

COUNCIL OF STATE.

Thursday, the 22nd September 1921.

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

MEMBER SWORN:

Mr. Harry Alexander Fanshawe Lindsay.

QUESTIONS AND ANSWERS.

APPOINTMENT OF CURRENCY COMMITTEE.

11 A.M. 138. The HONOURABLE MR. V. G. KALE: Does Government contemplate the appointment of a Currency Committee or Commission at an early date?

The HONOURABLE MR. H. A. F. LINDSAY: The Government of India do not, as at present advised, contemplate the appointment of such a Commission.

OUTSTANDING BILLS OF LANCASHIRE PIECE-GOODS.

139. The HONOURABLE MR. V. G. KALE: Will Government be pleased to state its estimate of the amount of outstanding bills, which were not met by Indian importers of Lancashire piece-goods, on 1st January and 1st September of this year?

The HONOURABLE MR. H. A. F. LINDSAY: Inquiries have been made on the subject, but it has been found that it would not be possible to frame any sort of estimate, even approximate, without a prolonged investigation. The information would have to be obtained from the Exchange Banks, who would have to pick out the details from all the bills on their books. Even if complete figures for post-due bills could be obtained, it would take a considerable time to ascertain which of those were drawn against Lancashire piece-goods and not against other imports or against piece-goods imported from elsewhere. There are also outstanding commitments which would not appear in the Banks' books at all. Government are not in a position to say whether there has been an increase or decrease of outstanding bills during the period in question.

AGRICULTURAL INTERESTS ON COTTON COMMITTEE.

140. The HONOURABLE SARDAR JOGENDRA SINGH: Is there any representative of Agricultural interests on the Cotton Committee?

The HONOURABLE MR. B. N. SARMA: The Indian Cotton Committee considered that, in present conditions, it is not practicable to provide for direct representation of the cultivating classes on the Central Cotton Committee, and

[Saiyid Raza Ali.]

in accordance with their recommendation, agricultural interests have been entrusted to the officers of the Provincial Agricultural Departments who are serving on the Committee. The question of providing representation for the growers of cotton is, however, being further considered.

TIME AND DATES OF MEETINGS.

The HONOURABLE SAIYID RAZA ALI: May I put a question, Sir, with regard to the time and dates of our meetings? Under Standing Order 5 of the Manual of Business in this Council, Sir, the meetings of this Council are commenced ordinarily at 11 A.M. and terminate ordinarily at 4 P.M. But I need hardly remind the Honourable Members of this Council and you, Sir, that up till now our meetings generally finish at 1-30 P.M. Now, whether our dignity as 'Elder Statesmen' demands that we should not sit longer is more than I can say; but, in order to remove the charge of senility which is at times levelled at us by unkind critics, I suggest that you will be pleased to take action in the direction of enabling us to meet more frequently, or, if this is not possible, of enabling us to sit longer, so that we may be in a position to finish the work which appears on the agenda paper.

The HONOURABLE THE PRESIDENT: The word "ordinarily" of course refers to our meetings at Delhi. As regards Simla we have always held morning meetings, and it is not convenient on the whole, having regard to the great distance of this Council Chamber from other parts of Simla, to call Members back after lunch to sit for half an hour at the outside. But on the question of more frequent meetings, if the business of this Council requires it, I should have no hesitation in fixing meetings as frequently as necessary.

The present position is this. As far as I am aware, there is only one Resolution which has not been disposed of and which is standing on the notice paper, and that Resolution stands in the name of the Honourable Member who has just spoken. The reason for its so appearing is this. The Honourable Member asked this Council to postpone the Resolution, and the Council did postpone it though it postponed the Resolution very unwillingly. However, I am not going to press that matter. If Honourable Members themselves feel that we ought to fix more meetings and that there is enough of public business to require this, I have no objection; but I do feel that the Council will agree with me generally in thinking that to bring them back in the afternoon for half an hour is probably not desirable and calculated rather to inconvenience them than to forward public business. (Applause.)

BILLS LAID ON TABLE.

THE HONOURABLE THE SECRETARY: Sir, In accordance with rule 25 of the Indian Legislative Rules, I lay on the table Bills which have been passed by the Legislative Assembly at its meeting of the 19th September 1921. They are:—

- (1) A Bill further to amend the Carriers Act, 1865, in order to empower the Governor General in Council to make by notification addi-

tions to the Schedule to that Act, and to free a common carrier from liability under that Act from loss or damage, arising from the negligence of himself or of any of his agents or servants, in respect of any property which, being of the value of over one hundred rupees and of the description contained in the Schedule to that Act, has not been declared in accordance with the provisions of section 3.

- (2) A Bill to provide for the levy of customs-duty on lac exported from British India.

GOVERNMENT BUSINESS FOR 26TH AND 27TH SEPTEMBER,
1921.

The HONOURABLE THE PRESIDENT: Can the Honourable Member in charge of Government business inform the House what the business is likely to be for the 26th and 27th September?

The HONOURABLE MR. B. N. SARMA: The following business will probably be brought forward on the 26th September:—

PROGRAMME OF BUSINESS FOR MONDAY, THE 26TH, AND TUESDAY, THE 27TH SEPTEMBER
1921.

Meetings of the Council for official business will be held on Monday, the 26th September, and Tuesday, the 27th September.

The following business will probably be brought forward on the 26th September:—

- (1) Bills which may be passed by the Legislative Assembly at its meetings immediately prior to the 26th September, will be laid on the table in this Chamber.

- (2) Motions to consider and pass the following Bills:—

(i) A Bill further to amend the Code of Criminal Procedure, 1898, to provide for the issue of commissions for the examination of witnesses to Courts of Princes and Chiefs in India, and for the execution by Courts in British India of commissions issued by such Courts.

(ii) A Bill further to amend the Indian Marine Act, 1887, and

(iii) A Bill further to amend the Indian Works of Defence Act, 1903.

On the 27th September, the following official business will probably be brought forward:—

- (1) Motions to consider and pass the following Bills:—

(i) A Bill further to amend the Negotiable Instruments Act, 1881.

(ii) A Bill further to amend the Carriers Act, 1865.

(iii) A Bill to provide for the levy of customs-duty on lac exported from British India, and

(iv) A Bill further to amend the Indian Post Office Act, 1898.

- (2) Bills which may be passed by the Legislative Assembly at its meeting on the 26th September, will be laid on the table in this Chamber.

- (3) The Honourable Mr. Shafi will move certain Resolutions relating to the recommendations adopted by the General Conference of the International Labour Organization of the League of Nations.

RESOLUTION *re* REPORT OF SUGAR COMMITTEE.

The HONOURABLE SARDAR JOGENDRA SINGH : Sir, I beg to move—

11-14 A.M. 'This Council recommends to the Governor General in Council that in so far as the recommendations contained in the Report of the Sugar Committee suggest action by the Central Government, such action be not delayed by previous consultation with the Local Governments; that effect be given to the recommendations contained in the Report of the Sugar Committee, as early as possible, and that the Government should foster the sugar industry—

- (a) by providing compact blocks of land for sugarcane plantation in all districts where 50,000 acres are already under cane;
- (b) by providing compact blocks from waste forest lands, etc., in suitable localities;
- (c) by guarantees of interest on the capital raised either in India or in England, or in both for the establishment of sugar factories.'

