

24th January, 1934

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume I, 1934

(24th January to 16th February, 1934)

SEVENTH SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1934



NEW DELHI
GOVERNMENT OF INDIA PRESS
1934

Legislative Assembly.

President:

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

Deputy President:

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

Panel of Chairmen:

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

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

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

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

Secretary:

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

Assistant of the Secretary:

RAI BAHADUR D. DUTT.

Marshal:

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

Committee on Public Petitions:

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

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

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

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

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

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THE

LEGISLATIVE ASSEMBLY DEBATES

(OFFICIAL REPORT OF THE SEVENTH SESSION OF THE FOURTH
LEGISLATIVE ASSEMBLY.)

VOLUME I—1934.

LEGISLATIVE ASSEMBLY.

Wednesday, 24th January, 1934.

The Assembly met in the Assembly Chamber of the Council House in New Delhi, at Eleven of the Clock, being the First Day of the Seventh Session of the Fourth Legislative Assembly, pursuant to Section 63-D (2) of the Government of India Act. Mr. President (The Honourable Sir Shanmukham Chetty) was in the Chair.

MEMBERS SWORN.

- Mr. Frederick Weston Hockenhull, M.L.A. (Assam: European);
Mr. Bertrand James Glancy, C.S.I., C.I.E., M.L.A. (Political Secretary);
Mr. Tennant Sloan, C.I.E., M.L.A. (Government of India: Nominated Official);
Mr. James Braid Taylor, C.I.E., M.L.A. (Government of India: Nominated Official);
Mr. Hugh Byard Clayton, C.I.E., M.L.A. (Bombay: Nominated Official);
Mr. Dharendra Nath Mukharji, M.L.A. (Bengal: Nominated Official);
Mr. John Henry Darwin, C.I.E., M.L.A. (United Provinces: Nominated Official); and
Mr. Cyril James Irwin, C.S.I., C.I.E., M.L.A. (Central Provinces: Nominated Official).
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QUESTIONS AND ANSWERS.

PUTTING IN OF INDIANS ON THE QUOTA BASIS IN THE AMERICAN EMIGRATION ACT.

1. *Mr. B. V. Jadhav: (a) Has the attention of Government been drawn to the statement made by Mr. K. Natarajan of Bombay in the

Indian Social Reformer about the advice given by the British Ambassador at Washington not to put Indians on the quota basis in the American Emigration Act?

(b) What are the facts?

(c) Had Government any hand in that advice?

Mr. B. J. Glancy: (a) Yes, Sir.

(b) Government have no reason whatever to think that there is any truth in the suggestion.

(c) Does not arise.

RECRUITMENT OF OUTSIDERS AS READERS AND REVISERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

2. *Rao Bahadur M. C. Rajah: (a) Is it a fact that the Controller of Printing and Stationery has ordered the Manager of the Government of India Press, New Delhi, to hold qualifying tests of revisers and copy-holders for promotions to reader's grade?

(b) Is it a fact that it has further been laid down by the same authority that all fresh recruitment in the Reading Branch of the said Press in any grade should be made on the basis of the result of that competitive examination?

(c) Is it a fact that a qualifying examination of revisers and copy-holders was held in the Government of India Press, New Delhi, on the 6th December, 1933, at which eight candidates duly qualified themselves for the readers' posts?

(d) Is it a fact that five posts of readers and one post of reviser were at that time lying vacant in the said Press?

(e) Is it a fact that only three out of the above eight candidates were posted as readers and one as a reviser?

(f) Are Government aware that the Manager of the said Press is planning to recruit two men as readers from outside?

(g) If the answer to part (f) be in the affirmative, are Government prepared to direct the Manager to examine these fresh recruits in order to gauge their efficiency, or otherwise, for discharging the duties of the posts in which they are proposed to be recruited?

(h) Is it a fact that by recruiting these two men, promotion of some departmental qualified men will be blocked?

(i) If the answer to part (h) above be in the affirmative, do Government propose to bring to the notice of the Manager the undesirability of recruiting men from outside when departmental qualified candidates are available? If not, why not?

The Honourable Sir Frank Noyce: (a) to (e). The power to appoint to the grade of reader is vested in the Manager of the Press and Government have no information on these points.

(f) No.

(g) Does not arise.

(h) and (i). Government have no reason to suppose that men will be recruited from outside if men with good qualifications are available in the Press and do not think it necessary to issue instructions.

GRIEVANCES OF THE SELECTION GRADE OFFICIALS OF THE POSTS AND TELEGRAPHS DEPARTMENT WHO PASSED* THE OLD INSPECTORS' EXAMINATION HELD BEFORE 1928.

3. *Mr. Muhammad Muazzam Sahib Bahadur: (a) Is it a fact that officials of the upper division of the Post Office and Railway Mail Service Branches of the Post and Telegraph Department who have passed the old examination for Inspectors (held before 1928) are eligible for promotion to the cadre of Inspectors?

(b) Is it a fact that officials of the selection grade who have passed this old examination for Inspectors (held before 1928) are not eligible for promotion to the cadre of Inspectors?

(c) If the reply to part (b) be in the affirmative, do Government propose to consider the question of allowing promotion to Inspector's cadre to the officials referred to in part (b) above, who are senior to those mentioned in part (a), and remove the grievance of the selection grade officials?

The Honourable Sir Frank Noyce: (a) The reply is in the affirmative.

(b) Officials of the lowest selection grade and Inspectors of Post Offices and of the Railway Mail Service are on the same scale of pay of Rs. 160—250 and the question of promotion of the former to the cadre of Inspectors does not therefore arise.

(c) Does not arise in view of the reply given to part (b).

RECRUITMENT TO THE INDIAN CIVIL SERVICE.

4. *Mr. B. E. Puri: (a) Will Government be pleased to lay on the table a statement showing the recruitment to the Indian Civil Service since 1921 in the following form:

Year.	No. recruited on the result of the London Examination.				No. recruited on the result of the Indian Competition.			
	By competition.		By nom., if any.		By open Comp.		By nomination (to redress communal inequalities).	
	Eng.	Indian.	Eng.	Indian.	Indian.	Burmese.	Indian.	Burmese.
July 1921—June 1922 .								
1922-23								
1923-24								
1924-25								
1925-26								
1926-27								
1927-28								
1928-29								
1929-30								
1930-31								
1931-32								
1932-33								
1933-34								

(b) On what basis is the proportion to be selected on the result of either competition calculated?*

(c) What is the reason for the low number of appointments thrown open at the Indian competitions?

The Honourable Sir Harry Haig: (a) A statement is laid on the table.

(b) and (c). The accepted proportion of British to Indian recruitment since 1925-26 is 50 : 50. The London examination in any year and the examination and nominations in India in the succeeding year are taken together as forming one recruitment year. It is necessary to take on the result of the open competitive London examination as many Indians as secure places above the last successful British candidate. The remaining vacancies for Indians are filled by competition and nomination in India. In recent years the number of Indians successful in London has been high so that it has not been possible to offer more than a very small number of vacancies to Indians at the Delhi examination, even though the total number of Indians recruited has been in excess of the number of British recruits, and a departure has been made from the 50 : 50 ratio.

Statement showing the recruitment to the Indian Civil Service since 1921.

Year.	No. selected on the result of the London examination.				No. selected on the result of the Indian competition.			
	By competition.		By nomination, if any.		By open competition.		By nomination (to redress communal inequalities).	
	Euro-peans.	In-dians.	Euro-peans.	In-dians.	In-dians.	Bur-mans.	In-dians.	Bur-mans.
1921-22 .	3	13	..	..	9	..	3†	1
1922-23 .	6	10	..	..	9	..	1	1
1923-24 .	7	4	..	..	5	..	2	..
1924-25 .	3	8	..	..	5	..	2	..
1925-26 .	21*	16	..	..	3	..	2	2
1926-27 .	29†	11	..	1§	9	..	2	4
1927-28 .	37†	21	..	..	6	..	5	4¶
1928-29 .	36	16‡	..	..	9||	5||	6	..
1929-30 .	35	17	..	1	8	..	5	..
1930-31 .	25	24	..	..	11	6	2	..
1931-32 .	24	10	..	..	5	3	4	..
1932-33 .	14‡	16	..	..	4	8¶	..	..
1933-34 .	17	18	..	..	Recruitment incomplete.			

* 1 Resigned during probation, and 1 died shortly after arrival in India.

† 1 Resigned during probation.

‡ 1 Died during probation.

§ Failed in the Final Examination and was not appointed to the service.

|| 1 Failed in the Final Medical Examination and was not appointed to the service.

¶ Includes one Anglo-Burman.

INDIAN CIVIL SERVICE CANDIDATES UNDER PROBATION AT A BRITISH UNIVERSITY.

5. *Mr. B. R. Puri: (a) What are the objects with which candidates selected at the competitive examinations for the Indian Civil Service are kept "under probation" at a British University before taking over charge of their duties?

(b) Why are candidates, selected at the London competition, kept "under probation" for one year and those selected at the Indian competition for two years?

(c) Is any differentiation in this regard made between Indian candidates educated at a British University and Indians who proceed to London a few months before the examination and come out successful?

(d) What is the last three years' average expenditure under (i) probationary allowance and fees for recruits selected in London, (ii) the same for those selected in India and (iii) passages for the latter?

The Honourable Sir Harry Haig: (a) The object of the period of probation is to give candidates a special training for their duties in India such as the course of probation affords.

(b) Candidates selected in India are required to remain on probation for two years, as it is considered desirable that they should acquire as full experience as possible of British life and institutions. I would add that the maximum age limit for the Indian examination is below that for the London examination.

(c) No.

(d) The information is not readily available and its collection would involve an amount of labour which I do not think would be justified. I may state, however, for the Honourable Member's information that the probationary allowance for selected candidates of Indian domicile is £315 a year and for other selected candidates £270 a year.

EDUCATIONAL FACILITIES GIVEN TO THE CHILDREN OF THE SUBORDINATE EMPLOYEES ON THE EAST INDIAN RAILWAY.

6. *Mr. M. Maswood Ahmad: (a) Is it a fact that certain concessions are given by the East Indian Railway administration in the shape of half hostel and tuition fees *upto the eighth class only* to the children of the subordinate employees of the East Indian Railway who attend a school situated more than five miles away from the places where their guardians are posted?

(b) If so, will Government please state the principle on which these concessions are given upto eighth class only and not upto the matriculation standard?

(c) Do Government propose to bring this matter to the notice of the Agent, East Indian Railway, with a view to considering the desirability of giving these facilities upto the matriculation class?

Mr. P. R. Rau: (a) Under existing rules, assistance is limited to education for the period covered by the primary and middle standards, *i.e.*, up to and including the middle school or Junior Cambridge classes and secondly to cases where an employee is compelled to send his child or children to

a boarding school away from the station at which he is posted. It has been ruled that assistance should be given if no school exists within five miles of the station at which employees can obtain education of the requisite standard for their children. For further particulars I would refer my Honourable friend to the rules governing the grant of assistance from railway funds to employees of State-managed Railways towards the education of their children, copies of which are available in the Library of the House.

(b) and (c). When the rules were originally promulgated it was considered that assistance up to the standard laid down was sufficient. Representations have been made to the Railway Board that the period should be extended to the matriculation standard. These are under consideration at present.

Dr. Ziauddin Ahmad: Is it not a fact that matriculation is the minimum qualification for most of the employments in the Railway Department, and, in view of this fact, is it not desirable to give aid up to the matriculation standard?

Mr. P. R. Rau: I have just informed the House that representations have been made to the Railway Board that the period should be extended to the matriculation standard and that these are under consideration at present.

Dr. Ziauddin Ahmad: In view of the fact that the matriculation is the minimum standard, will the Railway Board consider the question sympathetically?

Mr. P. R. Rau: That is one of the circumstances which will be taken into consideration.

UNDERTAKING OF HONORARY WORK BY GOVERNMENT SERVANTS.

7. ***Mr. S. G. Jog:** (a) With reference to the reply given to unstarred question No. 174 of 21st November, 1933, regarding undertaking of honorary work by Government servants, will Government be pleased to state whether any honorary or remunerative work in, or connected with, any recognised or unrecognised institution, Union, Company or Association, comes within the purview of the public duties of a Government servant? If not, why not?

(b) What are the public duties of a Government servant under the Government Servants' Conduct Rules?

(c) Are attending of public meetings, at homes, teas, garden parties, dinners, etc., also part of his public duties?

The Honourable Sir Harry Haig: (a) I would refer the Honourable Member to Rule 15 of the Government Servants' Conduct Rules.

(b) The public duties of a Government servant are not defined under the Government Servants' Conduct Rules.

(c) I should hesitate to lay down any rule as to where pleasures end and duties begin.

ARTISTS FOR THE MURAL DECORATION IN THE INDIA HOUSE, LONDON.

8. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state how many artists have been paid during the current year for making their contribution to mural decoration in the India House, London?

(b) How many of them were Indians?

(c) What amounts were paid to them?

The Honourable Sir Frank Noyce: (a) Two.

(b) Both are Indians.

(c) The information has been called for from the High Commissioner for India, London, and will be laid on the table of the House when received.

EXCLUSION OF BOMBAY ARTISTS FROM MURAL DECORATION IN THE INDIA HOUSE, LONDON.

9. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the reasons for the exclusion of Bombay artists from mural decoration in the India House, London?

(b) Are Government aware of the public meeting held on the 21st December under the presidentship of Sir Pheroz Sethna in this connection?

The Honourable Sir Frank Noyce: (a) The attention of the Honourable Member is invited to my reply to starred question No. 1222 asked by Sir Cowasji Jehangir on the 29th November last, and to the supplementary questions and answers, which followed on that reply.

(b) Yes.

REVISION OF THE PAY OF THE INDIAN CIVIL SERVICE AND OF THE INDIAN POLICE SERVICE.

10. ***Mr. M. Maswood Ahmad:** Will Government be pleased to state whether the question of revising the pay of the Indian Civil Service and Indian Police, as far as it affects the new entrants, has yet been decided or not?

The Honourable Sir Harry Haig: No, Sir. There has been some unexpected delay in formulating the conclusions of the Government of India, and the Secretary of State has not yet been addressed.

Mr. M. Maswood Ahmad: Will Government be pleased to state what further time they will take in regard to this matter?

The Honourable Sir Harry Haig: Well, Sir, I hesitate to prophesy. When this question was raised last Session, I said that I hoped we should address the Secretary of State very shortly. That expectation has unfortunately been disappointed; but unless some further complication arises, I do hope that we shall get off our recommendations to the Secretary of State before long.

TELEGRAMS WITHHELD IN 1933.

11. ***Mr. M. Maswood Ahmad:** Will Government be pleased to state:

- (i) how many telegrams were withheld in 1933;
- (ii) whether the senders and the addressees were informed or not;
- (iii) whether the charges of the telegrams withheld were refunded to the senders or not?

The Honourable Sir Frank Noyce: (i) The number of telegrams withheld during 1933 was 525.

(ii) The senders were informed in cases in which telegrams were withheld under the Indian Telegraph Rules 15 and 180.

(iii) The charges of pre-paid telegrams were refunded to the senders if withheld under the Indian Telegraph Rules. In other cases refunds were granted on application from the senders.

COMMITTEE FOR DELIMITING THE CONSTITUENCIES IN INDIA.

12. ***Mr. M. Maswood Ahmad:** Is it a fact that no committee to delimit the constituencies in India has yet been appointed?

The Honourable Sir Brojendra Mitter: The reply is in the affirmative.

NON-DELIVERY OF A CABLEGRAM ADDRESSED TO MR. GANDHI FROM THE EDITOR, THE UNITED INDIA, LONDON.

13. ***Mr. M. Maswood Ahmad:** Is it a fact that a cablegram addressed to Mr. Gandhi containing only good wishes sent on July 31 by the Editor, the *United India*, London, was not delivered?

The Honourable Sir Frank Noyce: There is no record of any message of the description given by the Honourable Member having been intercepted.

DISCONTINUANCE OF THE GRANT TO PROVINCIAL GOVERNMENTS FROM THE SALT TAX.

14. ***Mr. M. Maswood Ahmad:** Is it a fact that Government intend to discontinue the grant to Provincial Governments from the Salt Tax?

The Honourable Sir George Schuster: The Government of India have no such intention so long as the additional tax on imported foreign salt continues.

ALLOCATION OF POSTS IN HIGHER SERVICES BETWEEN THE VARIOUS COMMUNITIES.

15. ***Sirdar Harbans Singh Brar:** Have the Government of India in the Home Department received a copy of the following resolution of the Khalsa Darbar, dated the 3rd December, 1933? If so, what action do they propose to take in the matter?

"The Khalsa Darbar views with grave concern the policy of the Government of India in the matter of allocation of posts in higher services between the various communities as disclosed in the recent confidential circular.

The Darbar urges upon the Government of India to guarantee adequate representation to the Sikhs in the higher services, as in the cases of Europeans and other important minority communities."

The Honourable Sir Harry Haig: A copy of the resolution in question was received in the Home Department. I lay on the table a copy of the reply sent to the Khalsa Darbar.

Copy of a letter No. F-14/19/33-Ests., dated the 15th December, 1933, from the Government of India, Home Department, to the General Secretary, Khalsa Darbar, Lahore.

I am directed to acknowledge the receipt of your un-dated letter forwarding a copy of a resolution passed by the Khalsa Darbar, Lahore, on the 3rd instant, in which Government is asked to guarantee the Sikh community adequate representation in the higher services.

2. In reply, I am to say that the Government of India have not recently issued any orders on the subject whether confidential or otherwise, and that the claim of the Sikh community, as of other important minorities, to proper representation in the services under their control will continue to be borne in mind as at present.

REFUSAL BY THE CEYLON STATE COUNCIL TO GRANT PREFERENCES TO CERTAIN ARTICLES UNDER THE OTTAWA AGREEMENT.

16. ***Mr. F. E. James:** (a) With reference to the answer to starred question No. 829, given on the 21st March, 1933, by the Honourable the Commerce Member, will Government kindly state whether any further action has been taken with reference to the action of the Ceylon State Council, in refusing to grant preferences to certain articles contained in Schedule E of the Ottawa Agreement, and in refusing a margin of preferences to others?

(b) Will Government please state the result of the visit of the Minister of the Ceylon Government to India in the early part of 1933?

(c) In view of the importance of reciprocity in trade between India and Ceylon, do Government propose to consider the advisability of taking early steps to obtain preferences for certain classes of Indian goods in the market of Ceylon?

The Honourable Sir Joseph Bhoré: (a), (b) and (c). Negotiations for mutual tariff preferences between Ceylon and India are still proceeding.

NON-DELIVERY OF A CABLEGRAM ADDRESSED TO MR. GANDHI FROM THE EDITOR, THE UNITED INDIA, LONDON.

17. ***Mr. Gaya Prasad Singh:** Is it a fact that a cablegram addressed to Mahatma Gandhi, containing only good wishes, sent on July, 31st last, by the Editor of the *United India*, London, was not allowed to be delivered? If so, where was it held up, and why? What is the text of the cablegram; and have the charges been refunded? What was the amount?

The Honourable Sir Frank Noyce: The attention of the Honourable Member is invited to the reply I have just given to the starred question No. 13 by Mr. M. Maswood Ahmed.

REFUSAL BY POSTAL AUTHORITIES TO REGISTER THE *KHADI JEWAN*, A MAGAZINE PUBLISHED IN UJJAIN.

18. ***Mr. Gaya Prasad Singh:** (a) Are Government aware that a monthly magazine, called *Khadi Jewan*, is being published in Ujjain (C. I.), for the last four years with the sole object of popularising the use of Khadi or Khaddar cloth?

(b) Is it a fact that this paper has been refused registration by the postal authorities, with the result that it has to pay a higher rate of postage than other registered papers? If so, why has recognition been withheld from this paper? Do Government propose to take any steps in this matter?

The Honourable Sir Frank Noyce: (a) and (b). Government are not in possession of the precise information referred to by the Honourable Member; but an application, dated the 10th February, 1930, for the registration of the *Khadi Jewan*, a newspaper published at Ujjain in the Gwalior State, was received in the office of the Postmaster-General, Central Circle from the Manager, Gwalior State Khadi Sangh, Ujjain, but as it did not satisfy the conditions prescribed in clause 75 (1) (a) of the Post and Telegraph Guide, the paper was not granted the privilege of a registered newspaper.

Government do not propose to take any action in the matter.

Mr. Lalchand Navalrai: May I know what are the conditions that were not complied with?

The Honourable Sir Frank Noyce: The main condition that was not complied with was that the application required the support of the Resident in the Gwalior State.

Mr. Lalchand Navalrai: Was the applicant informed of that?

The Honourable Sir Frank Noyce: That I do not know.

Mr. Lalchand Navalrai: Will the Honourable Member see that the information is given?

The Honourable Sir Frank Noyce: This happened as long ago as 1930 and I should imagine that the applicant knows all the circumstances by this time.

Mr. Lalchand Navalrai: I am talking for future cases.

DISTRIBUTION OF THE MOHAN-JE-DARO RELICS.

19. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if they have distributed the "Mohan-je-Daro" relics?

(b) If so, how many and which finds have been given away to the British Museum in London?

(c) Have any such relics been removed to the Central Museum at Delhi? If so, how many and which?

(d) Have any such relics been sent or are intended to be sent to the Municipal Museum, Karachi? If so, how many and which?

(e) If the distribution has taken place, who was responsible for the actual distribution being made?

(f) Were any Members of the Legislature or of any committee constituted under the Ancient Monument Act consulted? If not, why not?

Mr. G. S. Bajpai: (a) to (f). So far there has been no distribution of the Mohan-je-Daro relics. They are kept in the permanent local museum

which has been established at Mohan-je-Daro. The question, whether duplicates, of which the number is considerable, should be lent to important museums in India is being considered. The claims of Karachi will receive careful consideration.

Mr. Lalchand Navalrai: Who is considering them?

Mr. G. S. Bajpai: The Director-General of Archæology in consultation with Government.

Mr. Lalchand Navalrai: Will the Committee which has been appointed under the Monuments Act be consulted?

Mr. G. S. Bajpai: No Committee has been appointed yet, but when it is appointed it will certainly be consulted.

Mr. Lalchand Navalrai: May I know if, until this Committee is appointed, some Members of this House are going to be consulted?

Mr. G. S. Bajpai: That is a suggestion which I am prepared to pass on to the Director-General. We have not yet reached the stage of deciding the distribution of the relics.

Mr. Muhammad Yamin Khan: Will it not be feasible to bring these relics to Delhi instead of keeping them in such an out-of-the-way place as Mohan-je-Daro?

Mr. G. S. Bajpai: The position is that the Government of India decided some time ago that relics of this kind discovered in a particular place shall, in order to be appreciated in a proper focus, be kept near the site of excavation as far as possible. That is why there is a special museum at Taxila and there is also a museum at Mohan-je-Daro. But when there are a number of duplicates available, the question of distribution to important centres such as Calcutta or Delhi is also favourably considered.

STOPPAGE OF FURTHER EXCAVATIONS AT MOHAN-JE-DARO.

20. ***Mr. Lalchand Navalrai:** Have Government decided to stop further excavations at 'Mohan-je-Daro'? If so, do they propose to ask any American, British, continental or Indian society, interested in such work, to carry on the explorations? If not, do Government propose to continue the work?

Mr. G. S. Bajpai: Owing to reduction in the departmental budget as a measure of economy, excavation work has had to be drastically reduced. No excavation was done at Mohan-je-Daro in 1932-33. The Director-General of Archæology in India is doing some on a modest scale this year. This it is intended to continue to the extent that the reduced resources of the Department permit. If any foreign or indigenous private society of recognised standing wishes to supplement the activities of the Department its offer will be carefully considered.

Mr. Lalchand Navalrai: May I know if the object of the amendment of the Monuments Act was to allow outside societies to work it if Government are not able to do it? Have Government done anything in that direction?

Mr. G. S. Bajpai: The object of the amending Act undoubtedly was to enable private societies to undertake excavation. But it was not the object of that Act that the Government of India should solicit aid from outside.

Mr. Lalchand Navalrai: If Government want outside societies to take up this work, have they advertised it? Otherwise, how are people going to know about it?

Mr. G. S. Bajpai: Government do not consider it necessary to advertise for applications for excavation, because the discoveries at Mohan-je-Daro and Harappa are well known to those who are interested in this subject.

Mr. Lalchand Navalrai: But this is a new thing where Government are making explorations; and since the amending Act was passed, it has been the desire of Government to see that outside societies do it. So is it not necessary that some information should be given to them so that they may come in?

Mr. G. S. Bajpai: I think my Honourable friend will appreciate the fact that what is known to people is not new to them.

DISTRIBUTION OF MOHAN-JE-DARO RELICS.

21. ***Mr. Lalchand Navalrai:** Will Government be pleased to state if the distribution of the relics of 'Mohan-je-Daro' has been made and whether the articles were delivered on some payment or compensation, even nominal or without any charge? If the latter, why?

Mr. G. S. Bajpai: I would invite the Honourable Member's attention to the reply I have given to question No. 19.

RESULT OF THE INDO-JAPANESE NEGOTIATIONS.

22. ***Mr. M. Maswood Ahmad:** Will Government be pleased to state the result of the Indo-Japanese trade negotiations?

The Honourable Sir Joseph Bhore: The Honourable Member is referred to the record of the proceedings of the meeting between the Japanese and Indian Delegations held on the 5th January, 1934, which has been published in the Press, and a copy of which is in the Library of the House.

Mr. B. Das: May I inquire if the Honourable Member is satisfied with the Indo-Japanese agreement?

Mr. President (The Honourable Sir Shanmukham Chetty): That is asking for an expression of opinion.

Mr. B. Das: May I inquire if the Honourable Member's attention has been drawn to the wail of the Bombay Millowners that the Indo-Japanese agreement is not satisfactory to the Bombay City?

Mr. H. P. Mody: We have said nothing of the sort yet. (Laughter.)

The Honourable Sir Joseph Bhore: My Honourable friend will have an opportunity of considering this wail very shortly when we consider the proposals we shall bring forward in regard to textiles.

Dr. Ziauddin Ahmad: Will the whole agreement be laid before the Assembly for ratification?

The Honourable Sir Joseph Bhoré: I myself had contemplated that the Indo-Japanese agreement could be most properly discussed on the occasion of the discussion of the Bill in regard to textiles which will incorporate its relevant provisions so far as duties are concerned and which I hope to bring forward some time next month.

Mr. S. C. Mitra: May we expect to get a copy of the Tariff Board Report on these matters circulated before that date comes?

