant to an adulterant, and, if you are going to do away with the one, why not stop the other also. Adulteration is a necessary matter if the poor people are to get their ghee at a reasonable rate. The consumer,—about whom we have heard a good deal in the course of the debates of the last three weeks and also on this occasion, the consumer comes in, because he has to eat ghee and he has to pay for it, but he cannot afford to pay the high price which is charged for pure ghee in this country. Adulteration in this case is not unhealthy, it is not bad for people's health, it is perfectly good stuff to eat, and whale oil is very nourishing. Then there is also the point that there would be a considerable fall in revenue and at a time when the Honourable the Finance Member is looking in every direction to make up losses in customs revenues, here is another item going west. The people for whose benefit this item is put in the Bill appear to be the factories which my Honourable friend, Dr. Ziauddin, mentioned. Those factories have not, so far as this House is aware, made any application to the Tariff Board for an investigation of their position and for protection and I consider that this is a somewhat back-handed way of getting what they want instead of taking the obvious step of going to the Tariff Board and putting their case before them. I do not wish to detain the House further, Mr. Deputy President, and I support the amendment.

Mr. B. Das: Sir, I did not wish to intervene in this debate, but when my Honourable friend, Sir Leslie Hudson, spoke, and, with all his great wisdom and peaceful intentions, threw on the floor of the House a bomb

.....

Sir Leslie Hudson: Oil, not a bomb.

Mr. B. Das: Oil was the cause of the great Indian Mutiny. It was said that certain rifles were supplied to the sepoys and they were greased with cow fats and pig fats. So greased cartridges were the cause of the Mutiny in 1857, and the soldiers, both Hindus and Mussalmans, revolted. I already indicated in my speech earlier in the day on the general motion for taking the Bill into consideration that it was repulsive to the Hindu sentiment that for lucre, that for gaining a few rupees, these importers for the last three years have brought this hardened whale and fish oil to India to be an adulterant of ghee. Sir, if the statements which Government have supplied are correct, it will be seen that only two countries send whale and fish oil, and they are Japan and Denmark. Of course, Denmark has got whales. But we know that Japan is situated in a part of the world where no whales are to be found. Therefore, it would be immoral on the part of Japan. . . .

An Honourable Member: Why immoral?

Mr. B. Das: I am speaking about commercial and political immorality of Japan. It is immoral on the part of Japan to manufacture and supply such oil to India. These oils are imported into India and they are used as adulterants of ghee. I find that in 1931-32 Japan started the experiment first with hardened fish oil and they exported two tons to India in April, 1931-32. In 1932-33, Japan started exporting more and more and it went up to 256 tons in January, 1932-33, and, in December, it was 211 tons. We know, too, that Marwaris and other merchants in India import serpent fat from Japan and other countries and then use it along with plantain and wheat flour as adulterants of ghee. As I already said, it is repulsive to all Hindus, and Mussalmans also, as was only pointed out a few minutes ago by my friend, Dr. Ziauddin. Of course the complaint of my Honourable friend, Dr. Ziauddin, is not that he does not object to adulteration, but he objects and says "why not touch the other item, vegetable ghee and tax it". As I mentioned a few minutes ago, I do hope that Government will see their way to apply the Trade and Merchandise Marks Act and compel these people, who import vegetable products, not to sell them as vegetable ghee, but to mention them as solidified vegetable products. I should like to point out to my Honourable friend, Dr. Ziauddin, that the items which we are discussing here do not include vegetable oil products. Had these items been there, I would be entirely with him to enhance. . . .

Dr. Ziauddin Ahmad: To enhance the excise duty.

Mr. B. Das: Excise duty is a different matter which we can discuss during the budget discussion. I will be glad to put heavy tariff on vegetable products which have been coming from Holland for the past four or five years. I do subscribe to that view. I do appeal to my Honourable friend, Sir Leslie Hudson, not to be so hasty if a few importers had approached him to put forward their case. I am afraid they have not put before him the case properly. Those who belong to the Hindu community condemn this vicious and immoral principle in which, of course, my Honourable friends, the European importers, are not so much to blame. It is only the Indian importers, some of them belonging to high class orthodox Hindu community, who take these vegetable oils and

[Mr. B. Das.]

hardened fish oils and use them as adulterants of ghee, and they are to blame. I think my Honourable friend, Dr. Ziauddin, is satisfied now, and I hope the Honourable the Commerce Member will satisfy him that Government will take steps to tax the vegetable ghee that is imported to this country. But that is a different proposition. I oppose the motion which my Honourable friend, Mr. Ghuznavi, has brought forward. It is a new item of taxation; it is against the religious susceptibilities of all the Hindus and, as for its food value, I do not agree with my friend, Dr. Ziauddin, that hydrogenated fish oil has better food value than ground-nut oil. But that is a different issue. It is against the religious susceptibilities of the Hindus and, therefore, I condemn the suggestion on the floor of this House that this tariff should be taken off.