I hope the House will carefully consider the recommendations made by the Sugar Committee, as it deals with one of the largest industries in India. We have often heard both inside and outside this House that agriculture is one of the biggest industries in India, and the officials have promised their sympathy, and the non-officials promised their support to the promotion of the welfare of the agricultural classes. But when we come to actual doing we find that the officials have only offered sympathy so far that they have found the agricultural classes give them no trouble, and so they are naturally satisfied with them.

I must begin by thanking the Government of India for the opportunity they gave me to study the sugar problem by appointing me on the Sugar Committee, which has enlarged my thought and experience. For the first time I came to realise the magnitude of the problem and its solution, which is really the modernising of Indian agriculture. I am sure the Members will realise, when they read the Sugar Committee's report, how development of sugar can be made to serve the organization and promotion of intensive agriculture generally all over the country. Sugarcane in India has been grown from time immemorial, but like other industries, in which India held a strong position before in this also, India has lost ground, while other countries, with the assistance of science and organization of capital have made great advances both in the matter of increased produce and improved manufacture, we in India are producing almost the same amount of sugar per acre to-day as we did 500 years ago. We have lost ground, while other countries by careful organization have gained it. India has the largest area under cane, nearly 3 million acres. There is no other country which has such a large area under cane. It is five times the area of Java, and yet in modern factories we make only 30,000 tons of sugar, while a single factory in Java produced 44,386 tons of sugar. India consumes 2 million tons of gur and 1 million tons of sugar, while we produce in modern factories only 30,000 tons of sugar. Is this House going to be satisfied that with our large resources India should be content with producing 30,000 tons of sugar. It is the considered opinion of the Sugar Committee that India can produce enough sugar not only for her own requirements, but also for exporting it outside. Is not this House going to ask the Government to assist this industry and make India not only self-supporting, but also an exporting country as it ought to be?

Now when we turn to the yield of sugar per acre Java gets 4 tons of sugar to the acre as against India's one ton of gur to the acre. This low production is not due to the unsuitability of the soil, or any other factors beyond

our control, but because both our Government and people have neglected the industry for all these years. I shall presently show that, if we grow the proper kind of cane, use proper manure and irrigation, our yields can be equal to that of Java and other countries. Even in the Punjab we can grow equally good cane giving better yields than in Louisiana. Well, what has Java done? Java has organised the industry, while we have left it to take care of itself. We are still waiting for a miracle to happen to organise our industry; we are still waiting for slow and ordered progress without organizing the industry ourselves. The Java industry with its positive record of achievement points one moral, while India with its negative record of stagnation points the other. I sincerely hope that we are not going to let things stagnate; we are not going to let the Report of a Committee of Experts appointed at public expense to be used only to adorn or overweigh shelves of the Departments concerned. We must see that the action is taken. We do not want to wait for ten years or more for Government to take action. I think the two Houses can now join together and make the Government active and do something more substantial than sum up in a brief Resolution a few facts regarding sugar industry. I think the two Houses will not tolerate delays under the new conditions which have arisen. That is the only way to justify responsible government, and in this matter, I think we owe great responsibility to three hundred million people whose interests are in our keeping.

If we promote the sugar industry we can bring in a new income of Rs. 5 per head for the whole population of India. I think it will not be a small achievement. You will perhaps ask me why the sugar industry needs fostering?

The sugar industry, as it is now carried on in Java and other countries, requires scientific cultivation and manufacture. The work in the field is related to the work in the factories. You have agricultural experts who are all the time watching the growing and producing of better varieties of cane, manure and irrigation. All the factors which are essential to the growing of a superior kind of cane, are carefully looked into. In the factories the chemists and engineers are all the time working and watching of the results. They have attained such a high level of scientific research that they know exactly the amount of sugar on the cane and try to get it to the fullest possible extent. We in India hardly get half the sugar from the crop we grow. We lose half the sugar in the process of milling and manufacturing. The Sugar Committee calculated the total loss at 1,068,960 tons of increase (page 203 of the Sugar Committee's Report) from which something like 700,000 tons of sugar could be made representing a loss of nearly 23 crores, if the price of sugar falls to about 330 Rs. a ton, but during the war when sugar was at 850 Rs. a ton, India lost Rs. 59 crores a year.

What we need is concerted effort in the laboratory, in the field and in the factory. Full crops of sugarcane can only be secured under proper conditions, requiring good seed, good ploughing, adequate manure, irrigation and good drainage. Now, I ask you, how are the growers of cane going to learn how to grow better cane, unless some kind of demonstration is provided for them? We have districts in the United Provinces, in the Punjab, where 50 thousand acres of cane are grown in a single district, and yet no effort so far has been made to educate these cane growers to grow better varieties of cane. What I wish to point out is, that demonstration areas should be provided where better varieties of cane may be grown and people may learn to improve the yields from these large areas of cane. Unless we do this, unless we provide demonstrations on a field scale,

[Sardar Jogendra Singh.]

it is not possible to educate the Indian agriculturists to grow better crops. It is not only that these demonstration farms will serve the cane crops, but they will serve for other crops as well. In Shahjahanpur, where a small cane area is properly manured, wheat has been harvested giving from 30 to 40 maunds to the acre as compared to the ordinary average of 13 maunds of wheat to the acre. I ask the Government to support the sugar industry on public grounds of the most urgent nature. The Indian agriculturist, if he is to secure full crops from his land ought to know, how to do it, and he will only know it, when there is a field scale demonstration, and, when he sees that some one is making more money than he has made, he will then try to grow better crops. One demonstration farm will never do. You may have a demonstration farm in Shahjahanpur, but Peshawar will not benefit by it. The agricultural conditions are entirely different from province to province, very often from district to district. So we must have demonstration farms in every district where areas under sugar cultivation are about 50,000 acres. It will mean trebling the income of the agriculturist, and thus lay firm the foundations of his future prosperity by training him to grow cane and other crops on new and scientific lines. The Indian agriculturist is not altogether unaware of the advantages of growing a better class of cane. If you were to go to any city in the Punjab, United Provinces, Bengal, Bombay or Madras, you will see very good thick cane grown for chewing purposes. *Pounda*, to my mind, is equal to any cane grown in Java or elsewhere, but it is grown only on a small scale. The agriculturist is not able to grow it on a field scale, because he has not the capital to buy the manure for it.