The Honourable Sir Joseph Bhoré: I certainly hope so.

Mr. N. M. Joshi: May I ask whether the approval of this House will be sought by a definite vote?

The Honourable Sir Joseph Bhoré: I do not think that it is customary to obtain the previous approval of the Legislature before an agreement of this description is signed; but the Legislature has it in its power to agree to or to refuse to agree to such matters as require legislative sanction before the agreement can be put into force.

Sir Abdur Rahim: Is it a fact that the agreement will be signed in Britain and not in India? I saw some report like that in the newspapers: if so, I should like the Honourable Member to tell us the reason why.

The Honourable Sir Joseph Bhoré: I think that, following normal custom in this matter, the formal treaty will undoubtedly be signed in London.

Sir Abdur Rahim: It is only a commercial agreement: it is not a political treaty?

The Honourable Sir Joseph Bhoré: It is a commercial treaty with a foreign power; and, as my Honourable friend is aware, under the Constitution as it stands, only His Majesty's Government has the power to enter into such agreements or treaties on behalf of India.

Mr. B. Das: Is it not a fact that the dominions constituting the members or units of the British Commonwealth have exercised the function of entering into commercial agreements with other sovereign States?

The Honourable Sir Joseph Bhoré: I have no doubt that when India becomes a dominion, she will also exercise that power.

Sir Abdur Rahim: Will the agreement be subjected to any sort of modification by Britain or will it be accepted as it has been entered into here?

The Honourable Sir Joseph Bhoré: As far as I am aware, there will be no modification of substance in the agreement whatsoever.

Mr. S. C. Mitra: Is not India an original member of the League of Nations and as such has it not got its own status?

The Honourable Sir Joseph Bhoré: India is undoubtedly an original member of the League of Nations, but you cannot get away from the Constitution as it stands today.

Dr. Ziauddin Ahmad: Will this House have an opportunity to discuss the agreement as a whole or only such portion of it as involves fresh taxation?

The Honourable Sir Joseph Bhoré: My Honourable friend can discuss the agreement at any time during the budget discussion.

Mr. M. Maswood Ahmad: Is it a fact that Government had received certain instructions from the Home Government in this connection?

The Honourable Sir Joseph Bhoré: No; certainly not.

Mr. M. Maswood Ahmad: In view of the fact that this matter has to be discussed in future, is it not desirable to circulate a copy of the agreement to the Members before introducing that Bill?

The Honourable Sir Joseph Bhoré: I can assure my Honourable friend that Members will be in possession of all relevant papers before they are asked to partake in any discussion in this House.

Mr. S. C. Mitra: May we take it that the Government of India were absolutely free in these negotiations without being put to any pressure from the British Government.

The Honourable Sir Joseph Bhoré: Absolutely.

Mr. B. Das: Is it not a fact that, at the Imperial Economic Conferences, India is treated as a unit member of the British Commonwealth of Nations and has equal status with the other dominions?

The Honourable Sir Joseph Bhoré: I am afraid that I cannot go into discussions on the constitutional position and status of India.

Mr. N. N. Anklesaria: Is any harm likely to be done by the agreement being signed in England rather than in India?

The Honourable Sir Joseph Bhoré: Not that I am aware of, for the simple reason that the agreement, as it stands, will not be modified in any substantial detail.

Mr. Lalchand Navalrai: May I know from the Honourable Member if this agreement will be signed in England with the modifications that this House makes?

The Honourable Sir Joseph Bhoré: I am not aware that this House is going to make any modifications.

Mr. Lalchand Navalrai: The Honourable Member should know that when the agreement is before us we are supposed to consider it and to make certain modifications which may be necessary: therefore, I am asking whether any modifications made by this House will be carried out before it is signed.

The Honourable Sir Joseph Bhore: It is not open to this House to make any modifications in the treaty: it is open to this House to refuse to give sanction to any legislative proposals that need its approval.

Mr. Lalchand Navalrai: Will they not be modifications?

The Honourable Sir Joseph Bhore: Yes: if the Legislature refuses to sanction any proposal of that description, then obviously to that extent the agreement will not be capable of being carried out.

Mr. N. M. Joshi: May I ask whether the agreement will be signed by the High Commissioner for India or by the Secretary of State for India?

The Honourable Sir Joseph Bhore: I am afraid I cannot give any information on that point.

Mr. N. M. Joshi: May I ask whether the Honourable Member will inquire as to what they propose to do in this matter?

The Honourable Sir Joseph Bhore: Certainly: as soon as I get information, I shall let Honourable Members know.

ECONOMIC DEPRESSION IN EAST AFRICA.

23. ***Mr. Lalchand Navalrai:** (a) Has the attention of Government been drawn to the statement of Mr. Biharilal Anantani, Editor, *Zanzibar Voice*, East Africa, published in the issue of the *Sind Observer* of the 31st December, 1933, drawing attention to the economic depression hitting hard the Indian community in all the provinces in East Africa, and demanding introduction of the principle of election in the Legislative Council?

(b) What steps do Government propose to take to strengthen the right of the aforesaid demand on behalf of Indians in Zanzibar?

Mr. G. S. Bajpai: (a) and (b). Government have seen the newspaper report referred to by the Honourable Member. The Legislative Council of Zanzibar includes six nominated non-officials of whom two are Indians. The Government of India have received no representations from the Indian community of the Island asking for a change in the method of representation. If such representations are received, they will be considered.

Mr. Lalchand Navalrai: Have the Government of India considered whether they should help the Indians there for getting election?

Mr. G. S. Bajpai: I have said in the course of my reply that the Government of India have not been asked by the Indians of Zanzibar to press for election.

Mr. Lalchand Navalrai: Now that the Honourable Member knows, from me at least (Laughter), that certain representations have been received from them, I am asking whether Government will be in a mood to consider the question of their getting election and helping them to get it.

Mr. G. S. Bajpai: I recognise that my Honourable friend's authority on all questions is great, but, in matters of this kind, I think that those who are intimately concerned, namely, the Indians in Zanzibar,—their wishes have to be ascertained first and they must prevail.

RESTRICTIONS IMPOSED ON MR. A. I. QURESHI AT DURBAN.

24. ***Mr. Gaya Prasad Singh:** (a) Are Government aware that (i) Mr. A. I. Qureshi, a graduate of the University of London, and who has been awarded a special research scholarship by the University Bureau of the British Empire, was not allowed to land in Durban till he had submitted to the restrictions imposed on coloured persons entering the Union of South Africa; (ii) he was checked from journeying in the train save in the compartment specially reserved "for coloured persons"; (iii) he was refused admission to cinemas, hotels and restaurants; and (iv) in all public conveyances he was refused refreshment, and carefully segregated from contact with Europeans?

(b) Are Government aware that Mr. Qureshi was furnished with letters of introduction by Lord Bledisloe, Governor-General of New Zealand, to Earl Clarendon, and General Smuts?

(c) Do Government propose to enquire into the above allegations and inform this House of the result?

Mr. G. S. Bajpai: (a), (b) and (c). As the Honourable Member is aware, non-Europeans are ordinarily subject to the disabilities mentioned in part (a) of his question. In special cases, exemption may be secured through the intercession of the Agent of the Government of India in South Africa. Mr. Qureshi, however, did not apprise him of his visit to the Union. The facts stated by the Honourable Member are probably correct; no inquiry is therefore necessary.

Mr. Lalchand Navalrai: Are there any coloured carriages there for coloured people separately?

Mr. G. S. Bajpai: They are coloured, but the colour is uniform.

PROPOSAL OF MAKING OVER SIALKOT TO AN OUTSIDE AUTHORITY.

25. ***Mr. Gaya Prasad Singh:** Is there any proposal to make over Sialkot, or any other portion of the Punjab in British India to any outside authority? If so, what exactly is the nature of the proposal?

The Honourable Sir Harry Haig: No such proposal is under consideration.

CRITERION OF EFFICIENCY FOR PROMOTION ON THE NORTH WESTERN RAILWAY.

26. ***Mr. Jagan Nath Aggarwal:** (a) How many Indian, European and Anglo-Indian subordinates have officiated as Assistant Commercial, Transportation and Personnel Officers, on the North Western Railway from August 1931, upto now?

(b) How many European and Anglo-Indian subordinates on the North Western Railway, who have not crossed the efficiency bar, have been allowed during the last three years to supersede Indians who have crossed that bar, and why?

(c) What is the criterion of efficiency for promotion from subordinate service to lower gazetted service?

(d) Is preference given for promotion to and confirmation in lower gazetted service to a subordinate who officiated longer in the Local Traffic Service over those who have officiated for lesser periods? If not, why not? Were there cases in which this principle was not observed? If so, why?

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

PARTICIPATION OF INDIAN SHIPPING IN THE COASTAL AND OVERSEAS TRADE OF INDIA.

27. ***Dr. Ziauddin Ahmad:** (a) Will Government be pleased to state the measures which they have taken, or propose to take in the immediate future, as promised in their reply to question No. 782, dated the 11th September, 1933, regarding participation of Indian Shipping in the coastal and overseas trade of India?

(b) Are Government aware that the four smaller steamship companies are on the verge of being wiped out on account of the tariff and freight war waged by bigger companies?

(c) Are Government aware that some negotiations were made between the British India and the Scindia Steam Navigation Companies only, and that the smaller companies were left out altogether?

(d) If the reply to part (c) be in the negative, are Government prepared to obtain a copy of the agreement arrived at between the two companies mentioned in part (c) above and lay the same on the table of this House?

The Honourable Sir Joseph Bhoré: (a) No specific promise was made in reply to the question referred to by the Honourable Member. The attitude of Government towards the question of the development of an Indian Mercantile Marine has, however, been fully explained on several occasions in the past in reply to questions asked in this House. The attention of the Honourable Member is particularly invited to the replies given to the questions asked on the subject by Mr. K. C. Neogy as recently as the 1st December, 1933, and to the supplementary questions arising therefrom.

(b) and (c). The Honourable Member is referred to the reply given by me to question No. 1277 asked by Mr. Neogy on the 1st December, 1933, and to the supplementary questions arising in that connection.

(d) No. I would invite the Honourable Member's attention to the reply given by me to a supplementary question asked by Mr. Neogy on the 1st December, 1933, in connection with his question No. 1276.

UNSTARRED QUESTIONS AND ANSWERS.

ASSISTANT ACCOUNTS OFFICERS IN THE AUDITOR GENERAL'S OFFICE.

1. **Mr. M. Maswood Ahmad:** Will Government be pleased to state how many of the Assistant Accounts Officers in the Auditor General's Office have got more than 30 years' service?

The Honourable Sir George Schuster: One.

RESTRICTION AND CURTAILMENT IN THE NUMBER OF PASSES ON STATE RAILWAYS.

2. Mr. M. Maswood Ahmad: (a) Is it a fact that the officials holding certain high posts on State Railways have the privilege of enjoying the grant of free passes for themselves and their families?

(b) Is it also a fact that these concessions have been restricted and cut down to nearly 90 per cent.?

(c) Is it a fact that the employees when they entered the service had the contract to enjoy these privileges during the term of their services? If so, what is the reason for reducing the number of passes?

(d) Are Government prepared to consider the desirability of restoring these privileges, at least in the case of old employees?

Mr. P. R. Rau: (a) Permanent employees of railways, whether officers or subordinates, are allowed a certain number of free passes for themselves and their families. The concession is not restricted to officials holding high posts.

(b) Restrictions were recently imposed on the number of passes admissible to officers on the analogy of the restriction that has always been applicable to passes for subordinates. Officers were previously eligible for an unlimited number of passes, and it is not possible to estimate the reduction in terms of percentages.

(c) The reply to the first part is in the negative. The reason for imposing the restriction was that Government considered that the unlimited concession previously given was too liberal.

(d) Certain representations on this subject have been made and are at present under the consideration of the Railway Board.

RESTRICTION OF OVERSEAS PASSAGES TO EUROPEANS UNDER THE LEE CONCESSIONS.

3. Mr. M. Maswood Ahmad: (a) Is it a fact that along with the restriction of passes on State Railways, overseas passages granted to Europeans under the Lee Concessions have not been curtailed?

(b) If so, do Government propose to consider the desirability of restricting them, too, proportionately? If not, why not?

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

(b) No. There is no analogy between the two.

RACIAL DISCRIMINATION IN THE ADMISSION OF INDIANS TO THE RAILWAY SOCIAL CLUBS OR INSTITUTES.

4. Mr. M. Maswood Ahmad: (a) Is it a fact that the railway social clubs or institutes are maintained from the fines which are realised mostly from Indians?

(b) Is it also a fact that European and Anglo-Indian Employees irrespective of their rank in the railway service, are allowed admission to these clubs and institutes, while Indians even of higher status and rank are refused admission to them?

(c) If the answer to parts (a) and (b) be in the affirmative, do Government propose to remove this racial discrimination especially when Anglo-Indians are claiming the rights of Indians?

Mr. P. B. Rau: (a) Social Clubs and Institutes on Railways are mainly maintained by the subscriptions of the members but are assisted by grants from Staff Benefit Funds. These funds are built from fines and forfeited bonuses of subordinate staff and also from contributions from Railway Revenues.

(b) and (c). A full statement of the existing position is contained in the memorandum furnished by the Railway Board to the Royal Commission on Labour which is published in Volume VIII, Part I, of the evidence taken by them. I would refer the Honourable Member to pages 72 to 74 thereof.

RETRENCHMENT ON THE STATE AND COMPANY-MANAGED RAILWAYS.

5. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the number of Europeans and Indians, separately, who have been retrenched in the (i) higher, (ii) subordinate, and (iii) menial services, on (i) State Railways, and (ii) Company-managed Railways?

(b) Is it the policy of railway administrations to reduce only those posts which are held by menials and subordinates?

(c) If so, are Government prepared to consider the desirability of reducing higher railway posts also at the time of making retrenchments and not to reduce only the menial and subordinate posts?

Mr. P. B. Rau: (a) The information available with Government is as follows:

(i) State-managed Railways—

	Number retrenched up to 15th September, 1932.	
	Europeans.	Indians.
Officers	19	32
Subordinates and others	160	31,228

(ii) Company-managed Railways—

	Number retrenched or permitted to retire voluntarily up to 1st December, 1932.	
Officers	19	(includes one reduced).
Subordinates	1,494	
Inferior staff	3,907	
Workshop staff	3,831	

Information as regards the number of Europeans included in these figures is not readily available.

(b) No.

(c) The possibility of reducing higher posts also is always carefully considered by Government when there is a necessity for retrenchment.

INDIAN AND EUROPEAN RAILWAY SCHOOLS.

6. **Mr. M. Maswood Ahmad:** (a) Will Government please state:

- (i) the expenses incurred by each State Railway, separately on the Indian and European schools;
- (ii) the number of students in each school;
- (iii) the expenses incurred on each student; and
- (iv) the percentage of expenditure on Indian and European schools?

(b) Are Government prepared to consider the desirability of closing down the schools where the number of students does not allow the relative expenses in these days of economic depression and economy?

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

ASSISTANCE FOR CHILDREN OF INDIAN RAILWAY EMPLOYEES RECEIVING EDUCATION IN THE ALIGARH MUSLIM AND BENARES HINDU UNIVERSITIES.

7. **Mr. M. Maswood Ahmad:** (a) Is it a fact that a fixed assistance is given to the children of the European and Anglo-Indian employees, even if they receive their education in outside European schools, such as, Oak-grove School, instead of local schools?

(b) Is it also a fact that the children of Indian employees are denied this assistance if they join other institutions other than local ones?

(c) If the answers to parts (a) and (b) be in the affirmative, do Government propose to consider the desirability of giving assistance to the children of those Indian employees who join the Aligarh Muslim University and the Benares Hindu University? If not, why not?

Mr. P. R. Rau: (a) and (b). I understand that, prior to the introduction of the new rules for educational assistance to Railway employees in 1930, such assistance was generally given on the State-managed Railways. On the Great Indian Peninsula Railway such assistance was given to Indians as well as to European employees. Under the new rules which were introduced in 1930 assistance is limited to those cases where an employee is compelled to send his children to a boarding school away from the station at which he is posted, owing to the absence of a school of the requisite standard at the station at which he is posted. There is no distinction made in this respect between European, Anglo-Indian and Indian employees under the new rules. Staff in service at the time of the introduction of the new rules and who joined service on State-managed Railways before the 1st February, 1929, were allowed the option of coming

under the operation of the new rules, or of receiving assistance on the scales, terms and conditions to which they were eligible prior to the introduction of these rules.

(c) No. Under the new rules assistance is limited to education for the period covered by primary and middle standards.

STOPPAGE OF INCREMENTS OF CERTAIN CLERKS IN THE ACCOUNTS DEPARTMENT, EAST INDIAN RAILWAY.

8. **Mr. S. G. Jog:** With reference to the reply to unstarred question No. 205 of the 21st November, 1933, regarding stoppage of increments of certain clerks in the Accounts Department, East Indian Railway, will Government be pleased to lay on the table a copy of the order referred to in part (d) of the said question? If not, why not?

Mr. P. R. Rau: Government are not prepared ordinarily to place on the table of the House copies of departmental instructions. I may state, however, for the Honourable Member's information that the instructions to the Chief Accounts Officer, East Indian Railway, were to fix the pay of the clerks in question on the 1st January, 1929, at what it was on the 31st December, 1928, their next increment falling due on the same date as in the old scale.

FLYING OF THE UNION JACK.

9. **Raja Bahadur G. Krishnamachariar:** (a) Has the attention of Government been drawn to the reply of the Earl of Crewe regarding the flying of the Union Jack by British subjects, reported in the *London Times* of July 15, 1908, and reproduced in *The Times Weekly* edition of the 20th June, 1933?

(b) Do Government agree with the opinion expressed by the Earl of Crewe? If so, is there any objection to any Indian subject of His Majesty flying the Union Jack on the top of his house at any time he liked?

(c) Are Government aware that banks, commercial houses and some public offices fly the Union Jack on Sundays and public holidays?

(d) Is this privilege confined to or conferred only on institutions of the above kind? If so, are there any orders of Government relating thereto?

(e) Are Government aware that miniature Union Jacks used as mascots in motor cars are objected to by the police on duty on the roads, especially when such flags are used on cars owned by Indians?

(f) Do Government consider the using of the Union Jack as a mascot on motor cars illegal or objectionable? If not, do Government propose to issue instructions to the Police Department informing them that Government have no objection to such flags being used as mascots?

The Honourable Sir Harry Haig: (a) to (d). The Union Jack may be flown by any Indian subject of His Majesty.

(e) and (f). A miniature Union Jack is used as a distinguishing mark on the motor cars of certain high officials, and the use by other persons whether British or Indian of what is intended to be a distinguishing mark is naturally not desirable.

SHORT NOTICE QUESTION AND ANSWER.

DAMAGE CAUSED BY THE EARTHQUAKE IN NORTH BIHAR AND RELIEF MEASURES TAKEN BY GOVERNMENT.

Mr. Gaya Prasad Singh: (a) Will Government be pleased to make a statement on the subject of the recent terrible earthquake in North Bihar, with particular reference to the following points?

- (i) the number of deaths, and injured; the approximate amount of loss to properties in the various towns and districts affected, separately;
 - (ii) the kind and extent of relief measures undertaken to cope with the disastrous consequences of this unprecedented calamity;
 - (iii) whether the Government of India propose to supplement the efforts of the Local Government in the matter of financial or other assistance to the distressed and homeless people?
- (b) Do Government propose to consider the necessity of recommending the remission of portions of Government demands in the affected area?

The Honourable Sir Harry Haig: I am glad to have an opportunity of placing before the House the information in regard to this terrible calamity at present in our possession. I am afraid it is not possible for me to give as definite a reply to all the points raised in this question as I should wish. It will be recognised that the breakdown of communications, both by telegraph, railway and road, makes it impossible to give any accurate estimate of the damage in outlying centres; while even in the towns principally affected, Monghyr, Muzaffarpur and Darbhanga, the total death roll cannot be accurately given until the debris of the fallen houses has been removed. I understand that outside the three large towns the total deaths are estimated to be approximately 700, and His Excellency Sir James Sifton in his recent speech said that he hoped the number of deaths in the whole province may be found not to have exceeded 4,000. As regards the number injured, I regret no figures are available, but the Government of Bihar and Orissa and their local officers have taken all possible steps to make medical aid available to those injured in this catastrophe. Still less is it possible to give at this stage even an approximate estimate of the total material damage. In the three principal towns in the affected area of North Bihar, which corresponds to the major part of the districts of Champaran, Muzaffarpur and Darbhanga, as well as in the town of Monghyr and its suburb Jamalpur on the south of the Ganges, it is estimated that not less than half the brick houses have been reduced to ruins or are standing in such a dangerous state as to require demolition. It is fortunate that in the villages the destruction of house property was less. The ordinary ryots' houses built of mud and wattle with thatch or lightly tiled roofs did not suffer so severely, the damage being caused mainly to the brick built houses of the more well-to-do. Great damage has been done to communications both by road and railway; in many places roads have been badly broken and in places obliterated, while bridges have been destroyed at

rendered unsafe. The general position, as far as can be at present estimated to property, may be described as follows:

(1) Destruction of Government buildings, such as courts, offices, residences, etc. No estimate can be framed of the total cost of replacement or repairs of these buildings, but His Excellency the Governor has stated that in one town alone Government buildings of the value of Rs. 30 lakhs are said to be in ruins. There is also the very severe damage done to the Railways, and in particular to the East Indian Railway Settlement and Workshops at Jamalpur as well as to the Bengal and North Western Railway, which serves the affected area of North Bihar. The expenditure necessary to repair the damage at Jamalpur is estimated at not less than Rs. 50 lakhs.

(2) Local Bodies (District Boards and Municipalities) have also suffered heavy loss owing to the destruction of dispensaries, hospitals and schools, as well as owing to the damage done to roads and bridges.

(3) Of the total damage caused to private property in towns, it is impossible to give any estimate, but, as I have stated before, the total destruction of houses in Monghyr and the three chief towns of North Bihar is very heavy.

(4) It is also not possible to give even an approximate estimate of the damage to agricultural lands. In some places grey mud and sand has erupted, and to what extent this will affect the future fertility of the land cannot at present be estimated. Nor is it possible to give an estimate of the damage to standing crops. It appears that greater damage has been done to the low lying lands and the damage to the rabi crops growing on these lands is the more serious in view of the fact that in much of the affected area the paddy crops had been destroyed by floods. The most serious blow to the cultivators at the moment probably arises from the destruction of sugar factories. As His Excellency the Governor has pointed out, the three districts affected contain about 200,000 acres under sugar cane producing $2\frac{1}{2}$ million tons of cane; at least half of the mills which deal with the cane have been put out of action. This creates a serious problem, for the cultivators are thus deprived to a large extent of the market for what is the most profitable crop in this area.

Such being the extent of the disaster, as at present estimated, I now turn to the relief measures, and I take this opportunity of paying a tribute, which, I trust, the House will fully endorse, to the Government of Bihar and Orissa and to their officers for the steps which they have taken to meet this unprecedented calamity. (Applause.) I understand that in the towns, such as Darbhanga and Motihari, which, for several days, were isolated from communication with the outside world, the local officers without any outside help at once organised relief for the afflicted population and took steps to control the supply of the necessities of life to the population. The most immediate needs of the stricken towns were the supply of medical relief, the supply of shelter and protection against the cold, the provision of adequate water supply, the organisation of supplies of food and other commodities and the removal of ruined houses. In the whole area it was urgently necessary to restore communications both by rail and road to enable the outlying centres to obtain supplies and cultivators to market the crops which have survived. It was also necessary to take prompt steps to prevent any outbreak of looting in the affected towns. To meet the latter possibility, police were promptly drafted to the area and it is satisfactory to note that there have been no signs of disorder or looting. As regards

medical relief, I can only quote instances of what has been done; nine doctors were at once sent to Monghyr when the first call for assistance came, and doctors and medical students have been sent to Muzaffarpur, Darbhanga and Motihari. Other doctors are available and will be sent to mufassil areas as soon as communications enable them to get there. The Red Cross and other charitable organisations have also assisted in this work. In Muzaffarpur, for example, 12 relief centres and four sanitation centres have been opened and areas have been prepared for refugee camps. The problem of providing accommodation for the houseless population has been facilitated by the supply of tents by the Army, and I must mention in this connection the very prompt and generous help given by Messrs. Tata Iron and Steel Company, to the town of Monghyr, by despatching a special train with iron sheets and foodstuffs together with officers and mechanics to erect shelter. I understand that the arrangements in Monghyr for the relief of the temporary needs of the stricken population are in such good order now that special officers deputed to assist from Patna have returned.

I have referred to the assistance given by the Army by the supply of tents. I may add that His Excellency the Commander-in-Chief, as soon as the extent of the disaster was known, at once offered to give any assistance that was possible from the resources of the Army, an offer that was immediately and gratefully accepted by the Government of Bihar and Orissa. Sappers and Miners have been deputed to Monghyr, Muzaffarpur and Darbhanga and have rendered the greatest help in removing debris of ruined houses; and in dealing with dangerous buildings the detachment of the East Yorkshire Regiment stationed at Muzaffarpur has also rendered valuable help. Funds have been given to district officers for the immediate relief of distress and these will be supplemented by the funds which will be collected as a result of His Excellency the Viceroy's appeal. One great need of the houseless population is blankets, but I understand that this need is being met, and, though no doubt many more will be required, 10,000 blankets have already been sent out from Patna to the affected towns. As regards communications, the Bengal and North Western Railway are making most strenuous and efficient efforts to restore the damage and I understand that railway communication is now open with Muzaffarpur. As regards road communication, the Local Government have made funds available to the District Boards, and this important work is being pushed on as rapidly as possible. The important question of water supply is also being dealt with by sinking tube wells and disinfecting tanks.

I trust that this survey of the situation will make clear the extent of the disaster and the energetic and comprehensive steps which have been taken by the Government of Bihar and Orissa and their officers assisted by voluntary helpers and the Army to meet the more immediate needs of the stricken population. Very much remains to be done and I have no doubt that H. E. the Viceroy's appeal for funds will meet with a prompt and generous response from all classes and all parts of India. The survey which I have given is, as I stated, only approximate, and the question of the extent to which it may be necessary for the Government of India to render financial assistance to the Government of Bihar and Orissa is one which cannot be decided till the full extent of the damage is more accurately known. Still less is it possible till a definite estimate has been framed of the damage to agricultural lands to say what action may be required in the matter of remission of Government demands in the affected areas. This is primarily a question for the Local Government and I have no doubt that it will receive their most careful consideration.