Mr. F. E. James (Madras: European): Sir, may I just correct one or two statements made by my Honourable friend, Mr. Das? I would remind the House that this Bill is not a food adulteration Bill nor is it a Hindu protection Bill. It is a Bill designed to safeguard certain industries against the extraordinary competition caused by imports from Japan at low prices owing to depreciated currencies, or indeed, from other countries for the same reason. I take it that that is the object of the Bill. Therefore, any proposal should be examined from that point of view. I suggest to the House that any consideration of food adulteration or of Hindu sentiment, however important they may be on ordinary occasions, have no place in this discussion at this particular moment. I claim that there is a real injustice here, because, in endeavouring to deal with one particular class of oil, you are in effect penalising another class, for which there is absolutely no justification. I understand the position is that this fish oil is coming from Japan in increasing quantities, whereas the whale oil comes from other countries; and, in order to protect the industry against fish oil, you are raising the duty not only against fish oil, but also against whale oil which does not come from Japan. Surely the Honourable the Commerce Member cannot place his hand upon his heart in this instance and say that this is justified. The obvious solution, if it were possible, would be to make a differentiation between these two products, but I am given to understand that that matter has been raised and that it is found to be practically impossible. Therefore, what is the House to do? There is a clear case of injustice; you cannot practically make any differentiation between these two classes of goods. The amount of fish oil that comes into this country from Japan is much smaller than the amount of whale oil which comes into the country from countries other than Japan.

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

And yet the larger amount has to suffer because of protection which you are wishing to give against the imports of the smaller amount. And I do suggest that in this instance there is an injustice and an injustice which, when all is said and done, is being passed on to the consumer in this country. And I ask this House in all sincerity to examine this particular issue from this point of view. The other considerations that have been mentioned by my friend, Mr. Das, are entirely extraneous to the subject matter before the House. This is a Bill designed for a particular purpose and, in achieving that purpose, we claim that under this item you are actually perpetrating a greater injustice than the injustice that you are endeavouring to redress.

The Honourable Sir Joseph Bhore: Sir, my Honourable friend, Mr. James, has asked us to consider this problem in the terms which we have applied to other industries whose case we are treating under this Bill. I would ask him to look at it from this point of view. You have in this country two industries: there is the ghee industry, and there is the vegetable fat industry. Those are both indigenous industries. It is quite improper to suggest that the vegetable fat industry is confined to a foreign company. Honourable Members must, I think, realise that you cannot call the Tata Oil Mills Company, for instance, a foreign company. That makes a considerable amount of an article which it calls Cocogem from coconut and copra. The Ganesh Flour Mills Company, Limited, in Lyallpur also makes this vegetable product. Of the two companies in Bombay, one at any rate is a very large Indian company and I understand that there are Indians on its Board of Directors. If, therefore, you look upon the vegetable fat industry and upon the ghee industry as industries to be protected against unfair or unequal competition of an abnormal nature, then I say that there is a very definite case in the present circumstances for acting as we are doing. I would bring to notice the actual effect of the duty we are proposing. In 1931,—I will take the Danish prices,—the Danish prices for 80 pounds of this article *cum* duty amounted to about Rs. 21. Today the price, with the specific duty we are proposing, amounts to something like Rs. 20-12-0. We are, therefore, below the price of 1931.

Sir Leslie Hudson: So is groundnut oil.

The Honourable Sir Joseph Bhore: That may be. But I submit that it is more in the interests of this country that we should do what we can to protect agricultural industries, and I say that both these industries are agricultural industries, than that we should be influenced by considerations of the import trade. My Honourable friend, Mr. James, said that Mr. Das was out of court in suggesting another consideration. I do not quite agree in that. I think it may well be used to reinforce the case which we think does exist for imposing this duty. This hardened or hydrogenated whale and fish oil is imported practically for the sole purpose of adulterating pure products. Whatever you may say with regard to other adulterants,—you may or may not have a case, I am not going into that at the present moment,—I think that, in coming to a general conclusion on this particular matter, we should take into account the fact that, in so far as this foreign hardened whale oil ousts ghee or vegetable products made out of vegetable seeds grown in this country, in keeping out this adulterant we are doing something definitely to benefit agricultural industries in the country. Apart from that there is this question,—and I do not think we can get away from it,—that adulteration with a product like whale or fish oil is repugnant to the religious sentiments of a very large section of the people. In these circumstances, I am afraid Government must oppose the amendment.

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

“That in the Schedule to the Bill, the proposed amendment No. 1 be omitted.”

The motion was negatived.

Mr. A. H. Ghuznavi: Sir, I move:

“That in the Schedule to the Bill, the proposed amendment No. 6 be omitted.”

[Mr. A. H. Ghuznavi.]