The starting of a factory therefore can be combined for the demonstration of growing good canes by providing the factory with compact blocks of land for the growing of cane. In Java, even to-day, the Javanese agriculturist makes gur and he does not get better yields than the Indian agriculturist. His average is 28 to 30 maunds of gur per acre. Put alongside the factory sugar plantations yield 4 tons of sugar to the acre! The same thing is happening in India, and there is no reason why we should not, at least, double our yield. To show that the yields in India are almost equal to that of other countries, I refer you to Mr. Millingan's recent review, 'Agriculture in India.' He points out that in the year 1919-20 Bengal gave 108 maunds of gur or 40 tons of cane to the acre, while Assam gave 50 tons. In the Central Provinces, a profit of Rs. 1,200 per acre was made. In Shahjahanpur and Hardoi, 40 tons of gur to the acre were secured, Lyallpur gave 3 tons to the acre, and yet people in the Punjab say that the Punjab is not suitable for the growing of cane. Madras, Bombay and Burma give 40 to 50 tons of sugar-cane to the acre easily. Now let us compare this with other countries. Cuba gives an average of 1.96 tons of sugar to the acre. Java 4.12 tons of sugar to the acre. Now, I ask this Council where do our yields fail in comparison with other countries in the yields obtained after following the best scientific methods known for the growing of cane? Let us for a moment turn to Java again; the Sugar Syndicate formed by the sugar factories in 1919 and 1920 spent 1,200,000 guilders last year in research work. Compare this with our research expenditure. I hope when the Revenue Member makes his reply, he will point out what India is spending on research work for the biggest industry going. A guilder is equal to 1 shilling and 8 pence. One of the large factories in Java turned out 44,000 tons of sugar, while all our Indian

factories made 30,000 tons of sugar! Can we look back with pride on our past achievements that with 300 million acres under sugar cane, we should make only 30,000 tons of sugar? The facts speak for themselves. How long are we going to wait for the industry to grow by itself unaided by the Government or private enterprise? In spite of the heavy expenditure on research, cultivation and a well-paid staff cane in Java costs 6 annas a maund.

Our thin cane costs 5 to 6 annas a maund, while our *pounda* cane costs 8 annas a maund, so even in the matter of costs, India compares very favourably with Java and other countries.

Now, when we turn to the requirements for growing better varieties of cane, we find that we require about a million tons of oil cake for manure or 300,000 tons of sulphate of ammonia. We are exporting nearly a million and a half tons of oil seeds a year. If we start sugar industry, a million and a half tons of oil seeds which are going out would be kept in the country, and would bring us additional wealth of at least a million rupees providing at the same time adequate manure for our crops.

Briefly speaking, the agricultural possibilities of sugarcane in India are enormous. India has the largest area in the world under cane. India can produce the best varieties of cane equal to those produced anywhere in the world.

The knowledge for growing the crop is there. What is needed is capital and organisation. Capital cannot be attracted unless land is available for home plantations. In Java, in 1833, compact blocks of land were provided for factories, and to-day Java is reaping a rich harvest. India, again, if it is going to foster the sugar industry, and quicken the pace, will have to provide compact blocks of land in the early stages. Many of my Honourable friends will prick up their ears and say—we will have to dispossess somebody to provide these blocks of land. Indeed, we need not dispossess any one at all. Land acquired for sugarcane is acquired for agricultural purposes, the cane crop would be under control, but other crops will be as great as before. This is what is being done in Java. Eventually the agriculturist would be more thankful to the Government for having used a little bit of compulsion in educating him to better methods of cultivation than leaving him to starve as he is doing to-day and allowing him to waste his opportunities.

From the agricultural side if we turn to the manufacturing side, what is happening to-day is, that, when the crop is ready it is brought to the mill. The cane is crushed by small three-roller mills, the bullocks are not very powerful, and while the cultivator is extracting the juice he slackens off the rollers so that the bullocks may have an easy time, and the result is that he loses fifty per cent of the juice which a modern power mill would press out and make available for making sugar. Turn to a modern factory now. You find it has a sixteen-roller mill working, and not only that, but it extracts every drop of juice that there is on the cane. The Sugar Committee calculated that the available sucrose on cane for making gur was 3,144,000 tons and the loss due to primitive methods amounted to 1,068,000 tons. Mr. Padshah calculated that if requisite enterprise, capital and science were forthcoming, without a single acre being added and without any improvement in cultivation 700,000 tons of sugar, could be produced every year from the losses which are now incurred which is equal to our imports. We import from 700,000 to 900,000 tons of sugar. ...

[Mr. Lalubhai Samaldas.]

The HONOURABLE MR. LALUBHAI SAMALDAS : Is it 7,000 tons ?

The HONOURABLE SARDAR JOGENDRA SINGH : It was before the war 700,000 tons. It is about 408,700 tons now, but the value of the import now is 21,84 lakhs as compared with 15,37 lakhs of pre-war value tons last year. We can make 700,000 tons of sugar from the waste which is tolerated at the present moment. We can take another million tons of sugar if we improve our agricultural methods, and, if we put another half a million acres under sugar cane, we can depend on making 3 million tons of sugar a year, which will more than meet our demands and leave a fair amount available for export. Given capital, science, courageous statesmanship and enterprise, India can produce an additional three million tons of sugar within the next twenty years which at Rs. 500 a ton of sugar will amount to 1,50,00,00,000 rupees. (Laughter.) I see Mr. Froom laughing at the idea, but these are the facts—and facts are more eloquent than anything I can say. If you utilise the area under cane, if you save the losses, and if you calculate the money value of this loss, this new wealth can be guaranteed to India. But if India is content to laugh at the idea, of course this wealth can never be ours. We cannot maintain the army, we cannot help education and do other beneficent works, because the real big industry of India ; agriculture is starved, and unless agriculture is put on a sound modern basis no flow of wealth to India is possible. Think of the new business that it will bring. Think of the steamship lines that will be required to take the new trade, the railways that will be required and the new business for Bank and business-men. All this can only happen when the Indian agriculture is placed on a proper basis, and sugarcane provides the means of doing it. Sugarcane cultivation provides the means of introducing intensive agriculture in every district, and when once established in factory plantations, it will be taken up by the people everywhere leading to the enormous prosperity of the country.

To get this new wealth the capital required runs into crores also. If you put down Rs. 700 a ton as capital required and you want to make three million tons of sugar, you require nearly two hundred crores of capital. I do not think that two hundred crores is beyond the range of the Government of India to provide. If we have a fixed programme, say, running for 20 years, providing ten crores a year, in 20 years we can have the industry fully capitalised and working, bringing in the wealth that I have been just talking about.....

The HONOURABLE SIR MANECKJI DADABHOY : You mean ten crores or ten lakhs ?

The HONOURABLE SARDAR JOGENDRA SINGH : Ten crores.

To make these three million tons of sugar you need 400 modern factories and 400 modern factories will employ 800 chemists, 1,000 engineers, 1,000 managers, 400 secretaries, 1,000 accountants so that there will be enormous business which will be taken up by the people of the country. The figures may probably astound this Council which is used to talking in lakhs, but I suppose that if I were talking to an American syndicate or even an English syndicate they would seriously consider my proposals and set to providing the necessary capital for one of the most promising industries of India and thus securing the wealth that now flows by.

Before the Government or the people embark on a large scale, I suppose the Council will support me in advocating the establishment of a few pioneer factories in remarkably good sugar areas, and in asking the Government to lease areas from forest lands where such lands are available, to start these pioneer factories. Half a dozen pioneer factories would demonstrate how far the conclusions reached by the Sugar Committee can be carried into effect. Indeed, there are already sugar factories in India which during the war earned practically 100 per cent on capital. To discover the profits that have been made you must study the reserves that have been piled up.....

The HONOURABLE MR. LALUBHAI SAMALDAS : 100 per cent profit ?