MOTION *RE* SYMPATHY OF THE LEGISLATIVE ASSEMBLY WITH THE EARTHQUAKE SUFFERERS IN BIHAR AND ORISSA.

The Honourable Sir Brojendra Mitter (Leader of the House): Sir, with your permission, I move:

"That this Assembly places on record its deep sympathy with the people of the province of Bihar and Orissa and the other areas in their distress in consequence of the severe earthquake that has caused widespread suffering and distress in the areas affected and requests the President to convey the sympathy of this House to the sufferers. This Assembly trusts that the Government as well as the Princes and people of India will do all that lies in their power to help in alleviating the distress of the sufferers."

I do not think that any speech is necessary in support of the motion. It is not a party question. I hope that the efforts of the public authorities and the private agencies will be co-ordinated and there will be no overlapping, so that the maximum amount of relief may be available from the united efforts of all. Sir, I move.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I associate myself with what has fallen from the Leader of the House and there can be no doubt that the Party which I represent and all the other Parties and the Honourable Members of this House will respond to the appeal that has been made in order to afford relief to the sufferers in this unprecedented calamity. The account that has been given by the Honourable the Home Member has shocked us even more than the account which appeared in the newspapers and what we heard from private sources. As has been pointed out, the extent of the loss of life and damage to property cannot yet be accurately estimated, but, so far as has been ascertained, it is something which can only be described as terrible. The damage to Government property and to railway property has also been considerable and there can be no doubt that what will be necessary to restore the previous state of things in the stricken areas will be a great burden on the Provincial Government as well as on the Government of India. The House is aware that not only the Government of Bihar are doing all that lies in their power to alleviate the sufferings of the people, but also the military authorities and private efforts and enterprise and philanthropy have not been lacking in making endeavours to do all that is possible in order to bring relief to those who have suffered. In this connection, I may venture to make one suggestion. It may well be apprehended that the volcanic activity which has taken such a heavy toll of life and property in North Bihar may not disappear altogether. At any rate there will be apprehension of recurrence and I take it that the Government will consider seriously whether in planning out the restoration of the towns that have been demolished and the villages that have been damaged or destroyed care will be taken to see that any possible repetition of an earthquake of this magnitude may not find the inhabitants wholly unprepared as they were now. In other countries where earthquakes are of more frequent occurrence care is taken to build houses of materials which will resist shocks as much as possible and care should also be taken to provide open spaces to permit of the inhabitants escaping from the falling houses. I think every section of this House will heartily endorse the motion that has been made by the Honourable the Leader of the House.

Mr. B. V. Jathav (Bombay Central Division: Non-Muhammadan Rural): On behalf of the Democratic Party, I heartily associate myself

[Mr. H. V. Jadhav.]

with the motion moved by the Leader of the House and I endorse every word that has fallen from the lips of the Leader of the Independent Party. The calamity that has overtaken the province of Bihar was not at all expected and I am very glad to see that both the Government and the people are very alert in affording relief to the stricken districts. This is a case in which considerations of party and faction ought to be obliterated and every one ought to stand shoulder to shoulder in affording relief to the unfortunate people. I am very glad to read in the morning papers that the Government of Bihar and Orissa have welcomed the co-operation of Congress leaders, and on this occasion the Congress and the Government are working zealously and in union for the alleviation of misery. This will show to Government that the objects of the Congress are not so subversive as they are sometimes misunderstood to be. This welcome co-operation between the Congress and the Government, I expect, will lead to better understanding of each other and the Congress leaders will now turn their attention more and more to the social side of the question and in this way they will be of immense use to the people, not only of Bihar and Orissa, but other parts of the country. I may assure the Government that this House fully endorses and supports the action they have taken and they will take in this connection and that this House wholeheartedly supports the motion that has been moved by the Honourable the Leader of the House.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I wholeheartedly associate myself with the expression of sympathy as well as with the expectation of help from all parts of the House and from people outside in this very terrible calamity. But I must say at the outset that this was not an entirely unexpected one in South India in spite of the laughter that comes from that side of the House. It is an unfortunate tragedy in this country that people who follow the old ideas are hooted and yet, Sir, a prophesy was made in South India of the occurrence of this earthquake some time ago. Nobody took them seriously; well, in the end they proved to be right, and those who merely proceeded to scoff, I hope, have now remained to pray. (An Honourable Member: "What do you do?") Well, when I am in the Government I will tell you exactly, and when I occupy the leadership of the country I will tell exactly what I will do. At present, as a humble citizen of the Empire, I am only deploring. When the matter was brought to the notice of the country, the people in authority and the responsible leaders who claim to represent the people said they were all taken by surprise and consequently I enter a caveat against my friend, Mr. Jadhav's statement that this was entirely unexpected. However, it is no good quarrelling. Sir, recently we were the victims of a cyclone in South India of unprecedented severity and within a month of that there was this most appalling calamity! I do hope the country will stand up as one man and help the sufferers from calamities throughout the country. Sir, this earthquake visited not only North Bihar, but also Calcutta and other far-off places and Nepal where, it appears, the capital city as well as two or three important cities have been reduced to complete ruins. Sir, I do not intend to take up further the time of the House, but I do suggest that a subscription list should be opened headed by the Members of this Assembly and that they would one and all contribute, from the smallest man to the biggest, whatever they could really afford and thus show practically their sympathy with the sufferers. (Hear, hear.)

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I rise to associate myself with the expressions that have fallen from the Leader of the House and I entirely agree with him that this is no occasion for speechifying. As pointed out by the Leader of the Centre Party, which occupies a central position in this House, it is deeds which tell better than words, and if Members of this Legislature can give a lead in actual deeds and open up a subscription list and follow that up by relief work by going to their constituents and urging them to subscribe more liberally for the sake of those stricken people who need so much succour in their dire, dark extremity, then this Legislature would have justified itself. Sir, the language of genuine grief and solidarity is short.

Sir Leslie Hudson (Bombay: European): Sir, I am grateful for this opportunity of associating myself and my Group and, through that Group, the whole of the European community in India, in extending sympathy to the sufferers in this great calamity. I am perfectly certain the European community throughout India will not be slow to answer the appeal of His Excellency the Viceroy and that they will do their best by contributing in money and kind to ameliorate the sufferings of these people who have lost so much in this terrible catastrophe.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I come from a town in ruins and from a province of ruined towns. I am afraid the account given by the Government will in the end prove to be an under-statement. On the strength of what I have seen, I can say that in fact in the end it will prove to exceed the calamity as it has been depicted by the Government. Considering that there is not a single house standing in Monghyr and that the dead bodies in Monghyr, Muzaffarpur and Darbhanga are still under the debris it will not be an exaggeration if I say that the number of the dead cannot be less than ten thousand. Very few people can dare entering the ruins of these towns. Sir, ten days ago, in Bihar, there was a town, Monghyr, but there is no such town in Bihar now. I am thankful to the Bihar Government that they are doing whatever was and is in their power, and especially to the Education Minister who is taking a very keen interest in this matter. Day and night he is working, and with his help it was possible to keep the prices at the normal level. But I want to draw the attention of the Central Government through you, Sir, that the Provincial Government is not in a position really to help the province. Their resources are very very limited, and unless the Government of India extend their liberal hands, it will be very very difficult to provide even shelter to these half-naked, starving and homeless men—to those who have lost their property, who have lost their relatives and children. In addition to the calamity of earthquake there, they have had before that floods which ruined the paddy crop. There was some hope about the *rabi* crops, but the recent floods ruined the whole of such crops. I, therefore, request all the Departments of the Government to help not only from the relief funds collected by them, but from their own funds as well. There are many funds in the hands of the Government from which they can give sufficient help to that part of India.

Sir, one more fact I want to bring to the notice of this House and this country and that is, this that Patna or rather South Bihar has come

[Mr. M. Maswood Ahmad.]

under the shadow of North Bihar in this matter. No doubt their sufferings have been very very severe, but I hope that the Central Government and the Local Government will not forget South Bihar as well. In Patna, about 25 per cent of the houses have come down and about 50 per cent more are waiting to be demolished, and it is impossible to repair the vast number of other houses. Sir, it is not in our power to rebuild the vast number of houses which several generations of our ancestors had built, and I hope the Central Government will give full consideration to the case of South Bihar as well as North Bihar. With these words, I wholly agree with the words which have fallen from my Leader.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran Non-Muhammadan): Sir, on behalf of the suffering humanity of North Bihar and other areas affected and afflicted by the recent earthquake, I beg to express our sense of grateful appreciation of this special motion which you, Sir, have permitted the Leader of the House to make, and to the other Members of the House for having so warmly supported that motion. Really, North Bihar is a tract in desolation today. What were once flourishing towns like Muzaffarpur, Darbhanga, Monghyr, Champaran and Bhagalpur have now been absolutely ruined. I am afraid the popular estimate puts the number of casualties much higher than the official figures would seem to indicate, as there are innumerable dead bodies believed to be buried under the debris of fallen houses which have not yet been removed from their sites. There is a danger of the outbreak of an epidemic following in the wake of the stinking smell that comes out from the towns devastated by the earthquake. Things that are most immediately needed at the present moment are foodstuffs, salt, kerosene, medical aid, housing materials, blankets, and a good supply of drinking water. In this bitter cold thousands and thousands of people are living out in the open under improvised huts. Even the materials for building huts are not easily available as I know from my own experience. Both of my houses have fallen down, and my family and children are living out exposed to cold, at night. Building materials are not easily available as the demand for them is so great. I am thankful to the Government of Bihar and Orissa and to the local officials for the steps they have already taken in the matter, but as an eye-witness to the scenes of horror I witnessed in Muzaffarpur, I must say that the measures that have been taken are altogether inadequate to cope with the magnitude of the disaster. I am thankful to Their Majesties the King Emperor and the Queen Empress for the practical sympathy which they have graciously shown by giving a contribution to the Relief Fund. I note with gratitude on behalf of my people that Their Excellencies Lord Willingdon and Lady Willingdon have opened a Relief Fund. There are also non-official agencies like the Congress Organisation and other private bodies and individuals who have come to the rescue of the afflicted people, and their efforts must be supplemented and co-ordinated without reference to political, racial, or other differences. My thanks are due to them as well. The disaster that has overtaken my part of the country transcends all limitations of class, creed or colour. Suffering humanity calls for speedy relief. Unless these efforts are forthcoming instantaneously, I am afraid the sufferings of the people will be intensely prolonged. In this connection I would like to suggest that the railways may be asked to give

facilities for the free carriage of materials that may be required for building houses or foodstuffs, etc., to the places that sorely stand in need of them. Sir, this is not a time when I should dilate upon the details of the calamity. The calamity is too vast and too recent for us to attempt to make even an approximate estimate of the extent of the damage done to life and property, but from the full account which my Honourable friend, the Home Member, has given to the House in answer to my question, it will appear that the extent of the disaster is altogether unprecedented in the annals of this country. I hope that this special motion will be passed unanimously by this House, and that a copy of it you, Sir, will kindly forward to the Government of Bihar and Orissa and to the other authorities concerned for distribution amongst the sorely afflicted people. It will be a sort of consolation to them that in the midst of their trials and tribulations they have got the sympathy and support of the representatives of the country in this House.

Mr. President (The Honourable Sir Shanmukham Chetty): Before putting the motion, the Chair would like to associate it with the sentiments given expression to by the representatives of all sections of this House. The information now available to the country about this disaster must at this stage be necessarily incomplete, but even judging from the meagre information that is now available, we can realise that the magnitude of the disaster is most appalling. The response that the country has made to the appeal made by Their Excellencies is already very encouraging. This House must be congratulated on having thought fit to express their sympathy with the sufferers, but the Chair sincerely hopes and trusts that every Honourable Member of this House will show a practical proof of his individual sympathy, not merely by subscribing himself to the Fund opened by His Excellency the Viceroy, but by persuading his friends and the members of his constituency to respond to the appeal that has been made. (Applause.) It is in that way that we can give practical proof of the sympathy to which we give expression to in this House today. When this motion is adopted, it would be the duty of the Chair to communicate to His Excellency the Governor of Bihar and Orissa and to his Government the deep sympathy of this House with the sufferings of the people of Bihar in this dire calamity. The question is:

"That this Assembly places on record its deep sympathy with the people of the Province of Bihar and Orissa and the other areas in their distress in consequence of the severe earthquake that has caused widespread suffering and distress in the areas affected and requests the President to convey the sympathy of this House to the sufferers. This Assembly trusts that the Government as well as the Princes and people of India will do all that lies in their power to help in alleviating the distress of the sufferers."

The motion was adopted.

MOTION FOR ADJOURNMENT.

RECOMMENDATIONS OF THE CAPITATION TRIBUNAL.

Mr. President (The Honourable Sir Shanmukham Chetty): I have received a notice from Sirdar Harbans Singh Brar that he proposes to ask for leave to make a motion for the adjournment of the business of the

[Mr. President.]

House today for the purpose of discussing a definite matter of urgent public importance as follows:

"The unsatisfactory nature of the decision announced by His Majesty's Government on the recommendations of the Capitation Tribunal, that is the inadequate contribution and compensation promised to India therein."

I have to inquire whether any Honourable Member has any objection to this motion.

(No objection was taken.)

As no objection has been taken, I declare that leave is granted and that the motion will be taken up for discussion at 4 P.M. this afternoon.

The notice given by Mr. B. Das will have to be made tomorrow, because only one motion for adjournment can be made in a day.

GOVERNOR GENERAL'S ASSENT TO BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): I have now to inform Honourable Members that the following Bill which was passed by both Chambers of Indian Legislature during the November-December Session, 1933, has been assented to by His Excellency the Governor General under the provisions of sub-section (1) of section 68 of the Government of India Act, namely, the Indian Tariff (Second Amendment) Act, 1933.

PANEL OF CHAIRMEN.

Mr. President (The Honourable Sir Shanmukham Chetty): I have to inform the House that under Rule 3 (1) of the Indian Legislative Rules, I nominate Sir Abdur Rahim, Mr. K. C. Neogy, Sir Leslie Hudson, and Mr. N. M. Joshi on the Panel of Chairmen for the current Session. (Applause.)

STATEMENTS LAID ON THE TABLE.

The Honourable Sir George Schuster (Finance Member): Sir, I lay on the table:

(i) the information promised in reply to part (a) of starred question No. 1387 asked by Sirdar Harbans Singh Brar on the 12th of December, 1933; and

(ii) the information promised in reply to parts (c) and (d) of starred question No. 1437 asked by Mr. S. C. Mitra on the 16th December, 1933.

LOAN ADVANCED TO THE BAHAWALPUR STATE.

*1387. (a) The following are the figures for capital and interest outstanding on the 31st of October, 1933, in the loan advanced to Bahawalpur State:

	Ra.
Capital	9,72,81,139
Interest	2,25,33,443
Total	11,98,14,582

Note.—The above figures do not include a sum of Rs. 62,11,844 on account of interest up to the 30th of September 1933 which was paid by the State in cash.

AMOUNT PAID TO THE BENGAL GOVERNMENT AS THEIR SHARE OF THE ADDITIONAL SALT DUTY.

*1437. (c) and (d). The Government of Bengal have reported that the sums paid to them on account of their share of the additional import duty on foreign salt have been credited to the general revenues of the province and have been utilised towards reducing the large deficits on revenue account which have been a feature of the provincial finances during these years of economic depression.

Mr. G. R. F. Tottenham: Sir, I lay on the table:

(i) A statement giving the information promised in reply to starred question No. 50 asked by Mr. Gaya Prasad Singh on the 24th August, 1933;

(ii) the information promised in reply to unstarred questions Nos. 303-304 asked by Mr. E. H. M. Bower on the 11th December, 1933;

(iii) the information promised in reply to starred question No. 1263 asked by Mr. S. G. Jog on the 1st December, 1933;

(iv) the information promised in reply to unstarred question No. 239 asked by Mr. S. G. Jog on the 5th December, 1933; and

(v) the information promised in reply to part (a) of unstarred question No. 353 asked by Mr. Goswami M. R. Puri on the 16th December, 1933.

ALLEGATIONS AGAINST THE MILITARY IN CALCUTTA.

*50. It is regretted that negotiations with the Hindu Sabha have broken down. As suggested by the Honourable Member, the desirability of taking the matter to a civil court is now being considered.

USE OF A EURASIAN COMPANY OF ARTILLERY IN THE BHUTAN WAR.

*303. (a) Yes.

(b) It was formed in 1858 and disbanded in 1869.

(c) The Establishment up to 15th September, 1865 was:

Captain	1
Lieutenant	1
Staff Sergeant	1
Sergeants	5
Corporals	6
Buglers	2
Gunners	33
Boys on half pay as gunners	12
Lascars	2
Bhistis	2
Sweeper	1

Hospital establishment:—

Christian Native Doctor	1
Shop Cooly	1
Bhisti	1
Cook	1
Sweeper	1
Dooly Beasess	3

The Establishment after 15th September, 1885, was :—

Captain or 2nd Captain	1
Lieutenants	2
Assistant Surgeon	1

Eurasians—

Sergeant Major	1
Sergeants	4
Corporals	4
Bombardiers	4
Gunners	60
Trumpeters	2

Native Drivers—

Havildars	4
Naiks	4
Drivers	82

Native establishment—

Grass-cutters	41
Farrier	1
Mistree-Smith	1
Fileman	1
Fireman	1
Hammerman	1
Mistree-Carpenter	1
Carpenter	1
Moochie	1
Lascars	2
Bhistis	2
Sweeper	1

EURASIAN COMPANY OF ARTIFICERS.

*304. (a) There was a company of Carnatic Ordnance Artificers who were attested men and liable to proceed on active service. The Officer Commanding the company was the Superintendent, Gun Carriage Factory, Madras.

(b) and (c). No official records are available.

LEAVE AND PENSION OF MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

*1263. (a) No.

(b) Copies of the previous questions and answers mentioned by the Honourable Member have been sent to the Controller of Military Pensions, Lahore.

**RATES OF DISABILITY PENSION ADMISSIBLE TO NON-COMBATANT CIVIL
SUBORDINATES OF THE ARMY IN INDIA.**

239. (a) Under the rules in force in 1915 the relative rank of a civil officer not being an Indian officer, drawing Rs. 200 to Rs. 249 a month, was "Lieutenant of less than three years' service". Pensions to Indian civil officers drawing a salary of Rs. 200 a month or upwards were granted at specified rates subject to a maximum of half their salary and no relative rank was assigned to them.

The subsequent changes in the relative rank of the officer mentioned were :

Date of effect.	Relative rank.
15th May 1922 or the date of commencement of War, if more favourable.	Second Lieutenant.
2nd January, 1925 . . .	Warrant Officer, Class II.
21st October, 1925 . . .	Sub-Conductor.

(b) It is not possible to answer this question without knowing the classification of disability.

RETRENCHMENT OF MINISTERIAL STAFF IN THE ARMY HEADQUARTERS.

353. (a) The information asked for is given in the statement below :

Office.	Retrenchment carried out in regard to ministerial establishment during				
	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
	Rs.	Rs.	Rs.	Rs.	Rs.
G. S. Branch . . .	8,670	11,580	11,580	23,522	33,852
A. G.'s Branch . . .	..	..	3,921	15,224	15,686
Q. M. G.'s Branch . . .	..	60,660	6,372	14,592	3,720
M. G. O. Branch . . .	11,781	9,928	25,472	..	..
M. S. Branch . . .	..	..	..	6,420	..
E.-in-C.'s Branch . . .	12,480	2,700	13,464	1,908	..
Medical Directorate . . .	7,716	5,316	8,748	..	..
J. A. G. . . .	..	..	..	1,310	1,210
A. M. S. (P) . . .	..	..	..	..	..
Contracts Dir. . . .	..	..	..	..	..
A. D. O. S. (P) . . .	25,000	55,000	60,000	..	..
R. A. F. . . .	..	1,130	..	4,000	..

Mr. P. B. Rao: Sir, I lay on the table:

(i) the information promised in reply to a supplementary question to starred question No. 29, asked by Mr. Gaya Prasad Singh on the 28th August, 1933;

(ii) the information promised in reply to starred questions Nos. 798-800 and 804-813 asked by Rai Bahadur Lala Brij Kishore on the 12th September, 1933;

(iii) the information promised in reply to starred question No. 1089 asked by Rai Bahadur Kunwar Raghubir Singh on the 21st November, 1933; and

(iv) the information promised in reply to starred questions Nos. 1334 and 1338 asked by Pandit Satyendra Nath Sen on the 11th December, 1933.

RAILWAY ACCIDENT NEAR MOKAMÉH ON THE EAST INDIAN RAILWAY.

*29. The Agent, East Indian Railway reports that a force of punitive police which had prior to the accident, been quartered at Burhee was the first to receive news of it and the Deputy Superintendent in charge hurried to the scene with as many of his force as he could collect. They remained there until relieved by the ordinary police force.

RETRENCHMENT IN THE EAST INDIAN RAILWAY PRESS.

*798. (a) This is generally correct; but one clerk was also retrenched.

(b) and (c). No.

(d) Yes.

(e) Computers are not necessary for calculating the wages of Technical Staff working on monthly pay but are required for pricing and estimating work.

(f) Yes because neither the costing nor the pricing system had been introduced into the Eastern Bengal Railway press.

(g) There were only two Computers in the East Indian Railway Press in 1926 and now there is one Computer and one Assistant Computer.

(h) No. Correct figures are as below :

	1926.	at present.
Overseer	1	2
Foremen	4	3
Assistant Foreman	Nil	1
Office Superintendent	Nil	1*
Press Mechanic	Nil	1
Section Holders	2	†
Machine Jamadar	3	3
Computer (including Assistant Computers)	2	2
Time Keepers (including Assistant Time Keeper).	3	4‡
Clerks	31	31
Checkers	Nil	Nil

(i) There are no surplus staff at present.

*The post of Head Clerk was designated as office Superintendent.

†Increase due to installation of Mechanical Composing Plant.

‡Increase due to 1 man being required as Time Keeper to the Ticket Printing Section.

RETRENCHMENT IN THE EAST INDIAN RAILWAY PRESS.

*799. (a) No.

(b) Yes.

(c) Yes.

(d) No.

(e) No. Compositors 68. Binders 136.

(f) (i) No.

(ii) No.

(iii) Since the commencement of the economy campaign in 1931 overtime in general has ceased.

(g) No. The Government do not consider that any useful purpose will be served by laying a copy of the letter, referred to, on the table of the House.

(h) (i) The amalgamation of the East Indian and Eastern Bengal Railway presses.

(ii) No, as none are surplus to requirements.

PURCHASE OF TIME RECORDER MACHINES BY THE EAST INDIAN RAILWAY PRESS.

*800. (a) Yes.

(b) (i). Four Time Recorders were purchased on 18th December, 1929, at a total cost of Rs. 1,627.

(ii) and (iii) The clocks are used for booking the times of the arrival and departure of staff and also, in some sections of the department, the time worked on jobs.

These or similar clocks are used in all factories in Britain and America; they are reliable and prevent disputes arising with staff as to their timings.

In the Head Office Press there are two time keepers, the same number as were employed 25 years ago when the staff was smaller than it is at present. Today owing to the absorption of the Oudh and Rohilkhund Railway and Eastern Bengal Railway presses, the work staff has been considerably increased and had it not been for the time-clocks additional time-keepers would have had to be engaged.

MEMORIAL FROM CERTAIN EMPLOYEES OF THE EAST INDIAN AND THE EASTERN BENGAL RAILWAY PRESSES.

*804. (a) Yes.

(b) Government do not consider any useful purpose will be served by placing a copy of the memorial on the table of the House.

(c) (i) The Memorials were carefully considered by the Government of India and the recommendations made by the Agents, East Indian and Eastern Bengal Railways, in connection with the alterations in the rates of pay of some of the press employees were agreed to.

(ii) Does not arise.

RETRENCHMENT AND REDUCTIONS IN THE OPERATIVE STAFF OF THE EAST INDIAN RAILWAY PRESS.

*805. (a) and (c) to (d). Yes.

(b) Some resolutions purporting to be passed at such a meeting have been received.

(e) No.

(f) Government do not consider there have been any irregularities.

STAFF OF THE EASTERN BENGAL RAILWAY PRESS.

*806. (a) They are governed by the Eastern Bengal Railway Press Manual.

(b) Yes.

(c) and (d). No, but in a letter headed "Retrenchment of Press staff" issued in June, 1933, the term "Workshop Staff" was used on the strength of Railway Board's orders that the term "workshop employees" included press employees other than supervisory or clerical for the purposes of Retrenchment Rules.

DISCONTINUANCE OF THE PRIVILEGE OF ALLOWING FREE PASSES TO THE COMPOSITORS OF THE EAST INDIAN RAILWAY PRESS.

*807. (a) Compositors appointed prior to 1921 and drawing a pay of Rs. 20 and over are eligible for Inter-Class passes.

(b) No. They are enjoying the same privileges as personal to them, but men appointed after 1921 are classed as works staff and are eligible for Inter-Class passes when they draw Rs. 75 per mensem and over.

(c) Because of a revision of the Pass Rules.

RESOLUTIONS PASSED BY THE EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

*808. (a) Yes.

(b) (i) and (ii). As the Association is not recognised by the Government of India, no action is proposed to be taken on the Resolutions. Government do not consider that any useful purpose will be served by laying a copy of the Resolutions on the table of the House.

PAY OF COMPOSITORS OF THE EASTERN BENGAL RAILWAY PRESS.

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

(c) No.

(d) All Compositors irrespective of the date of appointment were brought on to the establishment of the amalgamated Press at the rates of pay which they were enjoying prior to the amalgamation excepting those who were demoted.

(e) (i). There were no discrepancies.

(ii) and (iii). Do not arise.

RETRENCHMENT AMONG THE INDUSTRIAL STAFF OF THE EASTERN BENGAL RAILWAY PRESS.

*810. (a) (i). About 15 per cent. of the total staff of the Eastern Bengal Railway Press were retrenched.

(ii) Yes.

(b) Length of service.

(c) Yes. The junior-most man from amongst the Compositors appointed on the same date has been treated as surplus. Others could not be regarded as surplus as the reduction to be made did not warrant it.

(d) Surplus staff when possible have been absorbed and not only clerical staff. As the Eastern Bengal Railway have now no press industrial staff are borne on the East Indian Railway surplus list.

(e) (i) Does not arise.

(ii) As stated above they are already borne on the East Indian Railway surplus list of Industrial staff.

DEMOTION AND REDUCTION IN SALARIES OF THE INDUSTRIAL STAFF IN THE EASTERN BENGAL RAILWAY PRESS.