This item refers to cotton hosiery, undervests, socks and stockings. Identically a new Bill has been introduced where you find these items also. A comprehensive new textile Bill has been introduced, and what do we find? In this Bill, duty has been imposed on cotton underwear at Rs. 1-8-0 a dozen; and, in the new Bill, the duty has been imposed at nine annas a lb. That is what I call jugglery. Where was the hurry, the indecent haste, in bringing this legislation on the 22nd December, including this particular item in Miscellaneous and Sundry Goods, when you knew on that date that you were coming forward with a new comprehensive Textile Bill in which you would include these items? What is the position now? Those who cleared the goods today will have to pay Rs. 1-8-0 a dozen; and, supposing, as the Honourable Member has just said, a dozen weighs about a pound

The Honourable Sir Joseph Bhore: I never said so.

Mr. A. H. Ghuznavi: I beg your pardon: I showed the other day that a dozen weighs less than a pound. Here you have imposed a duty of Rs. 1-8-0 a dozen, less than a pound; whereas, in the new Bill, the same thing will be cleared at nine annas a lb. Is it not strange? Why are you penalising these people for six weeks. You are upsetting the market. Supposing again it weighs nine lbs. The duty under this Bill will be Rs. 1-8-0 a dozen, but under the new Bill he will have to pay nearly five rupees. Similarly, on socks, the Tariff Board recommends eight annas a dozen; here you have put it up to ten annas. In this connection let me read to my Honourable friend, Mr. Ranga Iyer, the Tariff Board's recommendation: he had read the wrong page: I am now reading the right page

Mr. C. S. Ranga Iyer: The Honourable Member says I had read the wrong page, I admit, from his point of view; and he is reading the wrong page now, from my point of view.

Mr. A. H. Ghuznavi: At page 183 of the Tariff Board's Report, we find:

"The rates which we recommend are:

Underwear—per dozen—1-8-0

Socks and Stockings—per dozen pairs—8 as."

For six weeks, therefore, you are dislocating the trade entirely by bringing this item in this Bill. It is not as if you did not know in December that you were going to bring forward a new Bill, a comprehensive textile Bill, in which you were including these and other items. There was no justification to bring this particular item in this Bill on the 22nd December. Look at the hardships of the importers: those who have to clear now will have to pay Rs. 1-8-0 a dozen for undervests: but if they clear after another few weeks, when the new Bill comes into operation, then they will have to pay only nine annas a pound. This itself is an argument in favour of knocking this out of this Bill. The heavens will not fall if you take it out of this Bill: you are already bringing in a new Bill. The British Empire will not be lost. Look at the difference in rates. One will have to pay duty at nine annas a pound and the other at Rs. 1-8-0 a dozen.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What is the difference?

Mr. A. H. Ghuznavi: If a dozen weighs only half a pound, he will have to pay only 4a. 6p., whereas he has to pay Rs. 1-8-0 now per dozen. Similarly in the case of socks. In the old Bill, you have provided ten annas a dozen, and, in the new Bill, nine annas a pound. Supposing a dozen socks weigh only a quarter of a pound

Sir Cowasji Jehangir: How do you know that they will?

Mr. A. H. Ghuznavi: We will have to get it weighed in your factory; and if you want to see a sample, we shall show it the day after tomorrow. Therefore, in all fairness, this item should be excluded from this Bill, as we are going to discuss it in the new Bill which has already been introduced. Otherwise, you will dislocate the trade entirely. Here you have to pay very high prices or rates of duty, whereas the same goods will have to pay very low duty a few weeks later.

Sir Darcy Lindsay (Bengal: European): Increase the rates under the new Bill.

Mr. A. H. Ghuznavi: Even if you increase the rates, you have to increase them as per pound. Here you have it as per dozen. Sir, I move.

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

"That in the Schedule to the Bill, the proposed amendment No. 6 be omitted"

Dr. Ziauddin Ahmad: Sir, I support the motion. Taxation should be considered to be a very sacred matter. It is not a thing which we can play about with. If we really and honestly feel that trade in this country should prosper, then we should be careful and we should remember how these taxations are levied and regulated. Once there is a feeling in the country that the Government are playing about with taxation, the people will become nervous in putting their money in trade, and the volume of our trade which is already on the decline and which has fallen already to less than 50 per cent. will go down still further, because the people will lose confidence in it. Within the next few weeks, the Government are going to lay two taxation Bills in both of which this particular item is included. The Government have not made up their mind whether they are going to levy a specific duty at so much per dozen or so much by weight: in one Bill it is Rs. 1-8-0 per dozen; and, in the other Bill, which has already been circulated and which will come up again, it is put there at nine annas a pound. The incidence of taxation in one Bill is on a certain line, while in the other Bill it is on a different principle, and the whole thing is discussed in the course of a few weeks. I would request the Honourable the Commerce Member and the Government to make up their minds quite definitely one way or the other before bringing forward legislation in this House, and not to make one proposal on the 22nd of December and bring before us an entirely different proposal on the same items in the same Session. It might be said, Sir, that one is the result of the Report of the Tariff Board, and the other perhaps is the result of the Agreement with Japan. It may be so, but the Japanese agreement is not before us, and we do not know what it is, and I think it is doing very great injustice to the Legislature by placing before it a Tariff Bill without