The HONOURABLE SARDAR JOGENDRA SINGH : Yes ! If you look at the reserves of some of these factories during the last three years' you will find they have doubled. I could mention names but I do not know whether it would be proper for me to do so.

The HONOURABLE THE PRESIDENT : Order, order. If the Honourable Member wishes to traverse the facts quoted by the Honourable Sardar Jogendra Singh, he should wait till he speaks himself.

The HONOURABLE MR. LALUBHAI SAMALDAS : I merely wanted information.

The HONOURABLE SARDAR JOGENDRA SINGH : In the matter of these big profits I would ask the Honourable Member to study the growth of reserves within the last four years. He will find that some factories have more reserve than their capital.

I would recommend the raising of 2 crores at once. Most of the plant needed for these factories will have to be purchased in England ; therefore, the bulk of the capital required should be raised in England, as it is in England that we shall have to buy the plant for the factories. The money needed for agricultural development we should raise in India. This raising of capital both in India and England would link the two countries together in the development of a great industry, and I earnestly believe that it is in this linking of interests that the future of the country, the prosperity of the country, rests. I believe some of the Members of the Council would like to know why it is that private capital has so far been shy. There are two factors operating against it. One is, that agriculture has not been properly studied by the commercial class, the other is, that sugarcane is not a material which can be transported from one place to another, and no capitalist would come forward to set up a factory costing something like 50 lakhs, without being assured of the raw material. Supposing to-morrow a big capitalist started a factory in an area where sugarcane was available, and the producer held up his produce, he would not know what to do. That is why it is necessary that he should have a certain amount of raw material in his own plantation so as to be secure of his supplies. Once we can offer compact blocks for home plantations, there can be no doubt that the necessary capital for financing the industry will be forthcoming.

As regards the question of the acquisition of land required for starting these plantations, the Sugar Committee, in paragraph 234 of their report, very carefully discuss the whole question. The members of the Sugar Committee admitted the need for providing these blocks, but on other grounds they did not go as far as they might have done. In any case they recommended that

[Sardar Jogendra Singh.]

wherever a 1,000-ton factory was set up, 600 acres should be provided, so that in any case 200 acres may be available for growing proper varieties of seed, but these 200 acres need not be in one block. A great deal of misapprehension exists regarding these compact blocks of land. Some people assume that these should be in one block. That is not necessary. You can have an area split up into 5 or 10 blocks of 200 acres each and spread over a whole district, and this practice would be more to the advantage of the agriculturist than one block set apart in one part of the district. If you have these blocks spread over a district, you will not be taking any large blocks from one man, indeed, you can make up these blocks, by pooling specified areas, reserving the required area out of the whole and distributing the rest to the holders again, it will mean a mere fraction of an acre taken from each holding for demonstration purposes. A fraction of an acre taken from various holdings and set apart for promoting better agriculture, would, I think, be welcomed by everybody. People ignore the fact that these compact blocks can be provided by taking very little from each individual. . . .

The HONOURABLE THE PRESIDENT : Order, order. The Honourable Member is approaching his time-limit. I trust he will bring his remarks to a close as soon as conveniently may be.

The HONOURABLE SARDAR JOGENDRA SINGH : As the time at my disposal is very short, I will not enlarge on the agricultural and manufacturing problem, which, I think, I have stated fairly clearly before. There is one point I should like to mention that the demand for sugar in all countries has been growing. It has grown in some countries by 24 per cent. within the last ten years; in other countries from 8 per cent. to 14 per cent. In India, the demand within the last decade has increased by 15 per cent. So far as the market for sugar is concerned, I can assure this Council that it is expanding, and we need not be afraid that, in the near future, there will be no demand for sugar. In fact the market in India is expanding, it is at our very door. Then, we have got the advantages in freight, in the new duty, and in having to incur no expenses for marketing the produce, advantages which may be safely said to be over 30 per cent against countries.

I want to read out a letter which I received from one of the.....

The HONOURABLE THE PRESIDENT : Order, order. I have told the Honourable Member that he must bring his remarks to a close as soon as possible. That will not be forwarded by his reading an extract.

The HONOURABLE SARDAR JOGENDRA SINGH : Then I will not read it. But Mr. Noel Deer, one of the biggest sugar experts, points out that the sugar position now is more favourable for India than it was ever before. In Hawaii, Cuba and other places, difficulties have arisen which make it very difficult for them to continue to expand sugar cultivation to any great extent, while, in India, we have hardly made a beginning and the limit of our expansion will not be reached for many many years to come. This is the opinion of one of the biggest sugar experts that the world has known.

One word more and I have done. I want to point out that there is no half-way house between the manufacture of sugar and the manufacture of *gur*. It is not possible to start a small sugar factory with a small plant. The loss on a small factory is considerable. There is a difference of about 30 Rs. a ton between a factory crushing 100 tons of sugarcane a day and another crushing 1,000 tons a

day. The advantage is on the side of the bigger factory. Therefore, if we are going to help in the advancement of agriculture, if we are going to set up big factories, and if the sugar industry is to become the dominant industry of the country—we must join together and press on the Government to start pioneer factories in India and foster the sugar industry in public interest—even in the interests of politics, to which so much attention is now given. Politics are based on economics; bring more wealth to the country, and there will be more contentment. You are only dealing with symptoms, applying solvents and counter-irritants, but you are not touching the disease at all. You must go to the root of the problem, then the country will prosper, agriculture will prosper, but this must be done with courage, with boldness, with enterprise.

The HONOURABLE MR. LALUBHA! SAMALDAS : Sir, most of us have not had the opportunity of reading the Sugar Committee's Report, and we are thus rather at a disadvantage. We have to accept the figures given by my Honourable friend, Sardar Jogendra Singh, although I must thank him for the courtesy shown by him in letting me have a copy of the report for a few days.

Now, Sir, I cannot give figures in millions, I cannot talk of India as a whole or other places besides Bombay, but I can talk of my own Presidency and of two small places situated therein. They are very small in importance compared with the Honourable Member's "millions." Sir, the first factory to which I want to refer is what is known as the Bellapur Company. The House would like to have some details about this because it is a practical proposition, it is practical business that we are carrying on; and, as has been said, an ounce of practice is worth a ton of theory. But before I come to the details of Bellapur Company, I must refer to the question of land acquisition. The Industries Commission have recommended, and almost all sugar experts have said, that, unless a factory has its own estate, it will be very difficult for it to work it successfully. There I am in entire agreement with what fell from the Honourable Sardar Jogendra Singh, but there are difficulties in the way of acquiring land. We, in Bombay, were lucky enough to start this factory on lands acquired for us by the Bombay Government. There was little opposition to the acquisition, probably because the ryots realised that their economic condition as agricultural labourers will be better than as mere agriculturists. Well, we have got the land from the Bombay Government; we have got all the facilities that we need for irrigational purposes, and we are getting the assistance and advice from the Agricultural Department. My friend, the Honourable Sardar Jogendra Singh, waxed very eloquent over the sins of omission and commission of the Government of India and the Local Governments. My friend, the Honourable Mr. Sarma, will be able to reply to that. I do not hold any brief on behalf of the Government, but when we have received real assistance from Government it is but fair that we, as non-officials, should stand up and inform the Council what the Government of Bombay has been doing for us; and I believe what the Government of Bombay has done for us, other Governments will be equally ready if only—and I do not wish to cast any aspersion on any of the other Presidencies—if only there are people of enterprise who will come forward and put down the money and prepare a working scheme. If that were done, I think the other Governments would be equally ready to help as the Bombay Government has been prepared to help us. Sir, we have acquired the land, we have got irrigation facilities, and we are now going ahead. It will take about a year or two before the factory is in working order. We shall then be able to manufacture about 6,000 tons of cane *per annum*. And that was the reason why I

[Mr. Lalubhai Samaldas.]

interrupted my Honourable friend when he said 7,000 tons, which he afterwards corrected to 700,000. So we shall be able to meet one hundredth part only of the demand of the country which is now met by imported sugar.