*811. (a) Yes. Demotion which is an alternative to discharge necessarily entails reduction in pay. No other reductions have been made.

(b) The principles are laid down in letter No. 381-L., dated 20th July, 1932, a copy of which is in the Library of the House.

(c) No. Demotions and reductions have been made in other categories also as required.

(d) Does not arise.

POSITION OF COMPOSITORS AND BINDERS AFTER THE AMALGAMATION OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

*812. (a) Yes.

(b) No.

(c) Only in respect of passes and Provident Fund subscriptions.

(d) The Eastern Bengal Railway Press Employees transferred to the East Indian Railway Press will on amalgamation be guided by regulations which were promulgated in July, 1933.

ACTION TAKEN ON THE MEMORIALS OF THE EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

*813. (a) to (d). Yes.

(e) and (f). Orders have since been issued.

ABSENCE OF A THROUGH PASSENGER TRAIN FROM DELHI TO ALLAHABAD.

*1089. (a) There are four mail and express trains each way between Delhi and Allahabad. There are, however, no through passenger trains between Delhi and Allahabad which stop at every station. The latter were withdrawn because they were found to be unremunerative and were replaced by sectional trains.

(b) As far as Government are aware there has been no report of the unpopularity of the present time table on account of the discontinuance of through slow passenger trains.

(c) Motor competition affects short distance traffic which is catered for by the sectional trains.

I have however, sent a copy of the Honourable Member's question and this reply to the Agent for any action he may consider necessary.

TRANSFER OF THE RAILWAY RATES ADVISORY COMMITTEE TO CALCUTTA.

*1334. (b) (ii) The Secretary of the Committee reports that the cost of packing materials, lorry and cart hire, and labour on account of the retransfer of the headquarters from Vizagapatam to Calcutta amounted to Rs. 245-10-0.

RE-APPOINTMENT OF RETRENCHED STAFF AFTER THE RECONSTITUTION OF THE RAILWAY RATES ADVISORY COMMITTEE.

*1335. Yes. Four men have been reappointed one as clerk, one as a typist, one as a dufty and one as a peon.

ELECTION OF THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz."

The life of the present Committee expires at the end of this month. Hence this motion.

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

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of Members to the Standing Committee on Pilgrimage to the Hedjaz, the Assembly Office will be open to receive nominations up to 12 noon on Friday, the 26th January, and that the election, if necessary, will be held on Monday, the 29th January, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote. For the election to the Committee the same procedure will be adopted as was followed for the election of Committees held during the last Simla Session, namely, that the election, instead of being held in the Assembly Chamber, will take place in the Secretary's room where the Assistant Secretary on the day fixed for the election will remain from 10-30 A.M. to 1 P.M. Honourable Members desiring to take part in the election may, during these hours, go to the Assistant Secretary, get the ballot paper from him after signing in a register in token of their having received the ballot paper, record their vote and deposit the paper in the ballot box kept for this purpose in that room. On the day of the election, notices will be posted in prominent places in the lobby to remind Honourable Members that the election is proceeding.

THE STEEL AND WIRE INDUSTRIES PROTECTION (EXTENDING) BILL.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill to continue for a further period the provisions made by certain Acts for the purpose of fostering and developing the steel industry and the wire and wire nail industry in British India.

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

"That leave be given to introduce a Bill to continue for a further period the provisions made by certain Acts for the purpose of fostering and developing the steel industry and the wire and wire nail industry in British India."

The motion was adopted.

The Honourable Sir Joseph Bhore: I introduce the Bill.

THE WHEAT IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill further to extend the operation of the Wheat (Import Duty) Act, 1931.

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

"That leave be given to introduce a Bill further to extend the operation of the Wheat (Import) Duty Act, 1931."

The motion was adopted.

The Honourable Sir Joseph Bhore: I introduce the Bill.

THE INDIAN TARIFF (AMENDMENT) BILL.

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

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, be referred to a Select Committee consisting of Mr. B. Das, Mr. S. C. Sen, Mr. H. P. Mody, Dr. Ziauddin Ahmad, Mr. S. C. Mitra, Lala Rameshwar Prasad Bagla, Mr. J. Ramsay Scott, Bhai Parma Nand, Khan Bahadur Haji Wajihuddin, Mr. A. H. Ghuznavi, Dr. F. X. DeSouza, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within one week, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

I think, Sir, that the House will expect a more detailed exposition in regard to the objects and reasons than is contained in the statement appended to the Bill in respect of, firstly, the necessity for this measure, secondly, in regard to its scope, and, thirdly, in regard to its form. I will take the question of necessity. I venture to believe that Honourable Members of this House are so fully seized of the matter already that it is hardly necessary for me to indulge in any elaborate justification. The considerations which induced this House to pass the Safeguarding of Industries Act a little less than a year ago, considerations which have lost little of their force today, afford, I venture to submit, the necessary justification. We had then begun to experience the full force of the abnormal competition from Japan, competition caused by or at any rate grievously enhanced by a heavily depreciated currency and the apparent failure of ordinary economic laws to act in the direction of redressing the initial advantage gained by the country with a depreciated currency. I ought, Sir, at this stage to inform the House of the steps we took after the passing of the Safeguarding Act. After the Budget Session we examined carefully the condition of the various industries that had applied for protection under the Safeguarding Act. An exhaustive questionnaire was prepared and circulated to all the industries concerned and to the various Chambers of Commerce. As the result of a very careful examination conducted by the President of the Tariff Board and by Dr. Meek, the Director General of Statistics, we came finally to the conclusion that the industries which are dealt with in this Bill had made out a case for immediate action under the Safeguarding Act while other applicants had failed to make out a case for emergency action. This Bill, Sir, represents the conclusions we then arrived at. In case, however, there are Members of this House who do not realise fully the character and the

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extent of the competition which the industries concerned had to face, I would like to quote one or two cases which I hope will serve to remove any lingering doubt, if doubt there remains, as to the necessity for the measure which is now before the House. I will take the case of one class of hosiery, cotton undervests; the imports into India from Japan have been as follows:

In 1931-32—1,272,000 dozen.

In 1932-33—2,589,000 dozen.

In 1933-34 (during the first eight months)—over 2,200,000 dozen.

Honourable Members will realise the significance of these enormous increases. Equally significant is the decrease in price. The average price of Japanese undervests in 1931-32 was Rs. 2-11-0 a dozen; in 1933-34, it had sunk to Rs. 1-13-0 a dozen. Take another example, that of lead pencils. Japanese imports had increased from 879,000 dozen in 1930-31 to 2,344,000 dozen in 1931-32 and to 4,654,000 dozen in 1932-33; while prices have fallen from Rs. 1-3-0 a dozen to 10 pies a dozen.

I have taken these cases at random, but I hope that the figures which I have given will make it clear that we really had a case for the safeguarding of these industries. Indeed, Sir, where criticism has appeared in the country it has been rather in the direction of blaming Government for the delay in taking action and a failure to go as far as they possibly might have done. In regard to the first of these criticisms, Sir, I would merely point out that we could not apply the Safeguarding Act until at any rate the 10th October last, the date on which the trade convention with Japan came to an end; and I will explain later why it is that we have chosen the device of minimum specific duties and have preferred to come to the Legislature rather than take any other action that might have been open to us.

I next turn, Sir, to the scope of this measure and I would here like once again to emphasise an aspect which certain industries have deliberately ignored. They have taken this opportunity to try and obtain substantive protection by what they consider is an easy short-cut. Now I want to make it perfectly clear that this Bill is not intended to give substantive protection to any industry. If an industry feels that it has a case and that it is able to make a reasonable *prima facie* case for such protection, then we are prepared to remit that case to the Tariff Board for consideration. The whole object of the Safeguarding Act is not to afford protection to an industry in pursuance of the policy of discriminating protection laid down by the Legislature and accepted by Government, but to afford a temporary shelter to industries which have been affected by abnormal competition made possible by abnormal factors. Our procedure, Sir, has been this. We have taken a period when conditions were more or less normal. Such a period was the year 1930-31 when the industries concerned had made no complaint of exceptional or unfair competition, when exchange and other relevant factors were more or less stable; and we have then taken steps to restore as far as may be possible the competitive conditions existing in that year. I will illustrate the general procedure by reference to a particular case. Take the case of umbrellas. In the year 1930-31, we find that the average c.i.f. price of an umbrella imported from Japan was 14 annas 6 pies and the duty paid price was about Rs. 1-1-6. In 1933, we find that the average c.i.f. price of a Japanese umbrella had sunk to about nine annas. We have proposed a minimum

specific duty of eight annas, bringing the duty paid price to about Rs. 1-1-0, about the same level as the duty paid price in 1930-31 allowing for certain factors like fall in prices. That is the general procedure we have adopted, with, of course, modifications in individual cases. There is another point that I would like to bring to the notice of the House in this case, and that is that the fall in prices has been accompanied by a very greatly enhanced importation. The imports of umbrellas rose from 4,828 in 1930-31 to 14,802 in 1931-32, to 250,537 in 1932-33, and to the enormous figure of half a million in the first six months of 1933. I would like to point out to the House that we have kept before us the following important considerations; firstly, we have taken into account in the case of every industry concerned the extent of the Indian production. We have required that the production should be fairly substantial in extent; otherwise obviously we should be penalising the consumer for the sake of a comparatively unimportant or minor industry. Secondly, Sir, we have taken into account, and we have only acted in cases where the fall in price has been abnormal and of a serious nature. And thirdly, we have borne in mind the effect of the fall in prices on imports. I want to make it clear once again that we are not granting substantive protection by this Bill: we are merely, speaking quite generally, seeking the restoration of competitive conditions to a level which existed when there was no complaint of unfair or abnormal competition.

I come lastly to the question of the means which we have adopted to restore fair competitive conditions for the industries which are concerned. It would have been probably easier, and in some cases probably more satisfactory, had we been able to apply the provisions of the Safeguarding Act, to impose the necessary duties against Japanese goods, discriminating their case from the case of goods from other countries from which the competition was more normal in character. But early in our negotiations with Japan, her representatives made it clear that the prospect of our concluding a trade agreement depended upon whether we would be prepared to accord Japan most-favoured-nation treatment. It was evident that the alternative which faced us was either to abandon the hope of a trade settlement between the two countries or to endeavour to find a means by which we could secure the results that we were trying to achieve without discriminating in our customs duties against Japan. We chose the latter alternative and in these circumstances I have no fear that responsible opinion, whether commercial or political, will criticise us adversely for the line which we have taken. Had we, as some short-sighted interested critics would wish us to have done, adhered to the Safeguarding Act and made use of the discriminatory powers which it gave us, we would most certainly have had to face inevitable trade hostility between the two countries. I am perfectly certain that there is no responsible person within or without this House who would for one moment suggest that we should have risked the possibility of the rupture of friendly and amicable trade relations between the two countries rather than have endeavoured to find an alternative method of securing the object which we had in view. As it happens, we found it possible by the imposition of non-discriminatory minimum specific duties to give on the whole fair protection to the industries which merited it and at the same time to maintain almost unchanged the old *ad valorem* incidence on the goods imported from other countries than Japan. The House will further recognise that a specific duty is preferable to an *ad valorem* duty when it is imposed for the purpose of protecting the products of home industries. In a period of falling prices,

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the measure of protection which is afforded by an *ad valorem* duty tends to grow smaller and smaller so that, when it is most needed, it may be least effective. A specific duty is not open to this objection. I do not for one moment suggest that recourse to a minimum specific duty has always in every case been entirely and wholly satisfactory for the purpose that we had in view; but I do make these two contentions: I say first that recourse to a specific duty has enabled us to give reasonable protection to industries which had a reasonably good case; and, secondly, I contend that in no other way would it have been possible to serve that object and to have maintained unimpaired our amicable trade relations with Japan.

That completes what I have to say at the moment. I am quite prepared to hear criticisms from two opposite quarters: from the representatives of some industries which, I have no doubt, will be disappointed because they have not been able to secure substantive protection through a backdoor; and, on the other hand, from the representatives of the importers who naturally feel themselves to be up against it and will no doubt take up arms on behalf of the consumer. I am moving for a Select Committee so that we may go carefully into the rates of duties we have proposed and may satisfy ourselves that we have held the balance fairly between the consumer on the one hand and the producer on the other. Sir, I move.

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

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, be referred to a Select Committee consisting of Mr. B. Das, Mr. S. C. Sen, Mr. H. P. Mody, Dr. Ziauddin Ahmad, Mr. S. C. Mitra, Lala Rameshwar Prasad Bagla, Mr. J. Ramsay Scott, Bhai Parma Nand, Khan Bahadur Haji Wajihuddin, Mr. A. H. Ghuznavi, Dr. F. X. DeSouza, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within one week, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1934."

Sir, it is right that the Treasury Benches are surprised at this amendment, because, at the time of this calamity which has happened in my province, it might have been thought that I will not be present here to move my amendment, but the great responsibility at my shoulder forces me to move any amendment. Sir, personally I have always been opposed to any protective measures. It is not a new thing: representing the poor consumer, on principle I had no other alternative but to move this amendment. I have already said and I want to repeat it here that Government are very kind to the manufacturers, but they are not so kind to the consumers at all: and the reason why they are so kind to the manufacturers is not that they have any real sympathy with the industrialists and the manufacturers: rather their main reason is that their interests and the interests of the manufacturers are bound up on this point: they want money for the army: they want money to pay the high-salaried officials: they want money to run their whole show, and they think that, if they tap any other source, it will create some trouble in the country and so they come forward with these protective measures. My Honourable friend, the Finance Member, in the garb of the Commerce Member, is piloting

this measure. If you will see the Bill, you will find that in this Bill there are cases which really do not require protection: had they been true in saying that they want to protect Indian interest, they would have protected other things as well, but they are not doing it, because they think that they will lose in that. Take the case of rice, for instance. What are they doing for that? A Conference was held at my suggestion, but they called it an informal conference, not even a formal conference. What are they doing for the export of hides and skins? They are doing nothing in that direction. What are they doing for the poor agriculturist who forms the 99 per cent of the Indian population? So I think that this measure is not really for the benefit of the industries in this country; rather it is only in the interests of the Government, because they want money and this is an easy means of getting it. They want to fill the pockets of the millionaires by robbing the pockets of the poor consumers. This is not a just policy. The Government do not consider that apart from the manufacturers there are consumers as well in this country. They forget the percentage of the manufacturers in relation to the consumers. Again, you will find that all the things which are used by the consumers have become very costly and dear. Even salt and kerosene oil are very dear in this country. Now the Government have imposed a duty on diesel oil even which affects the agriculturists. The Government totally forget that about 99 per cent of the people are agriculturists and they will suffer the most by the passing of this measure. There are many articles in this Bill which will affect them. There are many items in this Bill which are used as medicines. What about the poor cultivators and poor consumers? I submit that the poor man has a better claim at the hands of the Government than the big man who has got millions of rupees. The poor men have not got sufficient clothing, they are half naked, and do not get sufficient food now-a-days, and, if this Bill is circulated, they will have a chance of informing the Government how it will affect their interests. Take the case of sugar. The factories here are making profits cent per cent. There are certain factories whose owners have admitted that practically they have realised the whole of the money that they have invested in these factories. Sugar has become costly, but the poor cultivator is getting only four to five annas per maund for sugarcane.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): And the earthquake has taken away some.

Mr. M. Maswood Ahmad: I am glad it has affected a few of the factories. Now, they have this protective duty on sugar for 15 years. In order to give help to those who have got sufficient money, Government readily come forward, but, when it is a question of helping the consumers and the poor men, they do not do so.

Without going into the merits of the Bill any more, I suggest that the Government should circulate the Bill in order that the public may get a chance to express their opinions. And, in my opinion, if the protection is needed at all, it is needed by the consumers. With these words, I move the amendment.

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

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1934."

Mr. B. Das (Orissa Division: Non-Muhammadan): I do not know if I should congratulate the Honourable the Commerce Member or I should condole with him on this belated measure which he introduced at the fag end of the Session last year. Lord Asquith, who was well known for his dilatory policy, used to offer the advice, "Wait and see". My Honourable friend, since he became the Commerce Member, always likes to offer that advice, "Wait and see". This morning he has introduced two measures. He introduced a Bill for extending the Steel Protection Act for another few months. It seems that something is wrong with the experts of the Commerce Department, with the organisation of the Commerce Department, that they cannot visualise the time factor of the work that that Department has got to do. They knew that the Steel Protection Act would come to an end by the end of March this year, and still they come forward and say that the Tariff Board which they have appointed could not report by that time. Similarly, the Department always likes to procrastinate and postpone things, and, at the end, with mountains of labour, a mouse is produced—this present protective measure!

I am sorry that I must at this stage say, being an avowed protectionist, I cannot subscribe to the opinion that was expressed by my Honourable friend, Mr. Muswood Ahmad. My Honourable friend, with his personal experience of South Bihar, said that the sugar industries in his province were making enormous profits. I think, in spite of the great disaster due to earthquake in Bihar, for which I offer my sincere sympathy to my friends, the people of Bihar, the agriculturists in Bihar have prospered due to the protective tariff that this House gave to the sugar industry. In fact, the newspapers gave out that the Government of Bihar met at a conference the representatives of the Bihar province in order to see how the sugarcane grower could get more money by selling his sugarcane. But I must say that my Honourable friend has not properly represented the interests of the sugarcane growers in Bihar when he said that there should be no protection given to the sugar industry. The Honourable the Commerce Member took a long time to introduce in this House the Safeguarding of Industries Act. Thereafter, he took an inordinately long time to bring forward this measure. But if I look over the items, I find only a few items have been included, and though I was not present in this House, —I must confess I have not read the speeches delivered on that occasion—the newspapers gave out that the Finance Member would be a gainer by Rs. 40 lakhs. I congratulate the Honourable the Finance Member on this windfall in these hard days, but he would have got more if the Commerce Member had paid due attention to the grave menace that is threatening the other industries in this country. For instance, I shall refer to one or two items. My Honourable friend wants to protect the globes for hurricane lanterns, but he has not yet seen his way to publish the report of the Tariff Board on the glass industry. I do not know if it will see the light of day; I do not know why that report has not yet been published. I am sure that my Honourable friend recollects that he has received dozens of representations for the lightening of the burden on sheet glass manufacturers in India. I agree with him that this Bill is not meant to give adequate protection to any industry; its object is to give relief from the unholy Japanese competition. There is a firm in Cawnpore which manufactures sheet glass and, from a note supplied by it, I see that it prepares 35 per cent. of the requirements of this country. Yet the Honourable the Commerce Member did not see his way to raise the tariff on the sheet glass import. There is one thing I would like to ask—either your ruling or a

reply from the Honourable the Commerce Member now or later. I see that my Honourable friend, the Commerce Member, has come back to his seat. I would ask the Honourable the Commerce Member to enlighten this House at this stage of the discussions whether it will be in the competence of the Select Committee to propose the inclusion of other articles than those included in this Bill and whether it will be in the competence of the Select Committee to enhance the rates proposed in this Bill.

The Honourable Sir Joseph Bhoré: The answer to that question is in the negative.

Mr. B. Das: I knew that. Being a tariff Bill we on this side of the House can lower it, but we have no power to advise or admonish the other side to raise it. Unless the Honourable the Commerce Member will be moved to change his views either as a result of documents produced on the floor of the House or in the Select Committee, it will be no use our taking part in the discussion, but knowing the reply that fell from the Honourable the Commerce Member this morning to one or two supplementary questions on the Indo-Japanese agreement, I know what is agitating the mind of the Honourable the Commerce Member and also the Government of India. They are afraid of the Japanese Government and of the Japanese foreign policy. The Government of India, being a subordinate branch of the British Government, is very much frightened by what the cypher branch of Mr. Metcalfe's Department may produce before them. I would just like to enlighten the Honourable the Commerce Member and also the House by quoting one or two extracts of what I saw in a Japanese paper, for it was published in English and printed in the Indian papers. Mr. Mody, who I am glad is here, raised such a howl over the protection of the cotton mill industry that all other industrial interests have been forgotten. I take this opportunity of thanking the Bombay paper, the *Financial News*, for publishing the Japanese Press opinion from time to time about the Indo-Japanese agreement and the *National Call* of Delhi which has reproduced it. This appeared in the *National Call* of the 22nd January, 1934. The Japanese paper, *Osaka Hainichi*, writes:

"The plans of the Foreign Office are said to be as follows:

(1) To maintain a compromising policy in order to keep up the friendly commercial relations subsequent to the expiration of the present Indo-Japanese Commercial Treaty on October 10.

(2) To ask for the modification of the prohibitive Indian tariff on Japanese cotton goods and general merchandise in return for which Japan will change its tariff so as to make the tariff on Indian pig iron and take measures to make possible the importation of a certain quantity of Indian rice."

I do not find any mention of this in the Indo-Japanese agreement published in India. Then, further, it says:

"Regarding this, the Finance, Agriculture and Commerce authorities held that the tariff of this country is based on the national economic policy and the policy of the protection of domestic industry and that it cannot be altered according to the tariff policy of other countries. . . . They also assert that the increase of the tariff on Indian pig iron in June last year was necessary for the realization of the plan of the steel works merger and for the control of the iron industry and a reduction of the tariff on Indian pig iron cannot be tolerated. They are likewise opposing the plan of allowing the importation of Indian rice" (*I hope my friend, Mr. Maswood Ahmad, will note this*) "when the importation of rice from Taiwan and Chosen is restricted for the protection of the farmers. They contend that according to the present treaties, only Californian rice and Siamese rice can be imported and Siamese rice is used only for the manufacture of cakes."

[Mr. B. Das.]

I just point this out, because the Japanese paper gave out that this Japanese Delegation met the Honourable the Commerce Member and his friends to discuss the whole of the Indo-Japanese commercial agreement. I should very much like to hear from my Honourable friend as to what happened to the other articles. I want to know whether rice was discussed and whether pig iron was discussed. In fact the Indo-Japanese commercial agreement saw the light of day on the 7th January and the Japanese Delegation raised a protest. I do not know whether that protest was justified or whether Japan thought that it could exercise pressure on the Government of India through the British Foreign Office, especially on my friend, the Honourable the Commerce Member. I want to know whether His Excellency Mr. Sawada raised the question of the new Tariff Bill. Of course I congratulate my friend, the Honourable the Commerce Member, for the very nice and suitable reply that he gave. The Government of India have no diplomatic policy. Whenever I see these replies, I feel "why use halting and faltering language. Why not hit out straight. Why not speak the truth", and my friend has not spoken the truth this morning even.

The Honourable Sir Joseph Bhore: Does my Honourable friend charge me with having told an untruth?

Mr. B. Das: I did not mean that.

The Honourable Sir Joseph Bhore: My Honourable friend must not judge me from himself.

Mr. B. Das: My friend must not expect us to believe that whatever the Government Members say are nothing but the whole truth
 1 P.M. and that they always say the whole truth. What I mean to say is that the Government are accustomed to concealing certain facts and that they do not like to reveal the whole facts. If my remarks seem to hurt the feelings of my Honourable friend, I shall then say that my friend has not placed all the cards on the table. That is my charge. If my remarks, however, hurt his feelings, I apologize, but I am emphatic in my assertion that the Government of India have never taken us into their confidence and have never taken the country into their confidence.

An Honourable Member: Probably it is diplomacy.

Mr. B. Das: Of course we, being public men, do not know what diplomacy is. We speak out the honest mind of the country. I do hope, when the Honourable the Commerce Member replies, he would tell us what actually transpired during the survey of the question of the commercial treaty and commercial conventions between India and Japan, and whether all these questions were discussed.

Sir, I should also like to refer to one or two more items. As regards the chemical industries,—of course we must be thankful for small mercies,—one or two small chemicals have been included in this Bill, but what about the clamour throughout India for the protection of the heavy chemical industries? I do not know if the Tariff Board's report on the heavy chemical industries was published, but I believe—and I may be corrected if I am wrong—it was not published nor was any help or succour given to the heavy chemical industries. Then there is this hosiery industry. My friend, Mr. Ramsay Scott, is here and he is flooding the press with a scientific

version of the scheme of protection that the hosiery industry would receive. I also have received a few telegrams and I am told that that industry has not at all been adequately protected from the Japanese menace. We may clamour, we may shout from this side, but as the Honourable the Commerce Member has pointed out, we cannot make any changes except what has been provided for in the Bill. Probably we may be allowed to reduce the rates, but that is no pleasure; that will not protect the groaning small industries that are today suffering from the inroads of Japan. Sir, I would like, with all due respect, to refer to the hard work that the Honourable the Commerce Member and his Department have done in producing this little measure, —and probably there will be other similar measures. But, with all that, I would like him to take note of the serious situation that the menace of the Japanese aggressive commercial policy has brought about not only for India, but for the whole of the British Empire. Only this morning or yesterday I read that in England they are also trying to confer and to find out ways and means of stopping the Japanese imports. But, in India, somehow the Government of India are afraid, and they want to proceed at a dead slow pace. Whether they are afraid to hurt the susceptibilities of the Japanese nation or those of others, I do not know, but they do seem to be afraid. I think my Honourable friend, the Commerce Member, will agree with me—and I am not laying a serious charge against him . . .

The Honourable Sir Joseph Bhore: I cannot agree with my Honourable friend on that point, Sir.

Mr. B. Das: I hope he will agree with me on one thing and that is that this Bill has brought to the forefront the importance of the question of the specific duties and *ad valorem* duties. Sir as one, noting day by day the effect of *ad valorem* duties on the purse of the Chancellor of the Exchequer in India, I do feel that the right solution for securing a full treasury for the Finance Member of the Government of India is to adopt more and more specific duties and that it will solve some of the problems which the Honourable the Finance Member is trying to solve and which this House will realise when he makes his Budget speech. I welcome the courage on the part of the Government of India in introducing specific duties and I do hope that in future they will be bold enough to introduce specific duties in respect of other items in the Indian Tariff Act so that a certain minimum degree of protection will be given to the small industries scattered all over India, and not only that, but that the Finance Member will be assured of a definite amount of receipts from the customs. Sir, with these few observations, I support the motion that the Bill be referred to a Select Committee.

Mr. Lalchand Navalrai: Sir, I must confess I cannot see eye to eye with my Honourable friend, Mr. Maswood Ahmad, over this Bill being sent out for circulation. It seems to me that that will serve no useful purpose and the reasons my Honourable friend placed before the House have not induced me to come forward and side with him with regard to this Bill being sent out for circulation. He did say that—rather, I won't say he exactly charged the Government—but he did mention that this Bill was being introduced to help particular manufacturers. Well, that may be, but I say that all these articles have naturally to be marshalled out readjusted and reassessed with duty if any agreement has been made with Japan. I take it, it is with that object that this Bill has been introduced in this House. I must at the outset say that it would have been better and wiser to bring this Bill after we had known what the agreement with

[Mr. Lalchand Navalrai.]