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giving the House an opportunity to discuss the convention that our Government have arrived at with the Government of Japan. It is also not correct to present a Bill in which they seek to give effect to a certain convention that may have been arrived at between two individuals, one in Bombay and one in Lancashire. We may agree entirely with the substance of the Bill, but we do not agree with the principle of the Government trying to give effect to any kind of agreement that may have been arrived at between two individuals or another Government in regard to certain proposals without giving us an opportunity to discuss the agreement between Lancashire and India. Sir, it is quite possible that Hosiery might have been mentioned in the Japanese agreement, and it is on account of that that they have included it again in the second Bill, which is before us, but the text of the agreement is not before us. When they laid the first Bill before us, Government said it was done on the recommendation of the Indian Tariff Board, but the actual Report itself was not before us then. First they asked us to swallow up the principle of the Bill, because it is in the recommendation of the Tariff Board, and, after we had swallowed it, they presented the Tariff Board Report to us. The same is the case with the other Bill, and they say—"Here is the convention between us and Japan. There is convention between Bombay and Lancashire. The Bill is the outcome of conventions. We will show you the conventions after the discussion of the Bill." I know that the Government have the majority on their side, and we know that we are in a minority; but, Sir, at the same time, I must point out, there is the country behind us which can judge the actions of the Government. It is not correct to pass these measures by the sheer force of the majority that the Government have in this House. Sir, the question of taxation is a very sacred one, and it is not desirable that we should play about with it. From the 22nd December, 1933, people will begin to pay one rate of duty, and as soon as the next Bill comes in, and I am sure it will be carried, because, as I said, any proposal that Government will lay before this particular Assembly will be carried,—people will begin to pay another rate. The Government, on account of their majority, are callous to our opposition. At the same time they must understand that we have got some responsibility to our voters, that we have a responsibility to our country. I may point out certain difficulties which would arise if we have two principles of incidence in the two Bills which you will have to pass in the course of the same Session. In one case, I thought, probably you, Sir, would give us an opportunity to discuss in full the matter at the consideration stage, and so I did not bring the samples with me, otherwise I would have shown that if you agree to the principle of Rs. 1-8-0 per dozen, then there are small articles which are going to be very heavily taxed. For example, I have got here a figure,—and the samples unfortunately are not with me just at present,—but the duty on this smallest article works up to 266 per cent., for the next larger size it works up to 204 per cent., and for the third size it works up to 170 per cent., and for the next size it works up to 117 per cent. and so on, and so the duty really ranges between 266 per cent. and 117 per cent. Sir, this principle is wrong, that is to say, you levy a duty of Rs. 1-8-0 without making a proper classification of the sizes. There ought to have been three classifications, the boys' size, men's size and a bigger size, and there should also have been a variation in the class even if the principle of specific duty had to be accepted

Mr. S. C. Mitra: What about ladies' sizes?

Dr. Ziauddin Ahmad: I expect the other gentlemen who would follow me would fill up the gap. Sir, it is rather unfortunate that we have the same rate of duty to three different sizes at Rs. 1-8-0 a dozen and the duty *ad valorem* works up in the case of children's size to something between 117 per cent. to 266 per cent., and this is really very heavy. The only alternative is to change the incidence of taxation into weight. I considered this question, but I rejected it for entirely different reasons, and one of the reasons was,—if we went by weight, then there are some fleecy undergarments which are not manufactured in this country . . .

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): No, they are manufactured in this country.

Dr. Ziauddin Ahmad: Will you please show me a sample?

Mr. S. C. Sen: Yes, certainly.

Dr. Ziauddin Ahmad: I was given to understand that fleecy undergarments are not manufactured in this country, but my friend says that they are manufactured here.

Mr S. C. Sen: They are manufactured in Bengal.