Then there is another factory in which I am personally interested as managing agent, while I was one of the promoters only of the Bellapore Company. Here without acquiring any land we are trying an experiment which we hope will be successful, of working in co-partnership and co-operation with the agriculturists. Sugarcane has been grown there for many years. Sugarcane cultivators there are an intelligent class of people. My Honourable friend Mr. Pratt, if he cares to speak, will be able to say much more about this. The sugarcane growers were approached by us and we have come to an arrangement by which they will sell their sugarcane to us either on a *gur* basis, *i.e.*, the price of *gur* in the market, or the price of sugar. We have already placed the order for machinery. If that experiment succeeds, I do not see any reason why the Land Acquisition Act should be applied for dispossessing cultivators, because there is now a sentimental objection to the dispossession of the cultivators—at least in my part of the Presidency. Many Honourable Members of this Council must remember what is known as the Mulshipetha agitation. The Tata Company wanted land for the purpose of generating electricity because there was no other place where water could be collected so easily. But for one reason or another, either owing to agitation by political extremists or on sentimental grounds, the people took up a hostile attitude and the Bombay Government is very carefully considering the whole situation. I am always opposed to land acquisition for private companies, unless it is definitely proved that an industry of this kind cannot be started without this assistance, and unless the cultivators are taken into their confidence and either given a share in the profits of the factory or allowed to lease their lands. I may mention here that, as regards the Baramati factory, which I am putting up, we have arranged with the cultivators that, if the supply of sugarcane is on the *gur* or sugar basis, we will, after declaring dividends of 10 per cent., give them certain rebates on the cane they have sold us, so that they are interested in the success of the experiment. We cannot,—we ought not in these days,—to ignore the cultivators and take the land out of their hands without proper justification. The only way for the capitalists, the industrialists and the agriculturists all is to be friends and to work together. That is the way in which we ought to look at this matter; and I think the best course will be, Sir, to wait till the opinions of the Local Governments have been received. My Honourable friend, Sardar Jogendra Singh, fears that it might take years. He said it might take ten years before the Government wakes up, and it may then go to sleep again. Sir, I have much more faith in the Government of India, and even if the Government of India does go to sleep, what are the Councils for? What are we here for if not to wake them up and make them do their duty? But as a representative of one of the Provinces which has taken a lead in this matter, I do not want that my Government should be ignored, or that any action taken by this Council should be taken behind the back of my Government. After the opinions of Local Governments have been received, it will be time enough to take up all these recommendations with which many of us here are in entire sympathy. But it would not be proper that we should take action without consulting Local Governments, or that we should practically ignore all the Local Governments. That is the reason, Sir, why I think that, if the Honourable Sardar Jogendra Singh does not feel inclined to withdraw the Resolution, it

will be right that, after hearing the Honourable Member in charge of the Government, and if he gives us an assurance that he will not go to sleep over the matter, we should leave the matter entirely in the hands of the Local Governments. But if the Honourable Sardar presses his Resolution, then I think that the Honourable Mr. Kale's amendment

The HONOURABLE THE PRESIDENT : The Honourable Member will have an opportunity of speaking on Mr. Kale's amendment if he moves it.

The HONOURABLE MR. LAJUBHAI SAMALDAS : All right, Sir. I have only one word to add. The Honourable Sardar Jogendra Singh said that the existing factories are making 100 per cent. That might have been during the War. I can say that in many factories they were hardly able to declare dividends of 6 or 7 per cent. The low rate of dividend has been one of the chief reasons why many factories were not started. He said the reason was that industrialists did not take any interest in agricultural matters. I do not think it fair to industrialists to say so. We, in Bombay, have been studying this question for years, and I believe the Honourable Mr. Pratt will bear me out when I say that Mr. Keatinge, the Director of Agriculture there, has written a book to show that when *gur* prices rule high the factories cannot afford to make sugar at a profit.

There are certain other factors of which my Honourable friend Sardar Jogendra Singh, has not properly taken notice. One is, that the people in the villages like *gur* better than sugar. That is the chief reason why *gur* is manufactured to a greater extent than sugar. *Gur* is supposed to be more healthy and more nourishing than sugar. It may be a prejudice. My friend opposite will be able to say whether *gur* has these qualities or not. But that prejudice does exist, and, until that prejudice is removed, it will not be possible to introduce sugar all at once all over the country.

Then there was another hit against the Government. I do not mind it. Government's back is hard enough to bear all hits. But my Honourable friend said that financial assistance had not been given to the agriculturists for the purchase of manure—I am not speaking for Government but on behalf of the Central Co-operative Bank in the promotion of which I was concerned that the Bank is doing a good deal in encouraging agriculturists in this direction by enabling them to get their manure in the cheapest market and to sell their *gur* in the highest markets. On our side we have not neglected this industry. The Co-operative Department in my Presidency, I may mention to my Honourable friend the Mover, have been doing everything possible to encourage this industry.

As regards the tonnage of sugar per acre, I think we are not badly off. The cane produced in the Deccan, as the Honourable Mover himself has admitted, is absolutely the best, and we can get about 4 tons of sugar per acre. As a matter of fact, both of our factories have estimated the yield of sugar from $3\frac{1}{2}$ to 4 tons per acre.

I have nothing more to add, Sir, but I do hope that my Honourable friend will not press this Resolution and will trust the Government of India to do their very best, because, when they appointed the Sugar Committee, it was a clear proof of their desire to encourage and advance the industry. If they really did not mean business, they would not have appointed the Committee, and since they appointed a Committee, why not trust them?

[Sardar Jogendra Singh.]

The HONOURABLE SARDAR JOGENDRA SINGH: They never mean business when they appoint Committees.