Japan was. Sir, certain articles are being protected, but we do not actually know what has been the actual agreement with regard to those commodities with Japan. We are absolutely in the dark and we cannot say whether we are going to be sufferers or going to be benefited by this enactment. One thing which has struck me with regard to this question and which is more or less an answer to my Honourable friend, Mr. Maswood Ahmad, in connection with the circulation of the Bill is this. The Honourable the Commerce Member gave us an assurance that he will keep himself open on the assessment of these commodities and with regard to their protection and to hear the industrialists in this country and also the importers if they have to make any representations affecting them. I hope that the Members of the Select Committee to whom this Bill will be sent will also allow the representations to be made from both sides so that they may arrive at a very just decision.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): The Committee will have to report in a week: how will it be possible for them to do this?

Mr. Lalchand Navalrai: It is for them to get the time extended.

Mr. M. Maswood Ahmad: What about the consumers?

Mr. Lalchand Navalrai: There are certain associations of these consumers. There is the Indian Chambers of Commerce and there are other Associations, and they can be heard. If there is anything which is not equitable and just, they can come before the Select Committee and represent their case.

Mr. S. C. Mitra: Can all this be done within a week?

Mr. Lalchand Navalrai: I have already given the answer to this, namely, that it is for the members of the Select Committee to ask for the extension of the period. Occasions have arisen when extensions have been obtained. What I wish to say, therefore, is that it will serve no useful purpose if we are to delay the passage of this Bill although it would have been better if it had come before this House in its proper time, namely, after the Japan agreement had been considered by this House. Then, Sir, I find that this Bill is so copious and there are so many articles and commodities in it that one is at a loss to understand whether a particular item of commodity or minor industry is going to be affected or not. At any rate, there is one matter in my hands about which I am in dark and whether it comes under the purview of this Bill or not I do not know. I have received representations from local industrialists with regard to an industry which is called the cocoanut oil industry. There is the cocoanut oil industry in India and there is the copra commodity which is being imported and also being produced in India. I do not know whether copra and cocoanut oil which has at present been receiving protection is being affected by this Bill or not. There are so many articles mentioned in the Tariff Act, but I have not been able to find cocoanut oil and copra separately mentioned. I looked into the Bill itself and I do not find it there also. I want to be enlightened with regard to this point, because I have received representations to the effect that they are being very much prejudiced by the Tariff Board.

The Honourable Sir Joseph Bhoré: No, Sir. Neither copra nor cocoanut oil comes within the purview of this Bill, but, with your permission, might I make a statement here which might help to remove my Honourable friend's difficulty. I fully recognise the difficulty he has pointed out and I propose henceforth in dealing with complicated tariff measures to have a statement drawn up which will show quite clearly to individual Members of this House the article concerned, the existing rate of duty and the proposed rate.

Mr. Lalchand Navalrai: I am very much thankful to the Honourable Member for having taken up this suggestion and, in future, I think there will be no occasion to complain nor shall I have the trouble of going so minutely into these Bills and asking my Honourable friend whether a particular item is there or not. But with regard to copra and cocoanut oil, I will only make a passing remark.

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

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

Mr. Lalchand Navalrai: The other thing to which our attention had been drawn by Mr. Maswood Ahmad was with regard to the sugar factories. I have always seen the Honourable Member having at heart the welfare of the Indian industry and I was at a loss to understand that an Honourable Member of his type should speak disparagingly of the sugar factories. I have found the Honourable Member advocating the welfare of Indian industries, and I do not understand why he was getting jealous of the sugar industry thriving. India is a great cane producing country and it can supply any amount of cane to meet the demand of sugar in this country. We cried aloud that the small sugar factories which in olden times existed in every field had disappeared. Now, when the sugar factories have been re-started and when they are yet in their infancy, the fact that an Honourable Member of this House should come forward to speak disparagingly of them is a matter for regret. I do not think he really meant anything, perhaps, he only wanted to draw the attention of the House to some particular factory with which he was dissatisfied. Anyway, we know unfortunately the sugar factories in Bihar have suffered terribly by the recent earthquakes. Protection ought to be given to the sugar factories and I do not think the Honourable the Commerce Member should take it very seriously if an Honourable Member on this side of the House happens to say that sugar factories have been given an undue advantage. On the contrary protection is necessary in order to make India not to send for any sugar from Java or other places. That is a point to which I want to draw the attention of the House.

I said that this Bill was copious and I also said that this Bill related to several articles. May I also say that this Bill is very important too. I certainly agree that this Bill should go to the Select Committee. I do not differ on this point, but I must strike one note and that is that the time given for going through such an extensive Bill which contains so many articles is not adequate. Complaint has been made to this effect by Mr. Mitra that seven days would not be enough to scrutinise such an important

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Bill. I think there is a great force in that complaint. I would request the Honourable the Commerce Member to give some consideration to this point and I would also request the members of the Select Committee to go exhaustively through the provisions of the Bill and then make a report. I have one word more to say with regard to the consideration that Bills generally receive at the hands of the members of the Select Committee. I do not refer to any particular case, but I must say generally on account of want of time or on account of the fact that certain papers are not in the hands of the members of the Select Committee or for some other reasons some of them do not take much interest in the deliberations of the Select Committee. I have been a member of several Select Committees and I have found that some members do not give as much attention to the subjects that come up for discussion in the Select Committees as they ought to. I, therefore, request the members of the Select Committee in the present instance to take keen interest and bring out the Bill so well considered that the House may not feel any difficulty in giving its assent to it and the Members voting without any question.

Now, Sir I find from the Statement of Objects and Reasons appended to the Bill the following:

"In fixing the levels of the proposed minimum specific duties the following considerations have been kept in mind:

- (a) the necessity for adequately safeguarding the Indian industry concerned, and
- (b) the desirability of avoiding as far as possible any increase in the *ad valorem* incidence of the duties on goods the competition from which does not constitute danger to Indian industries."

This principle is very good and it sounds very well on paper, but I hope it will be applied in practice. I hope that attention will be given to this principle by the members of the Select Committee. There is one thing, however, I wish to bring to the notice of the House. These are days of depression and it is, therefore, necessary that a large amount of protection should be given to Indian industries. With that view, I submit, grave consideration should be given when any particular protection on any particular articles has to be reduced. I have in my hands a representation from the Karachi Shippers and Buyers' Chamber and the Indian Merchants Association. They refer to copra and cocoanut oil. In their representation, which, I think, they have also sent to the Honourable the Commerce Member, they have supplied an instance where, in fact, this principle enunciated in the Statement of Objects and Reasons has actually not been applied by the Tariff Board. They say that copra has been getting protection at present of Rs. 10 per cwt., and cocoanut oil a protection of Rs. 15-8-0 per cwt., and I ask the Honourable the Commerce Member to apply the principle laid down in the Statement of Objects and Reasons and find out whether the Tariff Board is right in reducing that protection. I find that they are now proposing to reduce that protection to Rs. 12-8-0, a reduction of Rs. 3 at once. So much so that the Shippers and Buyers' Association, Karachi, and the Bombay Merchants think that it may really be a mistake in figures. This may ruin the cocoanut industry in India. You know there is a good deal of cocoanut grown in Southern India, in Bombay and Karachi, and if the protection is at once reduced from Rs. 15-8-0 to Rs. 12-8-0, where will this industry be and where will be our cocoanut oil? If that is the index, it will be stultifying the objective mentioned in the Statement of Objects and Reasons. Then, take copra. At present the protection is Rs. 10 and they are reducing it to Rs. 9 though the proposal before the Tariff Board was for Rs. 9-8-0.

There is, however, a representation made to the Commerce Member by the Karachi Buyers' and Shippers' Association with regard to this reduction in the protection on copra and cocoanut oil.

The Honourable Sir Joseph Bhor: I do not think my Honourable friend realises the fact that neither copra nor cocoanut oil is included within this Bill.

Mr. Lalchand Navarai: I am conscious of that, but I am at present discussing the principle which has been enunciated in the Statement of Objects and Reasons. I am only giving an instance of how the Tariff Board acts though this particular matter may be now on the anvil of the Tariff Board or of the Commerce Department itself and will have to be considered by the Commerce Member. But I am saying that if the Tariff Board is doing things like that as to bring down the protection from Rs. 15-8-0 to Rs. 12-8-0, it will be ruinous. So far as this Bill goes, I have no objection to its going to Select Committee, but I would request the Commerce Member and the members of the Select Committee to see that proper protection is given to Indian industry and Indian Commodities.

Then I come to one other matter and I have done, and that is with regard to the present price-level of commodities in India. I think the Commerce Member in his speech made a reference to this price-level. I did not exactly follow what he said, but if he said that the price-level of 1931 has to be maintained, then that is a matter to which I should demur. At present the prices are very low. The agricultural prices specially have gone so low that not only the agriculturists, but the industrialists and almost all others have been affected. I will give an example. I am a lawyer, an advocate. When people engage me and I ask for my usual fees, they plead inability. They cry of the low prices and offer to pay in kind, in the shape of grain. But what can I do with grain when it does not fetch as much? If Government would take their assessment in kind, that would be some consolation to them. In ancient times, among the Mughals and Amirs in Sind, revenue used to be taken in kind, and if that system were re-introduced, that would be some relief. So, at present, everybody is affected and even the debtors cannot pay the creditors. So it is this country which wants help and protection and everything should be looked at from the interests of India and the Indian products.

Mr. M. Maswood Ahmad: Do you suggest that the price of all the articles mentioned in the Bill should be raised?

Mr. Lalchand Navarai: No; I am saying that the price of grain should be raised. As regards the prices of other articles which are more or less luxuries, we do not care if their price is reduced. They will not help us at all, but what will help us is the produce of our land. We all live upon the produce that our agriculture gives; Government lives upon it and everybody else does live upon it. Therefore, we should raise its price. There is a cry from all corners of India for that.

With these remarks, Sir, I support the proposal for sending this Bill to the Select Committee, but I do advocate that care should be taken and serious consideration given when any protection is reduced.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I will say at the very outset that whatever measures

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we may adopt, we may not be understood to mean that we are acting against Japan. Our Government is on very friendly terms with the Government of Japan and the people of India are on very friendly terms with the people of Japan. But what we should like to advocate from this side is the principle which the Leader of my Party repeatedly advocated on the floor of this House, viz., "live and let live". That is really the principle on which we are going to work, and if we impose any duty, it is simply on this principle of "live and let live".

Sir, when I came to this House, I came with a full determination that I was going to support the motion moved by my Honourable friend, the Commerce Member, but with a few observations; and one of the important observations that I wanted to make was as to the alternatives that he has suggested, either 25 per cent *ad valorem* or Rs. 1-8-0 per dozen duty on certain commodity. It has been pointed out repeatedly by several papers that this Rs. 1-8-0 per dozen works out to a taxation equivalent to something like 200 per cent or 240 per cent. Therefore, the two alternatives of 25 per cent or 240 per cent, whichever may happen to be higher, remind me about the two questions that were set in an examination in a university.....

Mr. J. Ramsay Scott (United Provinces: European): What article are you talking about?

Dr. Ziauddin Ahmad: I am talking about hosiery.....

Mr. J. Ramsay Scott: Undervests? I think Sir Joseph Bore gave the Japanese price as Rs. 1-13-0 a dozen: is Rs. 1-8-0 250 per cent on Rs. 1-13-0?

Dr. Ziauddin Ahmad: I am referring to the article printed in the *Star of India*, and my friend is welcome to read it. As I was saying, this reminded me of two alternative questions that were set in the matriculation examination of an Indian university. The candidates were asked to answer either of two questions: the first question was: "Reduce $\frac{8}{36}$ to the lowest fraction"; but the second was a big and difficult question of stock which was sufficient to frighten an ordinary school boy, by the mere wording. Like that we have got two alternatives, which appear very simple: either have Rs. 1-8-0 per dozen or 25 per cent *ad valorem*; but this Rs. 1-8-0 per dozen has been worked out by those who are concerned with this as meaning 200 or even 240 per cent in many cases. This is the thing which I wanted to comment, but the speech delivered by my Honourable friend has entirely changed my opinion and I now very strongly support the motion of my friend, Mr. Maswood Ahmad, for the reasons I am now going to give.

Taxation is always imposed on certain principles. I can understand taxation in which the principle is the raising of revenues. Revenue duty is intelligible to every one. I can also understand to a certain extent the principle of retaliation—that is, you retaliate against those countries which wage against you an economic war by way of taxation. The question of imposing this kind of duty does not arise. I can also understand the principle of taxation on account of the depreciation of currency: that is, if the value of currency in a particular country has depreciated and the

Government lose revenue by charging *ad valorem* duty on articles which have been very much lowered in value in our own currency, then I can understand. The calculation of duty may be readjusted. For example, take a commodity on which 25 per cent. *ad valorem* duty is charged. It formerly costed 100 rupees, and it had to pay a duty of Rs. 25. But now its price has been reduced to Rs. 50 on account of the depreciation in the currency of the producing country, it will still pay 25 per cent. *ad valorem* or only 12-8-0 as customs duty, and thus the Government lose their revenue by Rs. 12-8-0. The Government may desire to restore the previous income by readjusting their tariff. This can be done more easily by fixing a rupee at standard value of exchange for the purpose of calculating custom duty and not at the market rate. Another principle of taxation is the protection duty, *i.e.*, a duty levied to protect particular industries. I will come to it later on. But the new principle of taxation which has been enunciated for the first time by my friend, the Commerce Member, and which will baffle every economist not only in India, but all over the world, is that you levy a customs duty in order to maintain the price level. My Honourable friend says "no", but I will just quote his own words which I put down: "Here we are not providing any protection for any particular industry, but we simply desire that the prices of manufactured articles should remain the same." I think these are the words which I took down when he was making his speech.....

The Honourable Sir Joseph Bhoré: I have no recollection of saying that. What I really said was that we were attempting to restore generally the fair competitive conditions that existed during a normal period; and I may make my position quite clear and assure the Honourable Member that, in fixing these rates that we have put into this Bill, we have allowed generally for the fall in prices.

Dr. Ziauddin Ahmad: Whatever he may have said and whether I understood him correctly or not is not very important, because the figures are there and they can be tested. I understood from the speech of the Honourable Member that these duties have been fixed with that object alone that the price of these commodities in 1934 should be the same as in 1931; and he gave the figures in his speech of the prices in 1931, in 1932 and in 1933, and he attempted to adjust the taxes in such a way that the prices of these manufactured articles in 1934 should be the same as they were in 1931. That is the underlying idea of the whole of this Tariff Bill. There is no question of opinion about it—it is a question of calculation only. Therefore, if that is the principle, I say it is an entirely new principle of taxation which the world did not know before, namely, that in determining the amount of revenue duty on a particular article you take into consideration the fact that the prices of various commodities should remain at a particular level. If that is the principle, I must say it is a novel principle. We have been demanding repeatedly that the prices of agricultural produce should be raised and then stabilised, but the Government always refused to consider it. The prices of manufactured goods have not been lowered to the same extent as those of agricultural produce. The real problem before our country is—how to raise the price level of agricultural produce in the country; the problem now is not to maintain the price level of manufactured articles, whether manufactured in this country or imported from outside. We demanded the reduction of ratio from 1-6 to 1-4. The Government refused it and

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brought out a new theory. I say, therefore, that if the idea is to keep up the price level of 1931 in the case of these manufactured articles, not only we in this House will oppose this Bill, though you may get it passed by a majority of votes, but it will be vehemently opposed throughout the country; it will be vehemently opposed by any person who understands economics; it will be vehemently opposed by the agriculturists who will say that the Government of our country pay no attention to the price level of agricultural produce, in spite of the fact that 75 per cent. of the population depend on it; they devote all their attention to maintaining price conditions of manufactured articles. When we determine the amount of taxation and fix the exact value of the duty, there is one point which we never consider, and that is the point of view of the consumer. Unfortunately the consumer class is very much disorganised, and, as they have no organisation, they have no representation: at present the consumers are represented in the person of the Commerce Member. I daresay that the Honourable the Commerce Member is a very bad

specimen of the consumer, because he really does not know

what are the articles purchased for his household, he does not know whether the price of the matches has gone up by one pice or not; probably these things are left to his servants, and, therefore, I daresay that, from the point of view of the consumer, he is a very bad specimen, and we ought to have a representative of the public to whom the raising of the prices even by a few annas or pies would be a matter for serious consideration . . .

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Are we not representatives of the consumers?

Dr. Ziauddin Ahmad: I think you are the representatives of the taxpayers.

Sir Muhammad Yakub: Don't we all consume?

Dr. Ziauddin Ahmad: But you are as bad specimen of the consumer, as my friend the Commerce Member.

Sir Muhammad Yakub: What about yourself?

Dr. Ziauddin Ahmad: Perhaps not so bad. The consumer's point of view is not properly represented, and, therefore, it is very desirable that his point of view should be very carefully taken into consideration, and the consumer's interests should not be ignored simply because they are a very much disorganized body and their opinions are not sufficiently vocal and they are represented only by the Honourable the Commerce Member who really does not understand the feelings of very poor people to whom even one pice is a matter of very great consequence. Instances are not wanting when people commit murders for a few annas. Now, my friend, Mr. Mody, who is attempting to interrupt me is also a bad specimen from different angle. He is a representative of the Bombay orphanage which is popularly known as the Millowners' Association, and he also does not very much care for the feelings of the consumers . . .

Mr. S. C. Mitra: They are making large donations to the earthquake funds. They are not very bad this time.

Dr. Ziauddin Ahmad: Sir, there is one point more which we should not ignore, and in which consumers are very much interested. Suppose the price of an article without custom duty is one rupee; it is sold in the village markets for two rupees. The moment you put a duty of four annas on that particular article, then the price of that article in the village markets will not be raised to Rs. 2-4-0, but to Rs. 2-8-0, or Rs. 3-0-0 which is practically double, because, by putting 25 per cent. duty on any particular article, the profits of the middleman is proportionately increased, and ultimately the consumer pays double the amount, if not more. I pray that the consumer's point of view should not be ignored, because the imposition of the duty would not merely mean a slight increase in the market prices, but they will be increased by an amount which may be three or four times the customs duty imposed on the article. Some people may argue that if we put these high prices, a large number of people might give up the use of that particular article, they will be content with what we produce in the country, they will use what is manufactured in the country, and thus India will be able to stand on her own legs, and we should not import anything from outside. This theory may look very nice on paper, but I for one would certainly never advocate it, and we would not follow this theory if we could; and we could not follow it if we would. We really form part of the whole of the civilized world and we cannot exist for ourselves, and we must move in harmony with other countries. Secondly, we have to pay 73 crores to the United Kingdom in different forms, and this we can only do by the sale of our goods to the outside world, and, therefore, we cannot support the theory that India may be a self-supporting country. Some of the countries which are not debtor countries may advocate this particular theory, but we in India unfortunately cannot do so.

Now, I come back to the protection duty. What is its significance? We request the consumers to pay donations so that a particular industry may be established in the country and it may provide living to such persons who otherwise would fall back on the charity of the earning members of the country. This, I consider, is the principle of the protection duty. This protection duty is the same as we practise in family, but on a larger scale. Supposing a relative of yours is not in a good position and you give him some money and ask him to establish a business. He starts that business and he stands on his own legs and ultimately repays it. You would help only such persons who live economically. The protection duty must satisfy the five conditions which I shall presently enumerate, and unless these five conditions are satisfied, no protection duty is justified

Mr. S. C. Mitra: It is not paid as a protection duty by Government,

The Honourable Sir Joseph Bore: I made my position quite clear. Mr. Mitra is perfectly right. I stressed the point with all the emphasis I could lay on it, that substantive protection was not being given.

Dr. Ziauddin Ahmad: Is it a revenue duty if it is not a protection duty?

The Honourable Sir Joseph Bore: I explained, Sir, and I took some trouble to explain that this was not a Bill intended to give substantive protection to any industry. It was merely intended to afford temporary shelter to industries that were suffering from abnormal conditions which were caused by abnormal factors.

Dr. Ziauddin Ahmad: Sir, this is a thing which is entirely novel to me, that is, you are not going to give any substantial protection to any industry, but you are going to give a temporary shelter. It only means that you are going to tax the poor consumers to an enormous extent which he cannot afford to stand, and for what? For wastage. Not for the establishment of an industry, but for allowing it to linger one or two years more. Protect or don't protect. Protect adequately, so that they stand on their legs, or say frankly that don't waste energy and money. If it is a revenue duty, I can understand the position; if it is a protection duty, I can understand the position; but if it is a peculiar kind of duty which, in plain words, is intended simply to raise the price level of the manufactured articles to the 1931 level, then that is a principle I would strongly challenge.

Mr. S. C. Mitra: You should take into consideration the fall in the level of the prices also.

Dr. Ziauddin Ahmad: I appreciate protection to an industry which can stand on its own legs, but if you afford protection, even though it is temporary, to an industry which is not likely to stand on its own legs with your inadequate protection, then it really means that you are taxing the poor consumer unnecessarily. The protection should be given and given adequately to an industry which is likely to stand on its own legs. My second condition is,—and here I agree with my friend,—nobody should ever advocate any protection duty of a permanent nature; it should be temporary, a period of five to seven years is sufficient, and in exceptional cases it may be extended to 10 years, but to go on keeping the protection duty for an indefinite period is a great injustice to the consumers.

Then, the third thing is, the protection duty should be given for the benefit of the poorer people; it should not be given for the benefit of the millionaires. For instance, we have seen in the case of the sugar industry,—and that was the point raised by my friend, Mr. Maswood Ahmad, and probably misunderstood by my friend, Mr. Lalchand Navalrai—that in the case of the protection duty to the sugar industry it is not the small cultivator who is being benefited, but it is really the capitalists who have set up the machinery who are being benefited by it. . . .

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

Dr. Ziauddin Ahmad: My friend, Mr. Jadhav, says question, but my answer to him is that these mills are making a profit of 50 to 150 per cent. If any business under protection is making such huge profits in these hard times when Banks don't give you more than two per cent., then is it justifiable to afford protection to such an industry? My friend, Mr. Jadhav, may say that he is himself a shareholder and he knows how much he gets. . . .

Mr. Lalchand Navalrai: How can that thing be avoided?

Dr. Ziauddin Ahmad: Then, Sir, these people are paying very uneconomic prices to the sugarcane growers. Therefore, we are giving this protection really for the benefit of the capitalist without giving a corresponding advantage to those persons for whose benefit this protective

duty was sought to be levied. The fourth condition is that the duty should be to such an extent that it may not involve any hardship to the consumer. However disorganised the consumers may be, still they are an important body, and their interests cannot entirely be overlooked. Take the case of protective duty on sugar. Before this duty was levied, the prices of *gur* and sugar were not abnormally different; the price of the one was approximately double of the other. But now the price of sugar is more than four times the price of *gur*, and this shows that the price has been artificially raised. The fifth point is that we should not violently upset the trade.

These are the five principles which I suggest we ought to follow in levying a protective duty, and unless these principles are observed, I do not see that there is any justification for putting on any duty whatsoever except for revenue purposes, and in that case it should be done in a regular manner on the occasion of the Finance Bill.

There is one serious, and I may say, unpardonable omission for which this House and the Government of India are responsible. We think that we have done our duty if we simply pass an Act imposing a protective duty. Take the case of steel, sugar, and other articles. We simply imposed heavy duties and taxed the consumers, and we thought that we had done our duty. But that is not enough. We ought to see from year to year that the duty that we have imposed is being utilised for the benefit of the poorer people and that it is not unduly harsh on the consumers. Here the Government of India have no machinery to judge for themselves whether the duties that we have imposed is benefiting the poor people and not the capitalists alone. Therefore, I would suggest that whenever any duty is imposed, it is very desirable that the Government should have some machinery by means of which they can judge for themselves that the capitalist is only getting a fair return, say, about four times the bank rate of interest, and not an abnormal return, and that the poorer people are benefited. Poor cultivators bring their canes to sugar factories and they are compelled to stand near the factories for several days in order that the weight of the cane may be diminished, and ultimately the cane is sold at a price which is less than that of fuel. If sugarcane is purchased at a price lower than the price of fuel, then it is not a right thing in the interests of the poor cultivator. I have repeatedly drawn the attention of the House to the fact that the Government of India shove their responsibility on to the Local Governments. We are responsible for taxing the people; we are responsible for putting these capitalists in a privileged position; we are responsible for putting the consumers and the poorer people in a very disadvantageous position; and still we shove the responsibility of bad consequences to the heads of Local Governments and feel that we have fulfilled our duty. It is our duty and the duty of the Government of India to see that the privileges of protection are not misused, that persons for whose benefit this protective duty is levied do not suffer.

I now come to one or two items, though I do not like to discuss them in detail because we may possibly have an occasion to discuss them later on, but I should like to make a passing reference to them. First I take the case of hosiery. I notice from the values given by the Finance Member himself that the duty on certain articles works out to 240 per cent. I think he said ten pies per dozen is the value of certain vests. . . .

The Honourable Sir Joseph Shore: My Honourable friend is mixing up undervests with lead pencils. (Laughter.)

Dr. Ziauddin Ahmad: I am not confusing the two. Lead pencil I will come to later on, but I am discussing

The Honourable Sir Joseph Bhave: The Honourable Member is undoubtedly confusing the prices. Ten pies was the price I gave for a dozen lead pencils.

Dr. Ziauddin Ahmad: The price of a child's sock is ten annas per dozen and even less, and, therefore, to put a custom duty of Rs. 1-8-0 per dozen on that article would work out to

Mr. J. Ramsay Scott: The duty on socks is not Rs. 1-8-0; it is 10 annas.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): You go on with your arguments, never mind the facts. (Laughter.)

Dr. Ziauddin Ahmad: In proof of what I say I may refer you to an article in the newspaper the *Star*. There it is worked out that the customs duty at prevalent prices on board the ship works out in certain cases to 240 per cent.

Mr. J. Ramsay Scott: How do you work out your 240 per cent?

Dr. Ziauddin Ahmad: I quote from the *Star of India*:

"In the first place, it should be noted that the proposed tariff of 25 per cent. or Rs. 1-8-0 per dozen whichever is higher, which has been levied on goods such as cotton vests, may not appear very heavy duties, but as very large quantities of these goods are landed in India for manufacture at c. i. f. rates of about 10 annas to Rs. 1-8-0 per dozen, the duty as now imposed means an immediate increase from 10 to 240 per cent."