Dr. Ziauddin Ahmad: But still whether they are manufactured in this country or not, the important thing is that some of these heavy substances have got very great weight, and there the incidence of duty will work up to a very high figure if we impose the duty by weight alone. Therefore, whatever incidence of taxation we may adopt, whether by number or by weight, certain classifications will have to be made. If we adopt number, we should require a classification in such a way that children's garments should not pay Rs. 1-8-0, and the duty should be about twelve annas, on the next larger size the duty may be a rupee, and on the next bigger size it may be Rs. 1-8-0. These facts will again come before us for consideration when we discuss the textile Bill which is really the substance of the next Bill,—when the whole question of textiles will be before us, when we will consider all the details of this question in all its aspects. What is the necessity for choosing and selecting one particular article out of the whole lot of textiles and putting it in this particular Bill? I have also noticed that the Tariff Board deals with the whole textile industry, and they have devoted only a few pages to the hosiery industry, because that was not the main question which they had to deal with. Their main question of investigation was textiles which really forms the major industry in this country, and, therefore, I suggest that the whole question of textiles in all its aspects ought to be considered as one indivisible whole and not in separate items. Therefore, I do not understand why you have chosen a single item out of the whole group of textiles and put in this Bill, and bring it up again in the second Bill with an entirely different incidence of taxation! Sir, if we begin to play about in this manner, then, I am afraid, people will lose confidence in the Government, they will not know on what principle taxation will be levied, they will think that the Government will suddenly come forward and stop the trade by putting

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a very heavy duty, or they may put in a duty not twice or three times or four times, but even ten times. We may say that people were prepared for it under the Safeguarding Act, but, at least when we passed that Bill, we never intended that the duty on any article should be raised to ten times,—but certainly it could not be dreamt that the duty would be 267 and 250 and 200 per cent. That has never been the intention of the Safeguarding Act, and if the Government applied the Safeguarding Act to the duty to ten times, I am afraid they will be misusing the privilege which this House placed in their hands. So I think the question of textiles and hosiery should be considered as one indivisible whole, and one particular article should not be singled out from the whole series and put in this Bill. They would make people nervous, so that they cannot carry on any kind of trade, because Government may at any time come out with different duties at short intervals. Our complaint against the textile Bill is of a different nature. Our complaint there is that the Bill comes first, and the agreement comes afterwards, the cart is put before the horse. Our complaint is not that they have considered the whole of the textile questions and included hosiery in it. I am against its separation. I must say that there is no reason for that, because every committee, that enquired into the textile industry, also dealt with the question of hosiery. Therefore, the separation of hosiery is not at all justifiable, but if the Government, for reasons best known to themselves, had decided that the two should be separated, then it should not again be amalgamated, and put in again in the second Bill. It is really playing with taxation. Taxation is a very important trust. Taxation ought to be levied only after very careful consideration and nobody should play with it and change the incidence of taxation and bring the same article for taxation in the same Session once in one way and again in another way. I appeal to the House that it should realise its responsibility in regard to this trust. I do not advocate protection or the reverse. I do not appeal in the interest of the consumers or the importers from Japan or other countries. What I do appeal to Honourable Members is that they should consider this question of taxation as a very sacred trust and not play with it. I do not know how much it would affect in practice and how much gambling will be introduced in the trade which will cease to be a scientific one altogether. Certain individuals, for instance, may take delivery of children's and boys' undervests by paying a duty of about 224 or 200 per cent., and suddenly when this duty is levied on weight basis, it would be reduced to something like 66 per cent., what would happen to those people who had taken delivery at 224 per cent. duty? I think, hosiery being an inseparable part of the textile industry, it ought to be included in the textile Bill and treated on its merits. Therefore, there is absolutely no justification whatever to separate this particular article from the whole and put it in this Bill. If you put it in this Bill, then why not handkerchiefs and certain kinds of silks, which are also imported from Japan? I appeal once more to Government to consider this question very carefully and to exclude this particular item from this Bill and consider the whole of the textile things as one problem. I once more appeal to the Government to realise the difficulties of the Opposition. Don't ask us to consider the textile Bill without letting us know what the text of the agreement between England and Japan is, without letting us know what the opinion of the Government on that private agreement between two individuals is. With these few words, I support this motion.

Mr. K. C. Neogy: In my experience in this House I have found nothing more stimulating than a speech of my Honourable friend, Mr. Ghuznavi, if that is reinforced by my colleague, the Doctor, sitting behind me. Originally I had no intention of participating in the debate on this particular amendment, because I thought that there were more important amendments coming on, but I have to point out to the House that, when Dr. Ziauddin Ahmad was making his speech, he was not quite aware of what he had stated about a year ago. My Honourable friend makes so many speeches that it is not possible for him to remember what he says on any particular occasion. (Laughter.) In April, 1933, when the Safeguarding of Industries Bill was brought before this House, my Honourable friend gave it his whole-hearted blessings. He said, concluding his speech :

"Sir, I very much appreciate this Bill and I give my whole-hearted support to it, and I hope the Commerce Member will prove, as my Honourable friend, Mr. Mitra, said, a benevolent despot and will look after the interests, not only of the bigger industries of Bombay and Calcutta, but also of smaller industries"

That was a Bill which proposed to leave absolute discretion to the Executive Government in the matter of imposing additional duties for the very same purpose for which we are considering this particular measure. Happily for us, happily for everybody concerned, an agreement has been concluded with Japan. At that time, it was not quite certain as to whether a proposal based upon an agreement would be possible to be brought forward in this House. Government were naturally anxious to take power to safeguard the nascent industries of this country in that measure and my Honourable friend, Dr. Ziauddin Ahmad, was on that occasion very confident that he could safely leave the interests of the country, the consumers and all that, in the hands of the Government. Not merely that, but, while speaking on that occasion, he commended to the favourable consideration of Government the case of the hosiery industry. And this is what he said. Referring to a speech made by my Honourable friend, Mr. Mitra, he said :

"I know something about it (*meaning the hosiery industry*), and I have been in communication with some people and I know that this is an industry which requires protection, and I hope that their case will be looked into in the same generous spirit as the case of the textile magnates of Bombay. . . ."