The HONOURABLE SIR MANECKJI DADABHOY: Sir, I may at the outset state that I am in full agreement with what has fallen from 12-1 P.M. the Honourable Mover regarding the general advantages of starting the sugar industry, encouraging it and fostering its development. I do not think in this Council there could possibly be two opinions on the subject of developing the sugar industry of India, as it is a very important industry. Likewise, I share all his apprehensions about the shortage of our Indian yield as compared with the yield in other countries, and I admit the great potentialities of the Indian soil so far as regards the production of sugar. But granted all this, and though I am prepared to give him my moral support so far as his general observations on the subject are concerned, I am beset with serious difficulty in accepting this proposition, and a little reflection will show that it is impossible for this Council to adopt the Resolution, as it is worded at present. I understand from the tenor of his arguments that the agricultural industry in this country has not received the same measure of support, or to use his own words, it has not been favourably considered by Government. I do acknowledge that the agricultural industry is the corner-stone of all the industries in India, and that it should receive the fostering care and all manner of paternal attention from this Government. But my friend is not correct in stating that it has up to now not received an adequate measure of support from Government. I would be a happier man if I could find the Government extending to other industries the same amount of support which it has in the past accorded to the agricultural industry in general. The burden of the argument of my Honourable friend the Mover comes to this, that the Government must now immediately, without wasting any further time and without consulting the Local Governments on the Report of the Sugar Committee, unanimously adopt this Resolution which makes three important recommendations, and that the Government should forthwith find money by hook or by crook, even if other industries have to suffer, that the money must be promptly found for the development of the sugar industry, and every manner of encouragement should be given to this industry. I am afraid, Sir, in this connection my Honourable friend the Mover entertains views somewhat different from the Commission which as a body has arrived at certain definite conclusions. I shall refer briefly to one or two passages only of that Report. I have not had the time to go through this Report carefully because I got a copy of it only yesterday. But a cursory glance at some portions of the Report has convinced me that the subject was dealt with with a great amount of circumspection and caution by the Commission itself, and that my Honourable friend the Mover of this Resolution goes a little bit in advance of the proposals recommended in this unanimous Report.

In Article 346 it is stated:

'We would add that we have carefully considered the possibility of establishing such a factory as we have proposed by private enterprise assisted by a Government loan or subsidy, but have rejected it as we are convinced that, if the factory is to serve the purpose for which it is intended, such an alternative would involve a measure of dual control which would greatly impede, if not entirely prevent, its successful working.'

Later on, the Report says:—

'While we have no desire to fetter the discretion of the Local Governments in this matter, we feel bound to say that we see no necessity for such a course. Recent experience

has shown that capital in India is readily forthcoming for financing sound industrial undertakings. There is here no question of introducing an entirely new industry, or of supplying an existing deficiency in the interests of national safety.

It is clear from these two passages to which I have drawn the attention of the Council, that the Commission is definitely of opinion that the industry should stand on its own legs and should be financed by private capitalists.

Now as regards the composition of this Resolution. In the preamble of the Resolution my Honourable friend has asked that such action be not delayed by previous consultation with the Local Governments. I submit that this is a course which this Council cannot countenance for a moment. Honourable Members are aware that Industry is now a Provincial Subject. If any action is taken in the matter, it is the Provincial Governments who will have to find capital for industrial development. It would be unfair, therefore, to the Provincial Government, and it would be unfair to the Ministers who are in charge of this Department, if they are not consulted on the general recommendations of the Sugar Committee, or if any action is taken without their concurrence or knowledge. I would go further and say that it would be an act of scant courtesy on the part of this Council to adopt such a Resolution which will certainly not be just to the Provincial Governments.

Sir, I shall now deal briefly with the three recommendations made by clauses (a), (b) and (c) in the Resolution moved by my Honourable friend. The Council has been treated with a very interesting speech by the Honourable the Mover as regards the general aspect of the subject, but he was somewhat shy of dilating on these very clauses, because I heard very few remarks from him with reference to these three clauses which form the most important portion of his Resolution. As regards the first clause "to provide compact blocks of land for sugarcane cultivation in all districts where 50,000 acres are already under cane," my Honourable friend Mr. Lalubhai has alluded to the difficulty of acquisition of lands, and I quite agree with him. It is an enormous difficulty. This difficulty has been very considerably felt by Provincial Governments.

I will allude to two recent cases only in this connection. One I remember was in 1919 in connection with the acquisition of agricultural lands for the encouragement of sugar industry in the Deccan, and to my knowledge there was a great deal of opposition in the matter. Another case which the Honourable Members who come from Bombay will doubtless remember, is the case of the Tata Power Company. The Tata Power Company wanted to acquire extensive lands for their catchment areas and the construction of their works, and there was a great row over it. As far as I am aware the whole scheme has been held up owing to the inability of the Government to help the Company in the matter of the acquisition of land. And then, gentlemen, you must remember that the acquisition of land is not a small matter. You cannot uproot villages, you cannot depopulate whole villages and send people away. You cannot acquire large plots of land at a time by a sweeping notification under the Land Acquisition Act. Such a course, even if it could be adopted, would, in my opinion, be politically dangerous. It will cause serious dissatisfaction in the country and it will create trouble. You will be asking for serious trouble if you uphold and enforce a policy of this kind in this country. My friend in the course of his arguments said that the whole 50,000 acres may not be acquired in one particular area, but large areas, may be split up into small

[Sir Maneckji Dadabhoy.]

blocks and a few areas here and there may be discriminately acquired. This proposal does not solve our difficulty in any way. On the other hand, this enhances our difficulty insuperably, because the trouble will be greater. You will not only be disconcerting one portion of the population, but you will be spreading discontent in various parts. Instead of localising the discontent in one place, you will be spreading discontent promiscuously and you will be courting trouble.

I do not think, therefore, it is possible to acquire 50,000 acres of land either in one block or in a series of blocks without causing serious hardship, distress and discontent.....

The HONOURABLE SARDAR JOGENDRA SINGH : May I rise to a point of order, Sir ? I never meant that 50,000 acres should be acquired.

The HONOURABLE THE PRESIDENT : That is not a point of order, that is a personal explanation.

The HONOURABLE SARDAR JOGENDRA SINGH : Thank you, Sir. The Honourable Member seems to be under a misapprehension when he says that the acquisition of 50,000 is required. All that I am pointing out is, that 50,000 acres are under sugarcane already. That is a very different proposition from acquiring 50,000 acres. I do not want the Council to be under any misapprehension in any way—and

The HONOURABLE THE PRESIDENT : The Honourable Member must not make a speech ; he must confine himself to an explanation.

The HONOURABLE SIR MANECKJI DADABHOY : I am very thankful to the Honourable Member for his explanation, but I draw the Honourable Member's attention to his clause (b), which reads thus :—“ by providing compact blocks from waste forest lands, etc., in suitable localities.” My friend is here asking Government to acquire 50,000 acres of forest land for sugar cultivation. I say this is altogether not a feasible proposition. Apart from the financial position, there is another difficulty which my friend has not been able to perceive. You cannot simultaneously cultivate 50,000 acres. You may get blocks of 50,000 acres. But so far as I am able to see, even the Sugar Commission have said that there should be a steady growth of the industry.....

The HONOURABLE SARDAR JOGENDRA SINGH : May I add another word of explanation ?

The HONOURABLE THE PRESIDENT : The Honourable Member must really allow the Member who has possession of the House to proceed with his speech. Should this debate run its full course, he will have an opportunity of replying at that stage to any of the Honourable Member's statements which he does not think right. He himself was heard in silence and he must hear other people in silence.