This is really the basis of the thing that I have mentioned. I think that the import duty which is to be levied is not really desirable. I do not want to go further into the details of the theory of protection as my Honourable friend has admitted that he does not mean to protect any industry. I would otherwise have pointed out that it does not give employment to as large number of persons as the persons engaged in distributing these goods and here I have got a letter dated the 8th July, 1933, in which this thing was brought to the notice of the Commerce Member. The figures were collected from the various provinces and in the Central Provinces it was discovered that only 47 persons were employed in the hosiery industry.

Mr. J. Ramsay Scott: How many people were employed in the United Provinces which is the centre of the industry?

Dr. Ziauddin Ahmad: I have got the figures for the Central Provinces here. In reply to a question, the Honourable the Commerce Member said that only 23 per cent. of the total consumption is made in India and the rest is imported from outside. If we are giving protection, we must see that we produce a very large amount of the manufactured articles. If the output is not increased substantially, then to tax the consumers for the benefit of this 23 per cent., is unnecessary and without justification. The Honourable the Finance Member pointed out that the number of imported articles was increasing very rapidly, but in this case there is

no question of dumping. Now the poor people have begun to clad their children with undervests. The moment the prices of these go up, these poor people will go back to a state of nature and will never be able to use vests for their children as they are now using in the villages. For agricultural labourers, even one anna is a matter of great importance, and the moment you raise the price of these vests, they will give up using them altogether and the sufferings of these people, especially in the case of children, will be very great. It will be a misfortune to them, and no help to our industry. I would have strongly supported, had protection increased the hosiery industry and made it stand on its own legs.

Now, coming to the question of pencils to which my Honourable friend referred just now, he knows that education is now spreading rapidly in the villages. In the country places a large number of schools are being established and they use the cheap pencils. Actually the teachers ask the pupils to use pencils instead of the old form of wooden board and chalk. These poor people now buy these cheap pencils. My Honourable friend said that these pencils cost 10 pies or 10 pice per gross?

The Honourable Sir Joseph Bhore: Ten pies a dozen.

Dr. Ziauddin Ahmad: These pencils are not used by respectable persons. I think the Secretary of the Legislative Assembly never uses them. They are never supplied to us. These are the pencils used by poor villagers. Increase in the price of these pencils will not improve our home industry, but it will substantially affect the poor school boys in our villages and, as a result of this, the cost of education may increase.

I will now mention one more article,—the sugar candy. I pointed out early last year that there had been some mistake in the omission of sugar candy altogether in the Tariff Act, and I said that we were losing very heavily on this particular article. I pointed out that we had already sustained a loss of Rs. 82,000, and if immediately relief was not given, most of these factories would be closed. This is exactly what has happened. I myself inspected some of these factories. I counted as many as 24 in May, but a fortnight ago, only two were in existence. The rest had been shut up on account of the indifference of the Government of India. Had this duty been imposed at the right time, this industry would have survived. Now, most of these factories have already been closed, and I am not sure whether the protection that we are giving is sufficient to enable them to reopen those factories.

There is one point which is not very clear to me and that is whether the customs duty which is imposed here is with or without the surcharge of 25 per cent. Will there be a surcharge over and above the duties provided here?

The Honourable Sir Joseph Bhore: No.

Dr. Ziauddin Ahmad: Then, in that case, I think this figure is not sufficient. This temporary relief, as my Honourable friend calls it, is no relief at all. Then, there is a small omission and that is in regard to soft sugar. Soft sugar is not mentioned here. That should be put in the same class as sugar candy, and I hope the Honourable the Commerce Member will take a note of this. Therefore, Sir, though I do not like to oppose the Bill, the incidence of taxation proposed here will not be

[Dr. Ziauddin Ahmad.]

acceptable to any class of persons. Manufacturers will say that the duty is not enough. The distributors will say that it is too much. The poor consumer will be seriously affected in this struggle. The duty, my friend, the Commerce Member, clearly says, is neither protective duty nor revenue duty. It is a peculiar kind of duty which will irritate everybody. We will find it out if we circulate the Bill, and hence I suggest that the Bill ought to be circulated. Sir, with these words, I resume my seat.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I would not have intervened in this debate but for one or two flagrant omissions in this Bill. But before I proceed to that aspect of the question, I must say that I am one of those who fear that we are making too much fetish of this kind of protection, and, from the consumer's point of view, I am afraid we do not know where it will land us. Sir, the income of the ryot, especially in the place where I come from, has been reduced to one-third of what it was; so it is not fair to deprive the consumer of the benefits of a reduction either by competition or otherwise in prices. Now, by imposing this kind of protective duties, you are precluding him from enjoying the benefits of the reduction in prices and compelling him to pay more. Inasmuch as the Government have decided to go on with this Bill, and if, however, the Assembly is inclined to help the Government, I do not propose to enter into the merits of that aspect of the question now. I only wish to point out that while we are rendering help to some of these nascent industries, it is but proper that the claims of others equally deserving should not be overlooked. Representing as I do my constituents, I should thank the Government for including in the schedule some of the industries in which they are very much interested. Sir, I find there are four industries connected with my constituency which will be helped by the provisions of this Bill. First, the fish-oil industry (which is practically our monopoly), then the cotton hosiery and socks industry,—throughout Malabar and the west coast there are several factories where these things are manufactured. Another item is the soap. Now, with regard to that industry, we are the greatest consumers of that article, and, of late, started several soap factories, the Government of Madras giving the lead. Then comes the tiles. In the whole of the west coast, there are heaps of tile factories, and the protection proposed to be given will certainly be a kind of help to those people. Representing as I do these classes of people, I must certainly be thankful—quite apart from my own opinions—to the Government for the small mercies that they are showing to them.

But, as I said, the one important industry which the Government have totally ignored is the yarn industry. Sir, you know there are several cotton spinning mills in Coimbatore, Madura and other places. There is one mill in Calicut, called the Malabar Spinning and Weaving Mills. Most of these factories confine themselves to spinning. There is an important mill in Madura managed by Messrs Harvey which have about five lakhs of spindles and that is perhaps the biggest spinning concern in the world. I do not think even in England there is such an efficient factory as that. In Coimbatore, there are three or four important mills of which you, Mr. President, know more than I. Then, in Malabar also, there is a very large mill which has been in existence for more than forty years. Sir, the money invested in these mills amounts to several crores of rupees, the capital and the other things of the Harvey's alone being about Rs. 3 crores . . .

The Honourable Sir Joseph Bhore: Does my Honourable friend know what dividends the Madura Mills have been paying during the last three or four years?

Mr. K. P. Thampan: They used to pay fairly decent dividends, but of late there has been considerable reduction.

Mr. H. P. Mody: It came to Rs. 30 lakhs last year.

Mr. K. P. Thampan: But the mill in Malabar is not paying any dividend. So also the mills controlled by Stanes and Company in Coimbatore have not paid any dividends and the shares are depreciated by 50 per cent. I can quote other instances also.

The Honourable Sir Joseph Bhore: My Honourable friend referred to the Madura Mills. On looking up the Investors Year Book, I notice that that particular mill to which my Honourable friend referred paid in the last four years dividends of 24 per cent., ten per cent., 10 per cent. and 10 per cent.

Mr. H. P. Mody: Does my Honourable friend take it on the block or on the capital?

Mr. K. P. Thampan: What about the Malabar Spinning Mills, the Coimbatores, the Combodia and Sitaram Mills? Has my Honourable friend looked up the dividends of these companies also? Well, these mills are supplying yarn to the millions of cottagers who carry on a large weaving industry in South India. Sir, I have seen in a report of the Industries Department of Madras that cloths made by the cottagers are exported outside the Madras Presidency to the extent of over two crores of rupees in a year. This is not a small sum, and if such a large industry as that is made to suffer, it would be a distinct disservice to the country. Sir, I am told that on account of the competitive prices, particularly the prices of Japanese yarns, these cottage weavers are going in largely for foreign yarns of late. I want the House to look at the export and import figures. I find that between the years 1931 and 1933, that is, in the course of three years, the export of cotton yarn has fallen from 23½ millions to about little more than 15 millions; that is, during the course of three years, the export of yarn has been practically reduced by one-third. India was producing yarns not only to meet her own demands, but was also a large exporter. In the case of imports, Japan alone has increased her yarns by 300 per cent. In the year 1932-33, Japan imported 18 million pounds of yarn, while, in the previous year, they had imported only six millions. Sir, if these are not sufficient grounds for the Government to interfere in regard to this industry, I do not know what other statistics they would require. Besides, this is an industry which gives employment to thousands of labourers in this country. Let me warn the Government that, by its inaction, they would be not only making the industry suffer but also make thereby the unemployment more acute. There are more than 32 items of articles of indigenous industries that are sought to be protected in this Bill. Now, I want to know, if the Government are of the opinion that the yarn industry is better off than any of these at this moment. That is a point which I wish to know. What are the figures which my Honourable friend wants in order to satisfy himself that this industry is suffering. I am prepared to

[Mr. K. P. Thampian.]

supply them. I ask him, how is the yarn industry less deserving of protection than the other industries? Is the fall in prices of the imported yarns as compared to those of other articles better?

What is the test you want? Sir, in this connection I wish to invite the attention of the House, before I conclude, to a statement that was recently issued to the Press by Messrs. Harvey as soon as the terms of the Indo-Japanese agreement was published. In the issue of the *Hindu*, dated January the 5th, Messrs. Harvey wrote as follows:

"With reference to the Indo-Japanese Cloth Agreement, and the Bill amending the Tariff on sundry articles, at present before the Assembly there is grave danger of the cotton yarn industry being left at the mercy of Japan and China as Government are apparently satisfied with their present achievements. Cheap yarns are still flooding the country and putting the spinning industry in a perilous condition. Cloth manufacturers are apparently blind to the fact that ultimately their business will be ruined also as small weaving mills with no spinning springing up, are taking advantage of cheap yarns and also harming hand-loom weavers. There is no use Government saying they will consider when passing orders on the Tariff Board Report as the latter has been in their hands over one year and in any case the situation has entirely changed since their deliberations by the Japanese Yen depreciation. The following telegrams have been exchanged recently between ourselves and Government, and as they show, no satisfaction has been forthcoming.

Proposed alterations to Tariff Schedule appear to ignore cotton yarns. We would impress upon you the grave necessity for immediate action to give the industry adequate protection against Japan and China. We would appreciate an assurance that the interests of the industry are not being over-looked."

To this the following reply was sent on the 2nd instant:

"The Tariff Board Report has been in Government's hands for one year but no orders have yet been passed. In view of the difficulties of trading in the past year this is to our minds inexcusable. In any case new circumstances have arisen since Tariff Board considered yarn duties, particularly the Japanese menace and it is vital if the spinning industry is to survive that adequate duties against Japan and China be immediately applied. Piecegoods manufacturers have already received preferential treatment many months ago and minor industries are now being cared for, while a major industry is being ruined. Please give the matter your earnest consideration.

Umbrellas and various other minor industries are benefiting by enhanced tariffs and time and energy are being expended in putting the Amending Bill through the Assembly. The addition of yarn to the list would occasion little further trouble. It is more deserving than the industries now being protected, with the possible exception of hosiery which is a large cottage industry and certainly requires assistance. It would really appear as if Government are using yarn to placate the Japanese—not very pleasant by any means for the innocent sufferers!"

Sir, as is stated here, the spinning industry is not less important than any other industry and I appeal to Government with all the strength that I can command, that they will reconsider the whole question and try to improve the position of that also. That is all I have to say at present.

Mr. B. V. Jadhav: Sir, I find that I cannot support the amendment moved by my friend from Bihar, Mr. Maswood Ahmad. It is, I think, intended to postpone the consideration of the Bill and to put off in that way the imposition of additional duties on the articles mentioned in this measure. It is a dilatory motion and, therefore, I have to oppose it. We cannot afford to postpone a measure of this nature. A tariff measure must be passed without any unnecessary delay if it is beneficial, and, if

it is not beneficial, it ought to be thrown out and no time ought to be wasted over it.

India is an agricultural country and the interests of the agriculturists ought to be looked to. The wants of this vast agricultural population are increasing and, therefore, industry ought also to be encouraged in order to satisfy these increasing wants. In former times, India was self-supporting, because the wants of her population were very moderate. Even in the case of clothing, it is well known that the people of India did not use much clothing. Many of them went with bare bodies. In Madras, I saw that generally the labouring classes have got a loin cloth only and nothing else. But they, too, on account of the prevailing fashion, are now putting on clothes like vests and thus satisfying their vanity. I do not think that, because of this excessive use of clothes, their health has improved. On the contrary, they are suffering in health; but we cannot help them. They will be vain and, therefore, they will put on more and more clothes.

India is an agricultural country and she produces abundance of food-grains and also raw materials. It will, therefore, be foolish on the part of India to ignore her industries and to export her raw materials to foreign countries and to purchase articles manufactured from them. Sir, at present the agricultural population of India is suffering from economic difficulties, from cheapening of foodgrains as their produce does not fetch as much as it used to do before. Their purchasing power is almost gone and, therefore, trade and industry has been suffering. To make matters worse, other countries have taken very great strides in industry, and Japan especially has been dumping a large number of articles on the Indian market. The nascent industries of India find it very difficult to meet this competition and they have been petitioning Government to take compassion on them and to protect them by raising a tariff wall. You know that many cases were referred to the Tariff Board for examination and their reports are now before Government. I congratulate the Honourable the Commerce Member on bringing this Bill before the Assembly, as it proposes to give protection to a number of articles. It is well known that Japanese competition has been very severe on account of the depreciation of the yen. Japan has depreciated her currency and, therefore, she is thriving in her industries, especially in her exports. America is also following in the footsteps of Japan. America is sacrificing millions of dollars in order to depreciate her currency and to regain her footing in the markets of the world which she has lost by this time. It is also well known that Japanese competition was very keen and now, in respect of certain articles, the American competition is becoming keener. I refer to the hurricane lantern industry in India. This industry was established 10 years ago and was doing well. After the close of the war, the Austrian and American competition became very keen and the industry had to pass through very critical times. On account of the depreciation of the yen, Japanese lanterns began to be sold in the markets of India at a much cheaper rate and the competition became almost unbearable for the poor industry. To make matters worse, the depreciation of the dollar has come and American lanterns are sold even cheaper than Japanese ones. At the same time, it must be borne in mind that the quality of the American goods is a little superior to Japanese goods. The lantern industry in India is suffering a keen competition both from Japan and America. One would have naturally expected that Government would come to the help of this

[Mr. B. V. Jadhav.]

industry. Among the list of articles that are to be protected, we find glass chimneys and hurricane lantern chimneys. But that is not all. As a matter of fact, these glass chimneys have not to bear much competition. It is the other articles that are feeling the strain of foreign competition. For instance, the bottle making industry is passing through a crisis and the competition is very severe and one does not know when the few factories that are manufacturing bottles will close down. So also those making electric shades. There are certain factories which are turning out electric shades of very artistic design at a reasonable price. The competition from foreign countries is very severe in these articles and the industry is almost on the point of being crushed. But here in this Bill the Government do not take any notice of that industry. They are protecting articles in which there is no severe competition and are leaving out articles in which there is very severe competition. I am not unconscious at the same time of the claims of the consumers who are getting articles cheap on account of foreign competition. Whenever a tariff is proposed, the extra rise in the price is to be paid out of the pockets of the consumers. To that extent the consumer suffers no doubt. But the whole policy of Government is to take measures in such a way as to afford relief to one side and to close their eyes to the sufferings of the other side. For instance, when protective duties were imposed in order to encourage the sugar industry, no measures were taken to stop profiteering that was inevitable on account of the extra duties on imported sugar. We are now told that the sugar manufacturers are making 100 per cent. and 150 per cent. profit without giving anything to the poor cultivator who raises the cane. Government ought to have taken steps to see that no excessive profiteering was carried on. But Government look upon contract as sacred and they say that every one ought to be on his guard. The factory owners are well organised, but the cultivators are not. In this age, organisation always succeeds against disorganisation. It is the duty of Government to see that the agriculturists who supply raw materials to the factories are not taken unfair advantage of.

[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).]

In this connection, I should like to say a few words about the mill industry of Bombay. The mill industry has come for very severe criticism in this House on this and on other occasions. The millowners, who are also the millionaires, have been described by my Honourable friend, Dr. Ziauddin, as orphans. During the war and a few years thereafter, the millowners of Bombay were paying huge dividends of 80 per cent. and 100 per cent. to their shareholders. The Japanese also made huge profits in those days. But the millowners of Japan made proper use of those profits. They built good houses for their workmen and established hostels where good food could be served to them and where the working classes would live in very sanitary conditions. They invested a large portion of their profits in this way and now the Japanese millowners are reaping the harvest. Their mill hands are contented and receive proper education at the cost of the millowners and, therefore, they turn out very good work. As the cost of production has been lowered in Japan, they are able to sell cloth much cheaper than the Bombay millowners could do. Japan

is now in a position to dump her goods into India and in other parts of the world, not only on account of the depreciation of the yen, but also on account of their superior management and also the foresight they used when they made large profits. The millowners of Bombay, when they made huge profits, gave large dividends and they now find that they cannot meet this severe competition. Another Hogarth may paint in lurid colours his rake's progress of these days

(It being Four of the Clock.)

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, order. Sirdar Harbans Singh Brar.

MOTION FOR ADJOURNMENT.

RECOMMENDATIONS OF THE CAPITATION TRIBUNAL.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, I move that the House do now adjourn.

Sir, on the 21st December last was published the report presented by the Tribunal appointed to report on certain questions in regard to the defence expenditure in dispute between the Government of India and the War Ministry and the Air Ministry. The report was signed as far back as January 1933 and it took the Government no less than one complete year to publish the report and to mutilate, if I may use the word, the passages as reported by the Tribunal itself. Neither is the report published *verbatim* nor the notes of dissent written by such eminent jurists as the Honourable Sir Shadi Lal of the Lahore High Court and the Honourable Sir Shah Mohammed Suleiman of the Allahabad High Court. The two distinguished Chief Justices of two Indian High Courts who sat as members of that Tribunal and considered the matters brought before them in a most judicious manner were not considered efficient enough to use judicious language which could be produced *verbatim*, for the perusal of Indians as well as outsiders on such a vital matter of public importance, namely, the defence expenditure of India. Only summaries of the report and the minutes of dissent have been printed and published for our perusal, but even as published they give us enough material to show that India has not been treated as she was entitled to. India had pressed for a substantial contribution from the Imperial revenues towards the cost of the army maintained in India not only for Indian purposes but much more for Imperial purposes and for Imperial defence, which is more and more, since the war, drifting towards the east. It is now becoming apparent that the future war is more likely to take place in the east rather than in the west and the Indian army is likely to play a much greater part in the defence of the British Empire than ever before; and in such circumstances India's claim is much more strengthened than before.

As far back as 20 years ago, one of the most illustrious of British statesmen and the present principal adviser to His Majesty, the present

[Sirdar Harbans Singh Brar.]

First Lord of the Treasury, the Right Honourable James Ramsay Macdonald, stated in black and white that nine-tenths of the charge of the army in India was an Imperial charge, that it was maintained for Imperial purposes and that it had served in many theatres of war for Imperial reasons and in Imperial defence. He stated that other Dominions derived just as much benefit from the army maintained in India for their internal defence when a foreign power invaded them; and as those Dominions did not contribute towards its maintenance, India was entitled to receive the same generous treatment and the troops maintained for Imperial purposes must be paid by the Imperial exchequer and not by the Indian exchequer. Since the British Government took the direct administration of India into their own hands from the Company, the Indian army has been used no less than 14 times outside the borders of India for Imperial purposes; and even when it is used within its borders on the frontier, it more often than not serves the purpose of Imperial defence rather than of purely Indian defence, because the frontier of India is as much a frontier of the Empire and of British commercial interests as India herself.

Certain aspects of the case of India have been stated in very clear terms in the report and the minutes of dissent which should form the basis of the calculation as to what the contribution of the Imperial exchequer ought to be towards the cost of the army in India. It has been pressed on behalf of India that, as in the case of certain colonies a percentage of the total revenues has been fixed to be the maximum charge for the defence of those colonies, the same may apply in the case of India and the maximum that has been put is that 20 per cent. of the revenues of the colony may at the most be spent for the defence charges of that colony. Other considerations also were pressed, viz., that as the army in India is used and required and is likely to be used more for Imperial purposes than for Indian, at least half of the defence charges of India may be borne by the Imperial exchequer. Even if that was not to be accepted by the Imperial Government, it was stressed on behalf of India that the cost of maintaining British troops in India apart from the Indian troops may be wholly or in part borne by the Imperial exchequer. Half of that cost would amount, according to the figures produced before the Tribunal, to about 18 million pounds a year. And if we consider the cost of the British troops alone, that would entitle India to at least 16 million pounds a year. Even if that ground be not taken to be sound, let us consider the difference between maintaining the same number of Indian troops in place of British troops which we now maintain; and even then we arrive at the fabulous figure of 10 million pounds a year. Instead of that we have been awarded a paltry sum of a little over a million sterling per year apart from the capitation and sea transport charges of £330,000. And that cannot be considered to be a figure to which India cannot be said to be rightly entitled. I must admit that as far as the Army Department of the Government of India was concerned or even the Finance Department of the Government of India was concerned, they have done their best to fight the case of India. The report and the minutes of dissent make it perfectly clear that even the India Office fought the case of India very boldly and strongly for fair treatment; and it must go to the credit of our present Finance Member that when he came to

this country, the War Office of the British Government was pressing for a claim of at least one crore a year from the Indian revenues and he has succeeded during his tenure of office in pressing that the matter be considered by an impartial tribunal and the merits of the case reported upon. And, in spite of the fact that we did not get even a decent proportion of what we are entitled to, he has at least secured for India two crores a year and he has left for his successor a contribution of no small sum, i.e., two crores a year, to be got from the British Government. But that is only as far as his efforts were concerned, and I have no quarrel either with him or with the Army Department of the Government of India for whom I have nothing but words of appreciation for the manner in which they pressed the claims of India. The Government of India and the India Office were the best judges in the matter, because they were the agents of Britain and the rulers of India able to understand the view points of both in a fair and impartial manner. Blood being thicker than water, their findings could not be called prejudicial to the interests of Britain, and unduly favourable to the interests of India. It is a different matter that the British Government, whom I stand to condemn, have not acceded to the claims pressed so strongly and so vehemently by the India Office and the Army Department. My quarrel is with the Government in Britain from whom we asked for a contribution and from whom we are entitled to get a contribution because they govern the policy as well as the number of troops to be maintained in India and to be used either in or out of India for Imperial purposes. It is the British Government from whom we are entitled to and from whom we asked for an additional contribution in one of the ways suggested by the two minutes of dissent appended to this report: that is, that either one-half of the total expenditure on the defence of India be borne by the Imperial Government, because the army in India is maintained for the defence of all the dominions like Australia and South Africa: if tomorrow there was a war between Japan and Australia, certainly Indian troops will be the first to be sent for the defence of the Empire. Why should not those dominions and colonies pay as much for the maintenance of these troops in India as India is paying, because the troops are for the benefit of all the dominions and the colonies? If those colonies and dominions are treated in a generous and fair way, that they must only pay for the troops which are maintained there for internal requirements, then India must be treated in the same manner. For the troops maintained here for Imperial purposes, only Britain must pay. I, therefore, consider that the British Government has treated the case of India in a most niggardly manner and has not been fair to us in the same way as it has been to the other dominions. India is entitled even at this late stage to ask for substantial relief in the charges of the maintenance of the army in India. Our ratio of expenditure to the general budget is the highest in the world not only in the British Empire, and that cannot be justified in any circumstances, because Indians are not responsible for the carrying out of the administration of their country: they cannot reduce expenditure: it is not within their power, because the policy and programme is dictated from Whitehall

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has got only one minute more.

Sirdar Harbans Singh Brar: It is only Whitehall which should consider these things and give us adequate relief. Therefore, with these remarks, I move that the House do now adjourn.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Motion moved: "That the House do now adjourn."

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, an adjournment motion moved in this House is a censure on the Government of the day; but as my Honourable friend has argued this motion, I find it is all in praise of the Government of India, and I think technically he will not be correct even to press it to a division. But yet I support his motion, because I think that there are some *laches* on the part of this Government also. We have got the decision of the judges in a report before us. I am not absolutely certain if the Government at home has accepted these recommendations in toto. So far as I see, the judges say that they are to give their decisions on points of law and logic and they are not to be guided by political considerations: they left it to the decisions of the British Government to consider their recommendations from the political standpoint. So it will be better for this House to have the opinion from the Government as to what is the final decision of the British Government. I may take it that they have accepted the recommendations in toto, because it is in the interests of the British Government to do so. One redeeming feature in this report, I find, is the very bold stand that was taken by the Honourable Justice Sir Suleiman in espousing the cause of India. He made it clear in several points how proper justice has not been done to India and why we can claim a larger share towards the cost of the Imperial defence in India. In page 9 of the Report, it is said:

"Another matter that we were invited to consider was India's capacity to pay the full cost of her defence including the contribution claimed by the War Office. The majority of us, Sir Suleiman dissenting, consider that this also, in the sense in which the claim is made, is not a matter which can be considered by the Tribunal."

Then, later on, it is said:

"The majority of us, Sir Suleiman dissenting, consider that the comparison of military expenditure with revenues is not a matter which should be taken into account by this Tribunal."

So practically we see that this Tribunal, with the honourable exception of Sir Suleiman, were of opinion that they had nothing to say whether the military expenditure in India should bear any proportion to the revenues of this country, and, if the army is maintained even for Imperial purposes and not for India's own interests, whether it should be shared by other dominions and Britain. It is very easy to conceive of an ideal army at an enormous expenditure. It may not be very difficult that one can make a programme for an ideal army with large expenditure. I do not understand why the Tribunal, consisting of the best judges in Britain and in India, could not consider the relevancy of this simple question. What is contended on behalf of India is that for her own purposes she cannot afford to have such a large army with such large expenditure. Our case is not that with a large expenditure a better army cannot be had. India's case is that she is a poor country, and her military expenditure should bear a certain proportion to her general revenues. If for Imperial purposes—a vast empire like the British Empire—a large army is required, then certainly it is the British Government which should contribute, and they are in a position to do so. But the whole of the Tribunal did not consider this very vital fact with the

honourable exception of Mr. Justice Suleiman. Sir, it may not be a legal point, but at least as a political point I think the British Government should have given some attention to this aspect of the question.