On that occasion he wanted the Commerce Member to behave as a benevolent despot and do the needful in the case of the hosiery industry. My Honourable friend's complaint is that the occasion for taking any action under that very extraordinary kind of legislation is past, and that we are in a position to legislate for the very same object in a normal manner, thanks to the Japanese agreement. Although in April last he was prepared to accept any action taken by the Government under that executive authority, he says now : "Well, why did you put hosiery in this Bill at all?" The complaint, particularly as put forward by my Honourable friend, Mr. Ghuznavi, is that the trade will get dislocated, because you are having another Bill based upon quite another principle. I was detained in Calcutta at the beginning of this Session, but when I arrived here, the first thing that attracted my attention was a big gathering round a table in the Library here and I found that all the members of the Select Committee along with my friend, Dr. Ziauddin, and my friend, Mr. Ghuznavi, were seated there trying to evolve some kind of an alternative draft. And as it is not a Select Committee appointed by this House, I think I am not quite out of order if I were to say that the primary reason, as far as I am told, why that informal committee could not come to an

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alternative conclusion based upon weight, which is the standard adopted in the next Bill, is the "fleecy" argument brought by Dr. Ziauddin, based entirely upon a misapprehension. It is not for my Honourable friend to get up in this House and complain that you have not adopted the weight basis when I am told everything was about to be settled on that basis when came in my Honourable friend with that argument of his regarding fleecy undervests. Now, Sir, I must say that I have got a good deal of sympathy

Dr. Ziauddin Ahmad: On a point of explanation. I never had any talks with the Japanese or their representatives at all.

Mr. K. C. Neogy: I never mentioned the word "Japanese" at all. I know that the Japanese are on the brains of some of my Honourable friends, but I never mentioned it. What I said was that I found an informal committee of members of the Select Committee sitting in the Library. That is all that I referred to. I must say that I have a good deal of sympathy with the argument that, if you adopt two different bases at such short intervals, the trade is bound to make a complaint. So far as that point is concerned, I have my sympathy with my friend, Mr. Ghuznavi, but the straightforward course for my Honourable friend would have been to seek to substitute some thing based upon weight as the standard for what appears in this Bill. The proposal to do away with the hosiery industry altogether, so far as the present measure is concerned, certainly might lead one to doubt the *bonâ fides* of my Honourable friend's professions when he said in his previous speech that he was all in favour of giving protection to this industry. The House is aware, I think even my Honourable friends, Mr. Ghuznavi and Dr. Ziauddin, are aware that the industry has to comply with a strict standard of proof of its case before it can come up for consideration in connection with a protective measure strictly so called. This measure, I dare say, is based upon a more summary inquiry than is contemplated by the Tariff Board inquiry. Although I am perfectly ready and willing to accept the conclusions to which the President of the Tariff Board, in conjunction with the Director of Commercial Intelligence, came in regard to these various industries, the fact remains that the standards of proof that an industry has to comply with before the Tariff Board and before this kind of inquiry are very different. Here is an industry which has run the gauntlet of a Tariff Board inquiry, which is a much more serious inquiry demanding much more stringent compliance with certain well-defined principles laid down by the Fiscal Commission. Now, is that industry to be selected by my Honourable friends for being omitted from this Bill, simply because it comes up for treatment in a later measure? My Honourable friend, Mr. Ghuznavi, himself was referring to the fact and making, I take it, a grievance of it, that, although the hosiery industry was recommended protection in 1932 by the Tariff Board, nothing was done all this time. Is that the industry which should be asked to wait? When is the other Bill coming up? My friend, Dr. Ziauddin, has rightly asked for more time to discuss the Japanese agreement before considering the Bill which is based upon it and he said: "you have put the cart before the horse". Now, by the time the horse gets restored to its proper position, what happens? Is this industry going to be asked to wait till that time?