The HONOURABLE SIR MANECKJI DADABHOY : This great industry must grow steadily. There is one passage of importance in the Report which I should like to read. “ We have recognised ” the Commission says “ the many difficulties that beset the problem in India and we have framed our recommendations accordingly with a view rather to steady development than to an immediate transformation.” So what they are urging is steady development. The

whole industry must evolve itself gradually and steadily. We cannot go in for a sweeping scheme like the one suggested by the Mover.

The third clause says "by guarantees of interest on the capital raised either in India or in England or in both for the establishment of sugar factories." Now this clause means in plain language that my friend wants protection for the sugar industry of the country. I do not propose to say anything in this connection because the Fiscal Commission is shortly going to meet, and I believe that all the problems connected with various industries will be considered by them. In view of the impending Commission, I think this House should not commit itself to any line of policy in this matter. I acknowledge that in their report the Sugar Committee have made a suggestion that the Government might give guarantees of interest. But I think it would be a very dangerous precedent for Government to adopt in connection with any particular industries. Other industries will be coming forward and asking for a similar concession, and I do not know where the Government is going to draw the line of demarcation. So I submit that this is a matter in which judgment should for the present be suspended. I do not think that we should accept the Resolution as it stands, though I am very anxious that all possible support should be given to the fostering of the sugar generally. But with these clauses inserted in it it is impossible to accept this Resolution.

The HONOURABLE MR. V. G. KALE : Sir, I beg to move the amendment
12-17 P. M. which stands in my name, namely that the words "by previous consultation with the Local Governments" and "clauses (a), (b), and (c)" be omitted.

The HONOURABLE THE PRESIDENT : The original question was that—
'This Council recommends to the Governor General in Council that in so far as the recommendations contained in the Report of the Sugar Committee suggest action by the Central Government, such action be not delayed by previous consultation with the Local Governments; that effect be given to the recommendations contained in the Report of the Sugar Committee, as early as possible, and that the Government should foster the Sugar industry :—

- (a) by providing compact blocks of land for sugarcane plantation in all district where 50,000 acres are already under cane ;
- (b) by providing compact blocks from waste forest lands, etc., in suitable localities ;
- (c) by guarantees of interest on the capital raised either in India or in England or in both for the establishment of sugar factories.'

Since which an amendment has been proposed that the words "by previous consultation with the Local Governments" and "clauses (a), (b) and (c)" in the original Resolution be omitted.

That amendment has now been moved and the debate must be restricted to the desirability or not of the omission of these words only.

The HONOURABLE MR. V. G. KALE : Sir, my work has been rendered easy by the speeches of the Honourable Members who have preceded me and who have practically supported my amendment in anticipation. My first difficulty with regard to the original Resolution was that Members of this House had had no opportunity of studying the important Report of the Sugar Committee. Through the courtesy of the Honourable Mover I was enabled to get a glimpse of the Report. But I found that the questions dealt with in the Report involved many controversial issues, especially concerning the acquisition of land by Government. Consequently, it is not fair to this Council to be asked to support a Resolution of this character which involves propositions about which Members of this House have had no time to make up their minds. Secondly, with respect to the clauses which have been added to the main Resolution suggesting the methods by which the Sugar Industry should be promoted and

[Mr. V. G. Kale.]

assisted by the Government, there are certain methods to which very strong objection will have to be taken. Much has already been said with regard to the difficulties in connection with land acquisition. In the body of the Report itself one of the members of the committee has suggested that, when other resources have been exhausted, compulsory acquisition of land by Government has got to be resorted to if the sugar industry in this country is to be placed on a sound footing. And from the remarks which have also fallen from the Mover of this Resolution, one may catch the idea that, unless a radical change is brought about in the present organisation of the agricultural industry in India, large factories for the production of sugar will not be a business proposition. I take it that we may all agree with regard to the necessity of better agricultural organisation, more capital, and more scientific methods; but it must not be forgotten that we cannot change the agriculturists, and we cannot change their agricultural methods in a moment. If the cultivator sticks to his small farm, mere theories of production on a large scale cannot be expected to convince him of the necessity of parting with his lands. We have to take a social and economic revolution, then many other industries could similarly be started on a large scale. The yield of food-grains might be increased threefold, if perhaps the agricultural industry could be carried on on a large scale. But we must know we are not writing on a clean slate. The agricultural industry is the oldest and the most important industry that we have in this country; and consequently we have to be on our guard with regard to the methods that we adopt in dealing with the poor and illiterate cultivators. I do not think that I can agree with the Honourable Sir Maneckji Dadabhoj when he suggested that the agricultural industry has been a comparatively pampered industry in India.....

THE HONOURABLE SIR MANECKJI DADABHOY: I did not say that, Sir.

THE HONOURABLE MR. V. G. KALE: I accept his assurance, but his words were calculated to produce an impression that it would be very lucky indeed if factories in this country were to receive from Government the same assistance as agriculture has received. But the poor agriculturist stands on a footing which is quite different from the footing on which the capitalist and the employer stands in this country, and consequently he cannot expect to receive the same assistance as the cultivator is expected to receive.

A good deal of attention of the Government has been latterly devoted to the helping of the cultivator by extending to him the capital that he requires and by starting demonstration farms. So far as the Bombay Presidency is concerned, much useful work has been done in the matter of sugarcane; and the Sugar Committee Report itself shows that valuable results have been achieved at the Manjri farm in that Province. No doubt we want this kind of work to be done on a much larger scale than is being done at present—but the method is not the method that has been suggested. The compulsory acquisition of land in large blocks or small blocks is a matter which requires serious consideration. The Honourable Sardar Jogendra Singh thinks that he can manipulate lands in a village by taking one-fourth of an acre from here and one-fourth of an acre from there, and in that way without injuring the interests of any particular cultivator he can bring together 200 acres of land. I do not know how this works out mathematically. Theoretically, it may be

all right, but in practice it may be very difficult. Were it so easy as it is represented to be, then the problem of the fragmentation of land would be immediately solved. We have been hammering at that problem for a very long time. Lands have been divided into small pieces or fragments, and we do not see our way to pass any legislation with the object of consolidating these uneconomic landholdings. If this difficulty, and it is an economic difficulty and a social difficulty, if this difficulty cannot be easily solved, I cannot understand how the sort of manipulation that is suggested can be brought about. Therefore the suggestion with regard to the acquisition of land is, to my mind, most impracticable and dangerous.

Secondly, with regard to the consultation of the Government of India with the Local Governments, this is, I think, rather a large order. There is already so much strong feeling in the Provinces on this question that if the Government of India were to take, on its own account, any measures in which the Provinces are deeply interested, then I think there would be a very strong resentment on the part of the Provincial Governments and of the people in the Provinces. No doubt, in the Resolution it has been said that the Government of India should take such action as is necessary on their own part without having to consult Local Governments. We may agree with it there. But from the suggestion that the Honourable Mover has actually made, it will be necessary to consult Local Governments before taking action, and therefore the two are not consistent with each other.