Then, at page 11, I read this in the Report:

"Sir Shah Suleiman does not concur in this paragraph, and considers it important to examine whether India is not bearing an unduly heavy share of the total cost of defending the Empire, and regards a comparison with other parts of the Empire as the practical method of determining that question."

Then I would refer the House to page 33 where Sir Shadi Lal also accepts this view. This is what he says:

"The statistics supplied to us also show that in respect of certain colonies, where British troops are stationed, the Imperial Government have adopted the rule that the cost to be levied from them should not exceed one-fifth of the total assessable revenue of the colony concerned."

Again, at page 37, Justice Sir Shah Suleiman's note says:

"In certain colonies it has been decided that no more than a fixed percentage of revenue should be recovered in respect of the cost of the defence forces provided by His Majesty's Government. . . . Military expenditure in India and India's internal and external debt have grown considerably. There is a great disproportion between the revenues devoted to military expenditure and those available for social services and the burden of military expenditure is unbearably heavy on a comparatively poor and backward country like India with the result that her beneficial services are being starved on account of it."

Therefore, it is clear that the British Government have one law for the colonies and a different law for a subject nation like India. As regards the colonies, the British Government accept the general principle that the colonies should not be asked to pay more than 20 per cent. of their revenues for military purposes, and if there is additional expenditure on the army, that is borne by the British Government; but in the case of India a different law must prevail, because India is supposed to be an original member of the League of Nations and claims to be a self-governing dominion of the Empire.

Then, at page 12, I find this:

"During the hearing it was agreed by Counsel for all parties that the Tribunal should not be asked to deal with the past, but only to make recommendations in the nature of principles for guidance in the future, leaving all adjustments to date to be negotiated between the parties."

After the decision it was found that we on India's behalf will get about two crores of rupees, and here I find that our Counsel agree with the judges that they should give no decision about the past, and the very impartial authorities, the British Government, in their fairness decided to let the past bury its past, because the money had to be given out of the British exchequer.

Then, further, at page 13, I find this:

"It is common ground between the parties that the scale on which the military forces in India are maintained in respect of numbers, composition, equipment, etc., is not greater than is required for the defence of India and the maintenance of internal security."

It is a very debatable point, and we in India do say that 58,000 British army is not necessary for the internal and external defence of India, but our Counsel make it a common ground—a happy House there—between the parties, the Counsel agreeing that it is necessary to maintain the present

[Mr. S. C. Mitra.]

strength of the army for internal and external defence of India. So my friend, the Mover of the motion, need have no grievance against anybody, but I think this is a matter in which we join issue, and we do not agree that there is common agreement on this question.

Sir, I should like to deal only with one other important matter, and that is about the Capitation Charge itself. On this point both the Judges from India were of one opinion, on the question that the charges of training for six months of British soldiers who were transferred to India should be put on the Indian Exchequer and not of 12 months, as claimed by the British War Office. At page 38, it is stated:

"Now, this very issue has been considered by no fewer than five Committees or Commissions, and the verdict has been either expressly or impliedly in favour of the shorter period."

All the five previous Commissions were more or less of the same opinion.

Then, again, at page 38 of the Report, it is said:

"The Government of India have declared in emphatic terms that, even if it takes longer than six months to complete the training of a soldier, they are prepared, nay, would prefer, to take recruits only with six months' training, and complete their training in India in accordance with Indian requirements."

So even the India Government were prepared to accept these soldiers with six months' training. Then, further on, we find this:

"It is not the case that the strength of a Home battalion is increased above establishment because of the Indian drafts. On the contrary, it is maintained at such a low strength that without the Indian drafts it would hardly be a battalion at all. The Indian drafts, while they are in a British battalion, help to some extent to make good its deficiency of strength."

Therefore, it is clear that even after six months, if it is necessary for the purposes of transport to keep the soldiers a little longer, they are retained sometimes in England for two or three or even six months more, and they serve in the British battalions as full soldiers and the British army get all the advantages.

On page 42, again, it is said:

"Now, Mr. Haldane, in his speech of 8th March, 1906, told us quite clearly what he contemplated. He said that in the case of war 'the reserves are called out to fill up the Home battalions and the drafts to India would be stopped, and thus we should have an effective fighting force'."

That is to say, in case of a war, they will be considered as British soldiers, and India will not get any advantage. On these grounds, when it was very clear, when even the India Government said that they would be satisfied with six months' training, I do not see any reason why the cost should be calculated on nine months' basis and not on a six months'.

My friend, the Mover, has already said that in considering this question we should see whether British soldiers in India are not maintained mainly for Imperial purposes, and, if that is so, that expenditure should be shared equally by the British Government as well as by the colonies, and during the last 50 years or more, it has been found that on 14 occasions Indian soldiers were taken out of India whenever they were necessary for Imperial purposes. Therefore, it is a very reasonable demand on behalf of India that a proper share of the expenditure should be borne proportionately by the British Government as well as the colonies and

also India. We had hoped that this point would not be entirely left to the discretion of the British Government, because they are an interested party, and, therefore, in fairness to themselves and to India, they should have asked somebody else to decide the point, because the Judges leave all points of political and other considerations, except questions of pure law and logic, outside their purview, and I consider that full justice has not been done to India in this matter, and India cannot bear such a large military expenditure on an army which is primarily meant for Imperial purposes. Sir, it is well known that the British army in India is not really an independent army

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has got only one minute more.

Mr. S. C. Mitra: It only forms part of the British army. All the important matters of organisation and commands are dictated from England, and, it being a part of the British army, it is only fair that the British Government should bear the major portion of the expenses.

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

Sir, I support the motion, though on different grounds.

Mr. J. Ramsay Scott (United Provinces: European): Mr. President, in my opinion and that of my Group, the award is an adequate one and one on which we may congratulate the Government of India and ourselves as taxpayers. I would like to put on record that our thanks are due to the Counsel for the masterly way in which they put our case and I think the obtaining of a yearly sum of over one million four hundred thousand from the British Government is an achievement of which they and we should be proud. I would also like to say that I consider that the British Government have treated us fairly on the terms of the reference. I have only one point on which I would like facts and that is an explanation of the terms of reference.

The Honourable the Finance Member, Sir George Schuster, on the 10th February, 1931, during the Budget, said:

"I should like to make it clear that we on our side have been careful to see that the Government of India's interests should not be prejudiced by this delay, and in discussions with His Majesty's Government on the subject it has been agreed that, whatever settlement should be arrived at should be retrospective and should date—I think I am correct—but I have not been able to verify it since this debate began—from the 31st March, 1926. So that if we are able to obtain a reduction of payments, we are not losing by delaying now and we shall be credited with arrears."

Again, on the 4th November, 1931, in reply to question No. 1155, the Honourable the Finance Member, Sir George Schuster, said:

"As I informed the House when I made a statement in March, it has been laid down in our discussions with His Majesty's Government that any award which is given by this Tribunal shall have retrospective effect up to the date when this discussion was taken up in its present form."

The terms of reference did not preclude a decision on the retrospective effect, but the Tribunal itself said:

"During the hearing, it was agreed by Counsel for all parties that the Tribunal should not be asked to deal with the past, but only to make recommendations in the nature of principles for guidance in the future, leaving all adjustments to date to be negotiated between the parties."

[Mr. J. Ramsay Scott.]

The Report further says:

"The Memoranda furnished by the parties contemplate that some of the questions submitted to the Tribunal will, or at least may, make recommendations having, within certain limits, retrospective effect."

This Honourable Assembly would, therefore, like to know what effect has been given to Sir George Schuster's definite statements of the retrospective effect of the award and what recommendations the Tribunal itself made for a retrospective effect. I would only say that if the award does consider that a payment is due in the present and in the future, surely a payment is due for the period between March 31, 1926, and the present.

I would, therefore, ask the Army Secretary to explain the reason for this portion of the question being entirely omitted from the award and to ask if the adjustments have been negotiated between the two parties and with what results. I am, as I have already said, satisfied with the result for the present and for the future, but I do feel that the past has not come into the picture as it should have done.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): As regards the actual calculation and the conclusions arrived at by the Tribunal, I have not got much to say, but I strongly object to the premises upon which this report has been drawn up. In the beginning they say that there were certain conditions or certain arguments or certain suggestions that were put forward before the Committee which they hold to be irrelevant and they make a list of these irrelevant arguments in the beginning in order to clear the ground. I will take first the question of capacity to pay. I always thought that expenditure when money was available in plenty was certainly most reprehensible when there is no money at all, and it would be more reprehensible when a country like India in the choice words of the late Marquess of Salisbury has to be bled and bled white in order to serve the purpose of the Empire. The wisdom of the majority members of this Committee culminated in holding that India's capacity to pay is not a relevant condition at all. Now, consider the position. India never had any hand in deciding as to what her military requirements were. Those gentlemen of the Defence Committee, those gentlemen of the War Office decide that a particular standard was necessary for the defence of India and then they incur the expenditure. These gentlemen sitting here say, we are not concerned as to whether you can pay or not, or to quote their own choice words,—"Given a certain necessary provision for the defence of India, what contribution should she make in the cost. We do not think that in apportioning the cost, we should be influenced by questions of comparative capacity towards shifting any part of the burden from the shoulders of one party to the shoulders of the other". It would look as if the parties were at arm's length, that they had at one time sat down and agreed as to what should be the standard of the cost of defence, and, having enjoyed all the advantages of that defence, they now turn round and say: "Oh, no, at present I am not in a position to meet this cost, therefore please forgo a portion of the amount that otherwise you would be entitled to demand". That is not a position which you could even legally justify, because, though it is laid down by means of a decree that a man should pay the whole of the amount, tomorrow if he goes into insolvency I cannot get anything at all, or make an account, pay one anna or half an anna dividend,—that is, even in the case of strictly legal principles, where certain bases are admitted

before you come to a decision. But here there is nothing at all. One man and one man alone continues to be the plaintiff and the judge for a long time, and when by a concatenation of circumstances that man is compelled to consider the position and to see whether we are not entitled to be done any justice, he says: "No, no, it is true you may not be able to pay, but that is no consideration at all." I entirely agree with my Honourable friend, Mr. Ramsay Scott, that to have knocked out even so much as we have from the British Government, we are entitled to be congratulated upon,—there is no question about that—not in the sense that he said we should be congratulated,—but with that mentality of the British Government coming before this Tribunal it is a matter for congratulation that at least we got something, especially in view of the fact that committee after committee sat and said that we were entitled to some contribution or other and it is not till this year of grace that we were said we would get something. It seems to me, and I say it with all respect to the members of that Committee, that it is not a question of logic, or law, or judicial determination of any point. It is a question of bare justice, and if you cannot consider my capacity to contribute to the large expenditure, the unnecessary expenditure, the unbearable expenditure to which you have put, that Committee has sat for nothing at all so far as India is concerned and we might have been saved all this trouble and expense. Another thing is, there was a point about political sentiment in India. These gentlemen say that political sentiment is a matter which cannot be taken into consideration, and here is their piece of logic:

"Right is not made wrong"—(*philosophical position*!)—"merely by being thought wrong by a large number of people."

We go to them and say, let us consider which is right and which is wrong. These gentlemen say: "I know my position is right. Do you say it is wrong? No, no, it cannot be wrong, because I know it is right. What is the good of your saying it is wrong?" Their argument is "Two men say it. How can you assail it?" Besides there is a sting in the tail in that paragraph: "Nor has any evidence been placed before this Tribunal to enable it to gauge the strength or the persistence of this political sentiment". Sir, at the bar we are accustomed to an observation from the Bench in cases tried by jury, addressed to the jury—"Don't be influenced by what you have heard from outside. Come to a conclusion upon the bare evidence that is laid before you". But these gentlemen must be extraordinarily blind, must be extraordinarily deaf to what has been happening all these years in India if they did not know that, as a matter of fact, the one point upon which the Indian people feel sore, felt sore and will continue to feel sore so long as the present system continues is the unbearable character of the military expenditure. Now, they say no evidence has been laid before us. What did our Counsel, whom my friend, Mr. Ramsay Scott, congratulated upon the excellent manner in which they discharged their duties, do? They abandoned everything and agreed to everything by saying that both sides were agreed upon the vital points. May I respectfully ask, why these gentlemen, whom we did not retain, I do not know who retained them, did not themselves lead the evidence and press these gentlemen to come to the conclusion "There is this sentiment no doubt, but sentiment is ruled out of order and sentiment is entirely irrelevant so far as we are concerned". They have got the whip hand and they may say anything they like, but did we fail in producing evidence before that Tribunal and yet we are supposed to stand

[Raja Bahadur G. Krishnamachariar.]

up here and congratulate these gentlemen, who, if I may respectfully say so, failed in their duty. Even in ordinary matters you cannot disregard political sentiment and in a big matter like this it should certainly not be disregarded and it would never be disregarded if there was sufficient evidence. "The dependent position of India." That is another gem of an observation by this Committee. Then it says "We are all agreed". I do not know whether it is the Indian Judges or the English people or both of them put together. Whoever may be the persons who agreed to this, I strongly object to the conclusion that they come to and this is the conclusion to which all these gentlemen have come: "We are all agreed that this is not a matter that ought to influence the Tribunal in considering the question what payments should be made by one party or the other." In negotiations between the two Governments, it would be quite natural and proper for India to say "We are not on terms of equality; we appeal to you to recognise this, and to deal with us not with the strong hand of the predominant partner imposing his will, but in accordance with principles of fairness and equity".

I suppose these gentlemen are lawyers. I suppose they are business men, men with some sense of equity and fairness. May I respectfully ask; "Is it a novel principle even in the administration of the law that a predominant partner or a person who uses his predominant will and imposes it upon another is not entitled to equitable relief at the hands of the Court?" Is it not a principle that the Legislature of India has accepted? In the Acts that are in progress or have been passed, you give the Courts power to reduce the rate of interest in a solemnly made contract between a debtor and a creditor, if that rate of interest exceeded what the judges may consider reasonable. Consequently, why do they say that the dependent position of India should not be considered. In fact, the whole issue is that. As I said in the beginning, I never wanted this state of defence at all. You put it upon me. Now, you come and tell me that you are going to deal with this matter in a just fashion. The first thing to be considered is whether you will impose your will on me. I do not see that this transaction is a fair one. Bring it to a position of fairness now. I respectfully submit that that is what these gentlemen were appointed to discharge. But what did they do? They say that these are not the considerations that would weigh with them. Why? Sir Shadi Lal says—although we are not a judicial Tribunal, we have got to do things in a judicial manner. Even Sir Shadi Lal, when on the Bench of the Lahore High Court, if a poor debtor goes to him and says that the interest is too much, he would be the first person to reduce it if the circumstances were such as to bring it within the ambit of this provision of law. He says that these things are not absolutely relevant to the consideration of the points that they had to consider. In spite of the handicaps that these gentlemen have created for themselves, they come to the conclusion that India has made out a strong case for a contribution. Supposing evidence had been led before the Tribunal, and supposing all the materials were placed before them. I respectfully submit that they would have come to a conclusion much more favourable to India. Sir, one cannot speak with restraint where the question of military expenditure is concerned, because the less that expenditure, the more there will be for the nation building departments as they call it. I am not a military man, but I know this as a matter of history. We

are told that we were fighting with each other before the British came. Fighting is part of the day's work throughout the world: so long as nations, calling themselves even Christians, make ready to go to war, so long as that mentality exists, war must come. Whether the North-West Frontier men would swoop down upon us and deprive us of everything that we have, whatever may happen, India has been in existence for a very long time. The first thing that we were taught in Indian history in our schools is that the wealth and importance of India has often attracted the attention of foreign conquerors. That is the first sentence in the first chapter of a history of India written by a gentleman of the name of Mr. Morris. I do not think, Sir, you have read it in your school. That was the text book that was taught to us. The wealth and importance of no other country attracted the attention of foreigners. We had the wealth, but we had not this army, this tremendous army and a Tribunal which sits and says: "Right is not made wrong, because hundred people say it is wrong". Why do hundred people say, my dear friends, it is wrong, is not understood.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has got one minute more.

Raja Bahadur G. Krishnamachariar: I do not think I will trouble the House any more. All that I was concerned was to show the depth of feeling with which we are actuated in respect of this matter. I do not care for personalities. We want that justice should be done and I decline to support my friend, Mr. Scott's congratulations upon the British Government except upon the view that I put forward. After all, we have been able to get something out of these people who were determined not to pay us anything.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I cannot help regretting that the Mover of this motion should have seen fit to bring this important matter before the House in this particular way. In the first place, an adjournment motion must always imply a censure of some kind, whether it be on the Government of India or on some other Government—and I for one am quite satisfied that, if anybody deserves censure in this case, which I very much doubt, it certainly is not the Government of India. In the second place, the subject is so large, the arguments that were produced before the Tribunal are so many, and the arguments that have been touched on by Honourable Members are so different that it is quite impossible for any Government Member in the time at his disposal to attempt to deal adequately with all of them. In fact a subject of this kind cannot be debated in two hours, in speeches of a quarter of an hour apiece. Therefore, I must use the time at my disposal to explain the position as briefly as I can and perhaps attempt to remove one or two major misunderstandings.

Now the general effect of the award of the Tribunal and His Majesty's Government's decisions thereon is, as Honourable Members have appreciated, that India stands to gain in future a sum of roughly two crores of rupees. That, Sir, is no inconsiderable sum; and that I think is really the most important point in a motion which deals with a definite matter of urgent public importance, namely, the adequacy of the contribution.

Sir Abdur Rahim (Calcutta and Suburbs: Muhamminadan Urban): May I ask one question? What would have India gained if the contention of the Government of India had been accepted in full?

Mr. G. E. F. Tottenham: That is impossible to say, because nobody put forward a definite suggestion as to what the amount of the contribution should be. As the Honourable Member will see, if he will read the report, neither the members who signed the report nor the India Office gave, or attempted to give, any assessment of the actual amount of the contribution. The report contains various suggestions as to the basis on which the contribution might be calculated, but it does not contain more than that.

Sir Abdur Rahim: It would have been much more ?

Mr. G. E. F. Tottenham: Certainly. My friend, Sirdar Harbans Singh, has referred to the notes of the two Indian members of the Tribunal and has expressed dissatisfaction that those notes should not have been published *in extenso*. I think the suggestion was that an attempt had been made to suppress information which would have very much strengthened India's case for a larger contribution than His Majesty's Government are prepared to give. Well, I do not think that that is at all a correct appreciation of the position. These notes recorded by Sir Shadi Lal and Sir Shah Muhammad Sulaiman merely contained a very much fuller exposition of the case which was actually presented to the Tribunal by the India Office than the Tribunal itself gave in their report; but it does not mean that the arguments, which convinced Sir Shadi Lal or Sir Shah Muhammad Sulaiman and which they recorded in their notes, were not placed before the Tribunal itself. In fact, it is perfectly clear, if one looks at the notes themselves and at the report itself, that all the arguments brought together by Sir Shadi Lal and Sir Shah Muhammad Sulaiman were part of the India Office case. If Honourable Members will look at paragraph 12 of the report, they will see that India's claim was that the Army in India serves an Imperial as well as an Indian purpose, and so on; secondly, that other parts of the Empire do not contribute to the same extent to the defence of the Empire; and, thirdly, that the Imperial Government has a predominant voice in determining the cost and the organization of the Army in India. Turning on another page to paragraph 18, it is clear that the Indian case was that the Tribunal ought to weigh all the advantages which Britain gained from the defence of India, not only because the frontier of India was also a frontier of the Empire, but also because the protection of India comprised the protection of large British commercial and financial interests and assisted in the protection of Imperial lines of communication. Now, those are mainly the arguments that were summarised in the notes of Sir Shadi Lal and Sir Shah Muhammad Sulaiman as being, in the words of the Tribunal, "grounds for broadening the basis of the contribution" and they were, Sir, the India Office case before the Tribunal. In fact, I can assure the House that every argument which Honourable Members have produced today and every argument which is contained in these two notes was very fully and very ably placed before the Tribunal by our representatives. It is the opinion of His Excellency the Commander-in-Chief, who, from his long experience in the War Office as well as in this country, is probably in a better position than anyone to appreciate both sides of the case, that the success that we have attained is largely due to the very able and excellent way in which the case was put up, presented and argued before the Tribunal. That, I think, is a matter for congratulation and not a matter for censure—a matter for which we ought to thank not only our own invaluable Financial Adviser, Mr. Macleod, who went home at a very inconvenient time to help in preparing the case, not only the

Counsel employed, including Sir Jamsetjee Kanga of Bombay, who argued the case very brilliantly before the Tribunal, but also, I think, particularly the devoted officers in the India Office who wholeheartedly supported India's cause and identified themselves entirely with India's interests in this matter, quite forgetting that they were arguing a case which, if successful, would add considerably to the burden of the British taxpayer in general and to their own burden in particular.

Well, Sir, now I may say a few words about the actual amount of the contribution. The decision of the Tribunal being what it was, the Government of India were asked whether they were prepared to accept the majority recommendations of the Tribunal. Well, Sir, considering the issues at stake, considering that when we went before the Tribunal, we stood not only to win, but also to lose a great deal, considering that this controversy has been going on for sixty or seventy years—and I would remind Honourable Members that it is a controversy which the Government of India were fighting for many many years before non-official opinion took any interest in the matter—considering all these matters, I submit that there was only one possible answer to that question whether we were prepared to accept the majority recommendations of the Tribunal. It would have been sheer madness on our part at that stage to have started raising objections and haggling as to whether we should or should not accept the award. Now, Sir, acceptance of that position involved acceptance of the only two grounds which the majority of the Tribunal considered to be a possible basis or justification for the grant of a contribution. Those two grounds were, firstly, the readiness of the Army in India for war and the fact that that Army had on occasion been used for Imperial purposes, and, secondly, that India was a training ground for active service such as does not exist elsewhere in the Empire. Those, in the words of the Tribunal itself, were “ponderable grounds”, but at the same time I think everybody will agree that it is an extremely difficult matter to attach a definite rupee value to them. The only possible basis of assessment which has apparently been suggested by Honourable Members is that the Army has been very frequently and very largely used for purposes other than the defence of India. But I think that if Honourable Members knew the actual facts, they would realise that that is not an extremely strong ground. The Honourable the Mover mentioned that there had been fourteen occasions on which troops had been used for purposes other than the defence of India. That goes back for over 70 or 80 years. Actually, the position is that in the last fifty years troops from India have been used for purposes other than the defence of India on only seven occasions, that is, once in seven years. Moreover, I think I am right in saying that on none of those occasions did the cost of the troops in any one year come to anything like 1½ million pounds. On that ground alone, therefore, it would seem to me that the contribution of 1½ million pounds is, on the whole, reasonable. Anyhow, we consider on this side that we are lucky to have got even as much as 1½ million pounds and that there is no ground for passing censure on anybody on that account.

At the same time, I am well aware that when this subject was last discussed in this House—I think it was in September, 1932—

5 P.M.

Sir Alan Parsons, who was then the acting Finance Member, and myself gave the assurance that if, after the report of the Tribunal had been published, this House desired to discuss the matter, they would be given an opportunity to do so. What we then had in mind, I may say, was the possibility that we should have to face an adverse decision and that we should have to pay an extra amount instead of receiving a large sum of money. However that may be, in view of that undertaking, we

[Mr. G. R. F. Tottenham.]

shall of course be perfectly prepared to send forward a copy of this debate to the India Office for the information of His Majesty's Government. I do not think I have anything further to say.

Sir Abdur Rahim: Sir, having heard the Honourable Member who has spoken last, I am confirmed in my opinion that this is a most unsatisfactory way of dealing with one of the most important questions that has ever been brought up before this House. I quite agree with the Honourable Member that this is not a matter to be debated on any Motion for Adjournment. We cannot have sufficient opportunity to deal with a question of this magnitude and of so much importance to the revenues of India, to the Indian exchequer and to the future development of this country. Further, we have not sufficient materials before us to come to any proper conclusion. Even the notes of the two Indian judges who sat on this Tribunal have not been given in full. We have got what is not only a summary, but a brief summary of their notes. If we had the full notes before us, I think we would have had some material upon which we could form a judgment of our own. The report of the majority is also very brief. We cannot really on this material come to the conclusion that the Tribunal's decision is a fair one and is in the interests of India. I find that at the beginning almost all the arguments that were put forward on behalf of the India Office have been treated as irrelevant. I should have liked, if I were there, to ask the learned judges what exactly was the standard of relevancy and what was the test of relevancy in a matter like this. They have not dealt with the question as to what are the real requirements of India in the matter of Indian defence forces. They say that this is a matter entirely for the military experts and they have nothing to do with it. Then, they have laid down at page 15 the grounds for contribution. If you will look at that page, the grounds for the contribution are laid down as two: firstly, that the Army in India is a force ready in an emergency to take the field at once, which does not exist elsewhere in the Empire, which is especially available for immediate use in the East and which has on occasions been so used; secondly, that India is a training ground for active service such as does not exist elsewhere in the Empire. Now, what is the conclusion they draw from this? It is that practically India alone must pay for this army. It is a strange conclusion for any Tribunal to have arrived at. As regards the second ground, namely, that India is a training ground for active service such as does not exist elsewhere in the Empire, that refers to the frontier question, the relations with the tribes on the North-West Frontier Province. Upon that finding or statement of the Tribunal, which, I take it, is supported by the War Office of Britain, it would mean that that question is never going to be settled, that is, it cannot be settled because the Empire would then lose the training ground for British troops. Is that an outlook with which we can be satisfied? We have always had a feeling that this question can be satisfactorily settled once for all. Is it then the fact that it has not yet been settled because India is a training ground for active service which does not exist anywhere else in the Empire.