Now, a word about the consumers. I take it, it is admitted on all hands that this very Bill has already raised prices to a certain extent, if not to the fullest extent of the duty. Now, there is that other Bill in the offing, and judging from the speeches made even by my Honourable friend, Dr. Ziauddin, and my Honourable friend, Mr. Ghuznavi, it seems to me that this particular proposal, the proposal for giving the hosiery industry protection in the second Bill, has some chances of acceptance by this House. Now, with that assurance in view, who is the dealer who is going to reduce the prices meanwhile, the prices having already been raised? Whom are you going to benefit? The only practical result of this would be to divert the extra duty from the pockets of the Government to the pockets of the importers and the dealers. Now, Sir, I do not know whether my Honourable friends have viewed it in that light. So far as I and my friends are concerned, we have definitely made up our mind that we shall not be a party to any such thing.

The Honourable Sir Joseph Bore: Sir, I do not think I have very much to say on this amendment except to point out to the House that it is a most insidious measure. What it proposes to do to all intents and purposes is to allow hosiery to come in since the 22nd December until such time as the other Bill passes this House on terms which would make it impossible for the local industry to compete with the imported article. We know that, at any rate so far as my information is concerned, contracts to the extent of nearly a million and a half dozen have been placed in Japan. If between the 22nd December and, say, some time in March, the door is left wide open, I would ask the House, what is going to happen? So far as we have any information in this matter, we find that the mill production in the country amounts to something like 750,000 dozens, but the cottage and small scale industry amounts to something like 3,700,000. The total comes up to something like 4½ million dozen a year. If we assumed that nothing more than a million and a half came in within three months, that at any rate is something like 30 per cent of the actual production of the industry in one year. I do not think, in those circumstances, the House would agree to a measure which would practically mean that the local industry would have, for three months, to face a competition which has become wholly uneconomic. I must oppose this motion strongly.

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

“That in the Schedule to the Bill, the proposed amendment No. 6 be omitted.”

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, Amendment No. 7 is a consequential amendment to No. 12 which concerns the main pound basis, and, if that is not accepted, then this cannot come in. So may I just request you to take up No. 7 after No. 12 has been disposed of? Sir, I beg to move:

“That in the Schedule to the Bill, in amendment No. 6, in the fourth column of the proposed Item No. 43D(1), for the words ‘one rupee and eight annas per dozen’ the words ‘nine annas per lb.’ be substituted.”

No. 7 is really a consequential amendment to this amendment. Sir, my object in moving this motion is that this might be brought into agreement with the second Tariff Bill which is now before us. The

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second Tariff Bill is really a more comprehensive one. It includes practically all the items involved in a textile industry and the principle that we adopt for the textile industry should also be applied to this sub-head of hosiery which is included in Textiles and I think it is also not desirable that we should have a change in the angle of incidence from one to the other in such a short time. We know very well that the weight basis would be adopted after a few months as soon as the second Bill was through, and more or less it would be permanent. Therefore, during the short interval of a few months, to have an entirely different basis is not very desirable. Of course, no doubt this is a question which I had been considering very carefully and, at one time, independently of the second Bill, I thought that the weight basis would do. So I changed my opinion subsequently on account of the heavy fleecy undervest which, my friend challenges us, can be made in this country, but about which my information is that it is not made in this country. It is a question of facts which can be verified only by those persons who have first-hand information. We should have liked to see some of this heavy fleecy stuff from Calcutta on the floor of the House. However, my point is, do not change this angle of incidence, because this will make an enormous difference in the *ad valorem* duty. I just said that if we adopt the Rs. 1-8-0 basis, the duty will work up from 25 per cent. to 266 per cent. in the case of the lowest size undergarment and leaving out the fleecy substance to about 269 per cent. in the case of an article whose value is Rs. 2-13-0 a dozen; and now if we carry a weight basis, then the value of the taxation will be different. In the case of the weight basis, this is the enormous duty to be paid. Taking the first item, that is, garments whose sizes are 16 x 20, their weight is 13 ounces only, and, according to the weight basis, the duty will be seven annas and the new price of this is nine annas. So the duty will work up to something like 80 per cent, but on a number basis, it works up to 266 per cent. Therefore, in one case it is 80 per cent. and, in the other case, it is about 266 per cent.; and as we are sure to have to change it later on, I think it is not desirable to do it now. I agree that if the second Bill had been before the Select Committee, then we would have followed the weight basis, because there were a large number of persons who were in favour of the weight basis, and had I the slightest idea that the weight basis would be adopted in the second Bill (it was really before us only 24 hours after I signed the whole thing), then I would have agreed to the weight basis and that basis would have been in the Select Committee's Report. The fleecy garments may stand on their own footing for which I have got a definite amendment before us. Therefore, as we definitely know that the second Bill will come before us where the duty will be nine annas a pound, that will be the best thing when this duty will be imposed on this particular item.

Then, why not impose the very same duty, from now onwards, so that there may not be a second dislocation as soon as the second Bill comes into force? I know the majority of the members of the Select Committee held the opinion that the weight basis would be better and more equitable than the number basis, and since it is going to be adopted, why not do now what you are going to do tomorrow? Then I pointed out that the proposed change in the angle of incidence was not very desirable just now. If

Government have made up their mind that they would adopt the weight basis in the second Bill, then adopt the same measure from the very outset and not leave it to the vicissitudes of the future.

Now, as a matter of fact, my friend, Mr. Neogy, has drawn my attention to the speech which I delivered in the case of the Safeguarding Act. No doubt I then agreed that we should give a blank cheque to the Government for the reason that the Government were in a better position to judge and decide upon the rival claims of the different parties. I noticed that there was one party whose claims were entirely overlooked, and that is the party of the consumer; but, as far as the importers and the manufacturers are concerned, their claims can very well be considered by the Government and the rival claims can be considered by them, because we on this side of the House have our prejudices and predilections in favour of one or the other and, therefore, I thought the Government would be in a better position to decide; and, when we passed the Safeguarding Act, most of us were under the impression that the duty would be raised, say, from 25 to about 40 or 50 per cent, but we never contemplated that the duty would be raised to 266 per cent, which is really imposed in the case of certain articles. It was never in my mind that the duty would be raised to this enormous extent. No doubt we still have great trust in the Government that they will look after the interests of the people in this country and also that they will look after the interests of the trade in this country. We have laid before them the point of view which we possess and we do think on this side of the House that the change in the angle of incidence may affect the trade. It may benefit certain individuals and may not benefit the others or it may be injurious to them. Therefore, it is very desirable that the Government may make up their mind in one way or the other and very definitely pursue the same principle in both the Bills. My complaint last time was not about the taxation, but my complaint was that the change of the principles of taxation in the same Session of the Assembly, within the course of a few weeks, was not desirable. In this particular amendment I again request that, if the Government have decided to follow the weight basis in the second Bill, they should adopt it now, so that there may not be any dislocation when the second Bill comes into operation. With these words, Sir, I beg to move my amendment.

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

"That in the Schedule to the Bill, in amendment No. 6, in the fourth column of the proposed Item No. 43D(1), for the words 'one rupee and eight annas per dozen' the words 'nine annas per lb.' be substituted."

Mr. S. C. Sen: Sir, I oppose this amendment for this reason that we tried to come to an agreement as regards the weight basis, but we failed and everybody accepted the Bill as it was in the Select Committee. Although we know that there is another Bill coming in which nine annas has been given per lb., I think personally that it is very low and it does not help the trade at all.

Dr. Ziauddin Ahmad: May I just interrupt my Honourable friend. He said that in the Select Committee we knew that the second Bill was coming in which the taxation would be nine annas a lb. On the other hand, I did not know this fact till I came here on Monday last. I do not know where my Honourable friend got this information from?

The Honourable Sir Joseph Bhoré: May I make a personal explanation? Mr. Sen was right, because I definitely made that statement in regard to the duties in the new Bill.

Mr. S. C. Sen: We considered this point in the Select Committee and I have also consulted the trade people and they also think that nine annas a lb. will be absolutely inadequate for the protection which the Bill offers to the trade. Under these circumstances, I need not waste the time of the House, but I oppose it.

Mr. S. C. Mitra: Sir, I agree with my Honourable friend, Dr. Ziauddin Ahmad, that if there could be one rate of duty for socks and undervests, both for the present Bill and the Bill that is coming, it would be very much better and desirable. But I would ask my friend, Dr. Ziauddin, to look at it from the practical standpoint. Now, the duty has been realised on a particular basis and most of the goods have been cleared from the customs warehouses, how is it practically possible to substitute weight for size, the weight of articles already cleared cannot be obtained. I think, from the practical standpoint, it is impossible to accept this amendment. So I oppose this motion.

The Honourable Sir Joseph Bhoré: Sir, my Honourable friend, Mr. Mitra, has taken the argument from my mouth. The point I was going to emphasise was that, from the practical point of view, my Honourable friend's amendment could not possibly be accepted. There is only one other point that I wish to make and it is this. We have in this Bill adopted as the basis for this duty the basis recommended by the Tariff Board. It was because of a very general expression of opinion that a weight basis should be substituted for a numerical basis that we in the new Bill substituted what we considered to be the equivalent of Rs. 1-8-0 a dozen. I want to make it clear to the House that the duty which we have specified in the new Bill has not yet been settled; it has yet to receive consideration in this House. It would, therefore, be quite improper for us to proceed upon the suggestion that we should here and now accept the figure that is entered in the other Bill which is still to be considered in Select Committee and accepted by this House. I oppose it.

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

"That in the Schedule to the Bill, in amendment No. 6, in the fourth column of the proposed Item No. 43D(1), for the words 'one rupee and eight annas per dozen' the words 'nine annas per lb.' be substituted."

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): Dr. Ziauddin Ahmad said that amendment No. 7 was consequential, and, therefore, it does not arise now; it falls.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 14th February, 1934.