Then, Sir, other considerations have also been brushed aside as irrelevant. For instance, capacity to pay. May I ask: What about the interests of the rest of the British Empire which are involved in maintaining these troops in India? What is the value of that interest? What is the value of the defence of India proper? Has any attempt been made to evaluate these factors? None. I do not find any attempt throughout this report to evaluate the interests of Britain and

the rest of the Empire in the maintenance of these troops, and what is the interest of India alone? What is the value of these two interests? Without that, how can any Tribunal come to any proper conclusion as to what is the fair share for each country to pay? The Honourable Member, who represents the Army Department, has told us that if the claims of the India Office which is not ruled by any Indian and which is not controlled by us, had been accepted in full, the contribution to India would have been much more than what has been adjudged. That is to say, Britain would have to pay much more. We, the representatives of the people here, cannot but think that even if the case put forward by the Government of India—and it has been pressed by them for years—and the views of the India Office had been accepted in full—and no proper reasons are given as to why they have not been accepted in full so far as I can judge from the report—then India would have stood to gain far more than has been given to her. India is one of the poorest countries on this earth, and England is one of the richest. Why should not justice be done to India? India cannot develop anything in the way of national or social activities without more money, and year after year we have been crying that military expenditure from Indian revenues should be reduced to proper proportions. Here was a definite case for reducing very substantially the military expenditure which is borne by the revenues of India and that case, I am very glad to find, was put forward by the India Office and the Government of India. I believe the Government of India had been supported in this matter very strongly by the Honourable the Finance Member who, I am sure, did his best to have the case put fairly and squarely before the Tribunal. But two members of the Tribunal with the Chairman forming a majority thought that the arguments advanced on behalf of the India Office and the Government of India were practically all irrelevant. On the question of the period of training, for example, there can be no doubt whatever that Sir Sulaiman and Sir Shadi Lal gave very strong reasons indeed why the period should not exceed six months. Even that was put aside and a sort of compromise was arrived at between the claim of the War Office and the claim of the Government of India. This is not a satisfactory report and the reasons given in the award—I suppose it is an award of His Majesty's Government—are no more convincing than the report. They have simply accepted the majority recommendation where it is not unanimous. You find no argument there which in any way supports the case of the majority as against the minority. This is a matter of great importance and I ask the Government which put forward their case which is much stronger than the case which has been accepted by the majority of the Tribunal to place before us all the materials to enable this House to satisfy itself that the case of India was properly considered. We all thought that the Government would be inclined to give us a full day for discussion of this very important matter and even now I would press upon the Government the necessity of giving us a proper opportunity to discuss the matter and to supply us with all the materials. There must be notes of arguments of Counsel on both sides and why should we not have those notes so that we may judge whether the decision of the Tribunal is the one which ought to be accepted by us or not. No doubt, in our straitened circumstances, even two crores of rupees is a gain. The country whose financial position is what it has been for some time must be thankful for anything that it can get from the hands of the British Government. But that is another matter. What we expected the Tribunal to give us was not two crores, but to give us what is justly our due and we cannot come to any conclusion on that point unless we have proper materials before us. I would,

[Sir Abdur Rahim.] |

therefore, ask the Government to give us all the materials that are available to them, the full notes of the two Indian members of the Tribunal and notes of the argument of the Counsel on both sides and also all the facts and figures and documents that were placed before the Tribunal, and then and then alone we can come to a proper conclusion.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, my Honourable friend, Mr. Tottenham, with his usual air of innocence pleaded "why do you want to censure us, why do you not shower congratulations and encomiums on us?" Sir, we are not discussing here whom to offer congratulations, and if we are to offer personal congratulations to Mr. McLeod or to Mr. Tottenham for the questionable results on the report of the Capitation Tribunal

Mr. G. B. F. Tottenham: I myself had nothing to do with the preparation of the case.

Mr. B. Das: But the Honourable Member being the Army Secretary was in charge of the whole case at this end. Sir, I am reminded of another adjournment motion which I had the privilege to initiate and it has already been referred to by my Honourable friend, Mr. Tottenham. That adjournment motion was on this very subject although at the time we thought that it was to be the Capitation Tribunal. It was discussed on the floor of the House on the 6th September, 1932, and it was pointed out that the terms of reference were not only to discuss the capitation charges that India must have to pay, but it raised the bigger issue, *viz.*, the contributions that the Imperial Government should make for the huge British Army that India is forced to maintain for Imperial defence. I should like to refer to one or two lines of the speech of my Honourable friend, Mr. Tottenham, who as I said at the time, tried to mislead this House. He said on that occasion:

"The misconception, I think, arises out of the fact that the second term of reference, that is the term dealing with the contribution from Imperial to Indian revenues, has been taken out of its context, in isolation from the others, and it has been assumed that the Tribunal is going to deal with the whole broad question of the incidence of the cost of the Army in India, the strength and composition of the Army in India and such large questions as to whether India requires British soldiers at all. That too is not the case."

My Honourable friend concluded by saying:

"What the eventual procedure will be when the committee of Imperial defence has considered the report of the expert committee from India, I am not yet in a position to state, but I have no doubt that there will be a full opportunity in due course to discuss that. The point that I now wish to make is that the Capitation Tribunal is not concerned with that larger question and I do not wish to enter into that question at present."

It surprises me that the Army Secretary of the Government of India who would be the Army Counsellor of the Federal Government did not know in September, 1932, that this India Defence Charges Advisory Tribunal—that is the present nomenclature in England and in India—was not going to discuss the whole question as to what will be the contribution of England to India for the army maintained for Imperial defence. I am surprised that the Army Secretary, in September, 1932, put a smoke screen and made us believe something

else than what this Committee was required to do and which was, of course, within the knowledge of my Honourable friend. Sir, the question is whether India is going to lie low and accept this sudden wind-fall of two crores,—it may be a wind-fall to the Honourable the Finance Member to meet his immediate needs—which is not a wind-fall, rather an insult to India that after throwing on India the burden of one-third of the defence expenses of the British Empire, England should decide to contribute only £1,400,000 towards that heavy cost of defence. My Honourable friend, Mr. Tottenham, pleaded that the Indian Army had in the past been used only occasionally for external defence, but I would remind him what happened during the Great War. The British Army that was in India was fully drawn and sent out to the different fighting zones. If tomorrow there is another war, say, on the eastern frontier of Asia, certainly the Army in India will be drawn and by accepting this paltry two crores, India is burdening herself with a heavy responsibility. The Army Secretary knows it that that responsibility and obligation came to India by the Locarno Pact though India was not a willing signatory to the Locarno Pact. I should like to read a few lines from what an eminent constitutionalist says. Mr. A. B. Keith, in his book, "The Sovereignty of the British Dominions" says:—

"The change made since 1919 was slight; the power to accept was vested in the Government in lieu of the Parliament, but this at first sight serious change really was dictated by the necessity of saving the Government of India from having to obtain the assent of the Indian Legislature. It was most improbable that that body would accept the obligation voluntarily, while to certify the measure necessary to give the pact approval would have been a most unfortunate proceeding. The authority then was given to the Government of India and the Legislature was not given any chance of debating the issue."

While the Government of India, which is a subordinate branch of the British Government, commit India into defence expenditure which is not necessary at all for India's internal defence, this Advisory Tribunal, consisting of two British judges and two Indian judges, presided over by an Australian judge, did not go into the bigger question. Rather, it was incompetent by its very personnel to go into it. May I ask my Honourable friend, the Army Secretary, why a second Imperial War Conference was not held? There was an Imperial War Conference in 1917. The whole Empire ought to have met and they ought to have discussed and decided as to what would be the proper proportionate share of each unit member of the British Commonwealth of Nations towards the cost of defence of the British Empire. The last time in September, 1932, I gave figures which the Simon Commission gave about the very meagre sums which the dominions spent for the defence of the British Empire. Did the defence counsel of India, did the representative, Mr. McLeod, point out that the dominions were not bearing any cost of the Imperial defence? And yet these three judges in the majority report have said that India is spending much less proportionately than British at present towards the cost of Imperial defence. It is manipulation of figures that deceives nobody, and already my Honourable friend, Sirdar Harbans Singh Brar, pointed out that the colonies spent only 20 per cent of their revenue on defence. When it comes to India, she will have a different scale of expenditure; and for what? It was pointed out by Sir Shadi Lal quoting the late Lord Salisbury that "*India is the eastern barracks of the British Empire*" and the British Government today train up their air force, their British army in the frontier defences, and they want us to bear all that expenditure knowing fully well that our present standard of revenue cannot stand it.

[Mr. B. Das.]

Then, there is another thing. Is not Burma going to be separated? Is not Aden also going to be separated from India? The moment Burma separates, the whole eastern frontier connecting Siam and China goes away. It will then be the burden of the British Government and not of the Government of India. I want to know whether the representatives of the War Office and the Government of India alluded to that aspect of the question. This majority Committee, consisting of two British judges and an Australian judge, talked in terms of "imponderables" and admitted their inability to evaluate a basis for British monetary contribution. They dilated on the smallness of India's contribution towards defence which they dubbed "minor danger" but they have forgotten the "ponderables" that are so well known, namely, that this eastern frontier is going to be a charge on the British Government and not on the Government of India.

Sir, I do not see my Honourable friend, Mr. Ramsay Scott, here and in fact the whole European Group is absent at the moment. But when it suits them, traders as they are, they want protection for the industries here and they identify themselves with our industrialists. But in this matter Mr. Ramsay Scott did not speak as a European resident in India and he spoke as a Britisher and said that the award was just. If, according to him, the award is just, if he had read closely the defence of the India Office and the Government of India, he would then have found that the Government of India were unjustly demanding that 18 millions pounds should be contributed by Great Britain. The British Government's gift-horse of two crores of rupees, is unacceptable to us. This Tribunal which, according to my Honourable friend, Mr. Tottenham, in September, 1932, was not going to discuss this question of contributions, have ignored all the recommendations that the various sub-committees of the Round Table Conference made regarding the cost of defence. The Premier also has done the same thing. Today, the Government of India and we must again join hands and fight England and get Britain to recognise that she must either contribute towards the heavy military expenses in India or she must withdraw part of the British army and must order His Excellency the Commander-in-Chief in India to disband a few divisions of the British army and the Indian army. They are not required for the internal defence of India. They are maintained purely for Imperial Defence. Another point is that the army would be completely a separate and reserved department under the Federal Government and under an Army Counsellor who will come like the Governor of a province or like His Excellency the Governor General and deliver a speech and then walk out. But so long as India is forced to play a subordinate part as she is playing, so long as Britain plays the double game of perambulating Arthur Henderson in the whole of Europe for the Disarmament Conference, so long as British does one thing in Europe and becomes a signatory to the Kellogg Pack and wants India to train up a huge British army so that England can fight at a moment's notice Germany or Russia or any other foreign power, even Japan, so long we have no confidence in Britain, and so long we have no confidence in the Government of India. And if this Government of India feel elated at the paltry sum of two crores of rupees, which they have secured from the British Government, then they must realise at the same time that we on this side understand the whole game. My Honourable friend, Mr. Tottenham, did not tell us the whole story in September, 1932. Today

also Mr. Tottenham and the Government spokesman who will speak after him do not want to take us into their full confidence. They do not want to confess that the Government of India had to eat the humble pie. We are only subordinates of the British Government; we had no alternative and even the British Government had no power. The War Office, the Army Council, is all powerful and it has been ordained in that secret Army Council that India should train and nurse the British army so that the British Empire may be defended and the Imperialist policy of Great Britain may be continued at the cost of India. Sir, it is a shame; it is our humiliation that even today, even after the Government of India protesting so often that the cost of defence should be reduced, the Government of India still want us to swallow that humble pie.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has one minute more.

Mr. B. Das: I would be content, Sir, if the Government of India continue to fight the British Government and demand the calling of an Imperial War Conference. Let it not be an Imperial Economic Conference! Let the members of the British Commonwealth of Nations meet and decide what contribution each should make towards the cost of defence of the British Empire. If they are not willing to do that, then, as original partners of the League of Nations, let us refer this question to the League of Nations and let the League of Nations assess whether this paltry contribution of £1,400,000 is the just contribution of England. Otherwise, Sir, India will go on agitating, till she compels the Government of India and the British Government to do right by India. If they do not do right by India I ask the Government of India to walk out from the League of Nations and not to call us original members of the League of Nations.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I must acknowledge that the Honourable the Military Secretary has placed from a detached point of view the case for the opposition in this particular matter. I say "the opposition" deliberately, for if we take away the vehemence, the very sincere vehemence, with which my friend, the Leader of the Opposition, spoke, from his speech and when we add to it the concluding remark which he made about keeping what we have got, we arrive at where the Honourable the Military Secretary left us. The whole point is this: we have got something—not that we are jubilant about it, but we are not in a position to throw it away. That is the sum and substance of the speech of the Leader of the Opposition; and then the Leader of the Opposition put the case for the opposition and the people when he said: "We said this: we wanted this and we have been agitating on this". The Military Secretary said: "Yes, certainly so; the India Office presented the case which the India Office has been presenting for some time to the War Office and to the Treasury in Great Britain." I was just going over the speeches of Dadabhai Naoroji—the evidence which he gave before the Welby Commission and the quotations which he made from which I find that the two distinguished gentlemen who were associated with this Committee, the two distinguished Indian judges, have amply quoted. My friend, Mr. Das, referred to Lord Salisbury. He could as well have referred to the letter of Lord Randolph

[Mr. C. S. Ranga Iyer.]

Churchill to the treasury. Those who have investigated this question are aware that the India Office did put up, has been putting up a big fight in this matter. But the India Office has been treated very shabbily and very ungenerously by the War Office and our complaint has always been that, when there is a clash on the Indian issue between the India Office and the War Office, the Indian case goes by the board. Probably it is because of the recognition of this fact that the Honourable the Military Secretary said that he would communicate the speeches to the India Office so that they may make use of these speeches. As a matter of fact, the very motion brought forward by my friend, Sirdar Harbans Singh, is not to develop a sort of megalomaniacal attack which the speaker for the Democratic Party made on British imperialism run riot, or "swallowing" as he put it, or eating, what he said, was humble pie. It is not for that. Not having been given an opportunity by the Government as pointed out by the Leader of the Opposition, to study the case with ample material and have a full day discussion on it, because the matter is very important,—not having had that opportunity, we had to make as much use as we could of the opportunity provided in the Manual of the Assembly. Mr. Harbans Singh did not mean it as a censure motion. The very eloquent and able and sincere speech of the Leader of the Opposition has clearly proved that our object is not here to censure the Government. There is no case for censure; in fact there is no case for opposition. We do admit that our judges have done their work; we are willing even to admit that the India Office had put up a fight; we are not satisfied with what we have got; we wanted to go more into the subject and we wanted to explore and present the whole case on this matter in order to strengthen the fight which the India Office has been putting up; but unfortunately that opportunity has not been given to us; and, therefore, we had no other opportunity but this very inconvenient opportunity for many of us to sit up to six o'clock—we would rather change the Assembly Rules and have an adjournment motion moved at 3 o'clock, so that we may complete our task by five. Therefore, at considerable inconvenience we have thought it necessary to strengthen the fight that the Government and the India Office which the Military Secretary has told us have been putting up on behalf of India—not that we are going to press the motion to a division: nobody has spoken in that fashion except the spokesman of the Democratic Party who spoke as though we are at war with Great Britain and asked why should we not refer the matter to the League of Nations? He could as well say: "Why not tear up the Gandhi-Irwin Pact?", for so long as the Gandhi-Irwin Pact stands—and even the Mahatma has not repudiated it—we are part of the British Commonwealth of Nations: we want freedom within that Commonwealth; we want the completest freedom that the colonies enjoy; but surely we do not want just to refer these matters to the League of Nations. This Assembly is quite competent if given the opportunity which the Leader of the Opposition has sought, to speak out on the subject of this motion and if necessary to have a vote on that also. Our purpose now is not to censure the Government. I do not believe Sirdar Harbans Singh is going to press his motion to a division. Had he done so, then the Military Secretary could have stood up and said: "You are censuring the Government". As the Leader of the Opposition has plainly pointed out, we are not going to throw away the two crores, but we have a right to ask for more and to agitate for more, because we are not satisfied with what we have been given. That is the crux of the case of the Opposition. It is not a question, as Mr. Das, put it, of insulting:

us with two crores of rupees. (Laughter.) But we do not say that we are satisfied with it, because we have a legal and a moral claim for something more: while taking what is given, we do not propose to abandon our right to fight for more. (Applause.)

The Honourable Sir George Schuster (Finance Member): Sir, I think that the course of this debate has already made it clear that the position of the Government of India Members in speaking upon it is a somewhat difficult one. We, as advocates of the India's case—and that has already been made clear—claimed considerably more. Therefore, of course, we should have liked to get considerably more: and, therefore, also, of course, we do not want to say anything in this debate which might be embarrassing to spokesmen on behalf of India in future. But there are certain things that we must say if this motion is intended at all as a censure upon anybody, either upon the Government of India, or as has been suggested by certain speakers, upon the counsel for the Government of India or even upon the Tribunal itself. We can say in the first place that we have got something very substantial and I would remind Honourable Members that the matter which has been in controversy between India and the War Office in the long years during which the controversy has gone on has been the question of the capitation charges. That has really been the issue on which much bitterness has been felt in the past, and, so far as the capitation charges are concerned, the net result of this award is to reduce them practically to nothing. I say practically to nothing, because there are certain items which have not absolutely been settled finally yet, but in broad result, the effect of this award is to wipe out the capitation charges, taking into account the amount of the general contribution.

Now, Sir as regards that general contribution, that has intervened recently as a new feature. We on behalf of the Government of India did not content ourselves with disputing the justice of the capitation charges, but we put forward a claim to a general contribution, and it is possibly on that claim that Honourable Members may feel that the result is inadequate, but I do wish to make the point clear that so far as the controversy which has involved great bitterness in the past is concerned, we have been—and to that extent I think I may claim that our tactics in the Government of India in the last few years have been successful,—able to wipe out that element of controversy so far as the practical results are concerned. Now, Sir, I should also like to make it clear, though that has already been admitted, that our case, the case put up from here and elaborated in the India Office, covered all possible points that could be made. I should also like to make it clear that all possible points were argued most ably by our counsel, and I am very pleased to have an opportunity of repeating the tribute paid to our counsel by my Honourable friend, Mr. Ramsay Scott, and by the Army Secretary, who spoke before me. It was admitted on all sides that, so far as they were concerned, their task could not have been better performed. I think I must also make it clear that we feel that the Tribunal gave the fullest and fairest consideration to all those points, and we cannot claim that we have not had a fair hearing. We may have expected, we may have desired, a more satisfactory result as far as the Indian revenues are concerned, but that the case was not properly argued and not properly heard by the Tribunal, those are statements which we must most emphatically

[Sir George Schuster.]

rebut, and if the motion which has been moved is intended to imply anything on those lines, then I should most uncompromisingly oppose it.

Now, Sir, there were certain special points that were made in the course of this discussion, one in particular by my friend, Mr. Ramsay Scott, which referred to a statement which I myself made with which I should like to deal and clear up any misunderstanding that exists. My friend gave a perfectly correct quotation from some remarks which I made, but he did not give the whole passage nor the whole context, and I think possibly there has been a little confusion in this matter owing to the fact that the issues before the Tribunal were somewhat wider than had been originally anticipated. There are really three issues which must be considered separately. There was first of all the dispute about the capitation charges with the War Office. There was secondly a dispute about capitation charges with the Air Ministry, and, thirdly, the claim that was raised for a general contribution. Now, the remarks which I made were strictly accurate so far as the dispute about the capitation charges with the War Office were concerned, and in the remarks which I made on the 10th March, 1931, some passages from which my friend quoted, I made that position quite clear. I think he would probably be able to correctly point out that in other passages where I dealt with this matter I did not make it quite that the agreement about the retrospective effect of the 31st March, 1926, only applied to the dispute about the capitation charges with the War Office. That, however, was the position. Now, that was not disputed at all, and when we came to considering how the matter was to be adjusted, it was admitted on both sides that we could claim retrospective effect as regards the War Office dispute to March 31st, 1926. On the other hand, the Air Ministry claimed retrospective effect to 1920. Now, as against the War Office we shall gain annually a sum of something between one hundred and fifty thousand and two hundred thousand pounds,—the exact amount, as I say, is not absolutely settled yet,—whereas as against the Air Ministry we shall lose a sum of something like one hundred thousand pounds annually, and as the Air Ministry's claim goes back to 1920 and our claim against the War Office for retrospective effect only goes back to 1926, what we lose against the Air Ministry is almost equivalent to what we should gain against the War Office. Therefore, so far as the capitation charges were concerned, the making of the award retrospective would in effect have given us nothing. It is extremely difficult to give the exact figures, because the exact amount payable in each year depends upon the rates of pay and upon the number of troops that happen to be employed in each year. I am, therefore, only dealing with rough figures, but we were assured by the India Office who had been very carefully into this matter that to insist on the award being retrospective would in effect have given us practically nothing, not an amount worth disputing. Therefore, we agreed to their suggestion that this award should come into effect as from the year 1933-34. We should, of course, have gained substantially if the general contribution had been made retrospective to 1926, but that had never been suggested, and nothing that I ever said was intended to suggest that if we got anything by way of a general contribution that would be ante-dated. That, I think, answers my friend's point.

Now, Sir, a good deal has been said about the issues which the Tribunal treated as irrelevant, and a good deal of criticism has been passed

on their decision, because they treated these issues as irrelevant, but I venture to put it to Honourable Members who have taken that line that they have not perhaps fully appreciated what was the scope and purpose of this particular Tribunal, and I would put to them further that the fact that certain issues have been treated as irrelevant may, looked at from certain points of view, actually be of advantage to India in the future. The essential point, Sir, I think, is this, that the Tribunal could not consider as an issue before it the question of whether the troops maintained in India were more than were required for India's own purposes. In fact, in a passage which has already been quoted they spoke as follows:

"It is common ground between the parties that the scale on which the military forces in India as maintained in respect of numbers, composition, equipment etc., is no greater than is required for the defence of India and the maintenance of internal security."

Now, Sir, that was in fact not an issue before the Tribunal. The Tribunal in fact could not be expected to deal with an issue of that kind which obviously is a technical military issue

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Why was the admission made?

The Honourable Sir George Schuster: In fact, it would have been impossible for the military authorities to argue their case properly before a tribunal of this kind, because it would have been embarrassing

[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).]

. even impossible to discuss those questions before a tribunal of that nature

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has got one minute more.

The Honourable Sir George Schuster: I am sorry for I have a good deal more to say. I am not accustomed to speaking to these time limits. That is the point that I wish to make, and, therefore, what it comes to is this, that the Tribunal has said, and the real significance of their finding is this, that even though every man who is employed in India is required for the defence of India and, therefore, ought to be paid for by the tax-payers of India,—even though that position is assumed and that is the assumption on which all the findings are based, nevertheless, there are grounds on which the British Government has to contribute something towards the expenses of the Government of India. Now, I suggest that if the finding is looked upon in that way, it is much more favourable to India than my Honourable friends seemed to have understood. The issue as to whether the troops maintained in India are larger than are required for India's purposes is not an issue that has been decided at all. It is open to Honourable Members to argue that in future, as I have no doubt they will. I also have little doubt, and I say this in conclusion, that, when they themselves assume responsibility for governing this country, they will look at that issue in a somewhat different spirit to that which prevails on the Opposition Benches at present.

[Sir George Schuster.]

Sir, I must close, my time is up. There is a great deal more that I should have desired to say, and I agree with my Honourable friend, the Leader of the Opposition, that it is extremely difficult to deal with a subject of this kind in the short time of two hours with speeches of fifteen minutes' duration. (Cheers.)

Hony. Captain Rao Bahadur Ohaudhri Lal Ohand (Nominated Non-Official): Sir, after listening to the able speech of the Honourable the Mover, wherein he has had to admit that Government have done their duty well and deserved every praise for the way in which they have fought India's case in the interest of India, there is hardly any point in calling this an adjournment motion, and I hope that my Honourable friend will not press it to a division. Two things are clear. Firstly, this was a long standing controversy and the Tribunal, that sat to go into this most complicated question, was composed of most eminent judges and lawyers of great standing. The case for both sides was very well argued there and India was not only well represented by the India Office, but also two of its eminent judges were on this Tribunal. Another thing which is clear is that the Government of India have fought hard not only on this occasion, but as it appears from the records, they have been putting India's case in as good a light as could possibly be placed before the Home Government in the past also. As a matter of fact, if we had not had this report before us, we would not have known how one of our Commanders-in-Chief, H. E. General Sir Beauchamp Duff, fought for us. An extract from his memorandum appears at page 42 of the report, and that shows how in days, as was so ably pointed out by the Honourable the Army Secretary, when Indian opinion was not even formed on this subject, the Government of India were fighting for India on this point. There is another thing which is also very clear and which we cannot ignore. We have not got the material for a debate of this kind before us. When we are discussing this report without any material, we are placed in the position of a lawyer who is asked to argue the appeal of a convicted person in an appellate Court, and who has not even gone through the file, who has not seen the exhibits, and who has not been provided with even a full copy of the judgment, but who has got only a brief summary of the judgment in hand. Under these circumstances, I do not know how we can do justice to the present case. (*Some Honourable Members*: "Whose fault?") Nobody's, from the very nature of the case it was not possible, and it is not desirable that the full material should be placed before us. There are some documents, which, from military point of view, cannot possibly be placed in our hands, simply in the interests of India, or, for the matter of that, in the hands of any legislative body. So, from the very nature of things we could not discuss fully a subject of this nature and complication. We should not attempt to be all-knowing and all-wise. What we have to see is what we have gained by this. From the report, it is clear that we have got a net-gain of nearly two crores of rupees every year. I think the best position would be for us to accept what we have got, and leave the rest to the Government of India to fight for us. They have been fighting for us in the past, and there is no reason why the future Government of India will not fight the case. I admit that the case is still arguable on many points. Take, for instance, the case of the contribution for the Frontier Defence.

We can very well argue that if we are part of the British Empire, the British Empire as a whole should share the burden of the defence of one corner of the Empire. It is simply by chance that we have got a hostile neighbour and it should be the concern of the Empire to meet this neighbour.

Sir, this reminds me of a conversation I had some time ago with a friend of mine. I was pressing for Provincial Autonomy. He said: "You, Punjabees, do not stand to gain. If you ask for Provincial Autonomy, you will have to pay for the Defence of the Frontier. Will the Punjab alone be able to bear the burden of the Defence of the Frontier, when full provincial autonomy is granted?" He further said: "Bengal, the United Provinces, Bombay and Madras may refuse to share the burden". The reply that I gave was this. "Well, in that case we will create another Frontier somewhere near about Delhi and we will have two sets of armies, one to defend the Frontier and the other to commit raids on the United Provinces, Bengal, Bombay and Madras". Sir, I do not anticipate any time when the Government of India will be placed in the position of having to put forward that sort of argument in asking the Home Government to share the burden of the Frontier. All I would say is this, that we should trust them to press our case, as they have pressed in the past and accept what we have got. Two crores of rupees per annum is the net gain to us and we ought to be grateful to the Tribunal and to the Government of India for what they have done.

Sir, as I have already said, this motion is hardly an adjournment motion, and my Honourable friend was ill-advised in putting it forward as such. It would have been much better if he had asked the Army Secretary or the Honourable the Finance Member to make a statement on the subject, and in that case the Government of India would have made a full statement of the case and that would have been enough. An adjournment motion is hardly the proper course to take . . .

(It being Six of the Clock.)

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, order. The House stands adjourned till 11 o'clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 25th January, 1934.