Then with regard to the guaranteeing of capital, as a general proposition, I am not against protection as my Honourable friend Sir Maneckji Dadabhoy is. I would certainly protect an industry if protection is thought to be absolutely necessary for it. I would not flinch from giving a subsidy to it, but in this instance, no details are available to us. It is only a general proposition that interest should be guaranteed. But under what conditions? What ought to be the safeguards? How is the consumer dealt with in this proposition? How is the general taxpayer protected as he should be? We do not know anything about it in detail, and the Honourable Mover asks us to agree to a proposition simply of guaranteeing interest on capital raised either in India or in England. So, this proposition is too general for the acceptance of this House. The question will have to be studied in greater detail, and then if we agree that such assistance is absolutely necessary for setting on its feet a particular industry temporarily for a time, even a subsidy may be reasonably given. But encouragement to indigenous industries may be given not in one particular form, but in different forms. For instance, in many cases, scientific advice and technical assistance will be a better form of encouragement than guaranteeing interest. All that will have to be discussed and a conclusion will have to be arrived at. For these reasons I want that these three clauses should be dropped and the words which refer to the consulting of Local Governments should be dropped. With these words I move my amendment.

The HONOURABLE MR. F. G. PRATT: Sir, I rise to support this amendment. I agree with the last speaker that it will be extremely undesirable to exclude Local Governments from all consultation on the important matters raised in this Resolution. The conditions must necessarily vary enormously in different Provinces, the conditions of cultivation in general, and especially the conditions under which cane cultivation is carried on, and to take action without consulting the Local Governments as to what would be most suitable under their conditions, to rush

[Mr. F. G. Pratt.]

into action such as is recommended by the Mover of this Resolution would, I submit, be highly undesirable. In our Province in the Deccan where cane cultivation is chiefly carried on—I mention this as an illustration of the great variety which will be found to prevail between that Province and others,—on some of the canals the average size of the holding in which perennial irrigation is supplied to cane is $4\frac{1}{2}$ acres, and these $4\frac{1}{2}$ acres are not very often in one ring fence, but are scattered about in 2, 3 or 4 different parcels of land, extremely inconvenient in shape and size for irrigation. That circumstance enormously increases the difficulties of successful irrigation and successful cane cultivation in our Province and makes it necessary to apply special remedies and special considerations for ameliorating the conditions in the Deccan tracts.

In the remarks which I shall make now, Sir, I shall restrict myself entirely to the discussion of the relative merits of the original proposition and the Amendment. I, therefore, pass on to discuss the Amendment which proposes to cut out from the Resolution the specific recommendations for action which have been put forward by the Mover of this Resolution.

Now in our Province, the Honourable Mr. Lalubhai has described what had already been done by Government in the matter of acquiring lands for promoting and facilitating cane cultivation and the establishment of sugar factories. He has told you that the difficulty of acquisition increases progressively every time a new block of acquisition, is entered upon, and this has made it necessary for us in Bombay quite recently to consider very carefully what alternatives can usefully be substituted. During the last rains a committee of agricultural and irrigational experts sat in Bombay—I was a member, a lay member on the committee—and we recommended an alternative which I will not describe in any detail, but it was roughly on these lines. I mention this in order to show how particular conditions necessitate particular remedies, and the conditions of particular Provinces must be taken into consideration and must not be ignored. We recommended that, in order to facilitate efficient cultivation, accompanied by proper drainage, a large tract of country, a selected area found suitable for perennial irrigation should be, so to speak, pooled and re-distributed, and out of that pooled area, a block of land should be set apart for a sugar factory, and to that block of land, whether it might be 2,000 or 3,000 or 4,000 acres, each holding in the original area should contribute. The remaining area would be given back to the original holders. Their holdings would be reduced in size, but would be greatly increased in value because in the re-distribution they would be re-arranged in shapes and sizes suitable for perennial irrigation. That was the recommendation which we made, and which we hoped would avoid the difficulties of out and out acquisition. This I might be able to discuss at a somewhat later stage of the debate, but I pass on now to the last clause (c), in which we are asked to guarantee interest on the capital raised either in India or in England, or in both for the establishment of sugar factories. Well, our experience in Bombay has been that in negotiations of this kind, if any guarantees are required,—once a sugar factory has been brought in with the assistance of Government and established on sound lines,—our experience has been that, if any guarantees are required, it is not so much a guarantee that the Company will earn a remunerative or a reasonably remunerative rate of profit, but a guarantee that, out of the enormous profits which the Company is likely to earn, Government will secure a reasonable share, in consideration of what they have done for establishing that factory.

The Honourable Mover has told us that in factories in other parts of India—we unfortunately have not yet got any in Bombay—the companies earn 100 per cent on their capital. When such profits can be earned by good management, surely it is unnecessary that Government should come forward to guarantee a rate of interest,—should take any risk whatever in guaranteeing a rate of interest, the only effect of which would be to protect a company against the results of neglect and mismanagement.

The HONOURABLE MR. B. N. SARMA : Sir, I am glad we possess in our midst a sugar enthusiast who will keep the Council as well as the Government alive to the importance of the sugar problem. I sympathise with him for, having laboured so hard on the Committee and produced a very useful report for which we are thankful to the Committee and to him, it is but natural that he should be anxious to see that its recommendations, which he would like to see improved upon, should be carried into effect at the earliest possible date. I may inform the Council that Government has not been slow in undertaking to do its duty in this respect. ...

The HONOURABLE THE PRESIDENT : Order, order. The Honourable Member will kindly remember we are on the Amendment.

The HONOURABLE MR. B. N. SARMA : They will therefore see that this Resolution is a trifle premature, and that the Amendment will, in the first place, have to be accepted, although I hope to be able to show later on that, even with the carrying of the Amendment, it may not be possible to make the Resolution, even as it would stand amended, acceptable by the Council.

Honourable Members who have already spoken have rendered my task easy, for they have shown to the Council that it is impossible for the Council to adopt this Resolution in its original, unamended form, whatever may be their sympathy with the objects which the Honourable the Mover has at heart. Now the first part of the Amendment deals with the undesirability of taking any action without previous consultation with Local Governments. Honourable Members will remember that agriculture is a Provincial Transferred Subject, and that the Government of India do not retain even the limited control which they have where the subjects are reserved. This being a Provincial Transferred subject, and the recommendations having to be carried out largely in the Provinces, even where the Government of India may be induced to find funds partially for them, Honourable Members will realise that it will be impossible to carry out any part of the recommendations in the Committee's Report without previous consultation with the Local Governments: and I do not think that even an impatient enthusiast like Sardar Jogendra Singh, when he realises that the recommendations, in so far as even where they are to be carried out by the Government of India, cannot be carried out except after consultation with the Local Governments,—*e.g.*, with regard to the starting of a sugar factory under Imperial auspices, a Sugar Board on which the Provincial Governments and Provincial representatives will have to sit, a sugar research institute where a number of research stations will have to be established in the sugar planting areas—none of these recommendations, in which the Government of India may take a direct and deep interest, can be carried out without consultation with Local Governments—will fail to realise that the proposition as it stands cannot be supported.

Then the second part of the Amendment deals with the suggestion that the Government should provide compact blocks of land for sugarcane plantation

[Mr. B. N. Sarma.]

in all districts where 50,000 acres is already under cane. I understood that the Honourable Mover was a party to the majority report which explained the difficulties in the way of undertaking the action recommended in clause (a) except to a very small extent. If all that he means is that the majority report, in so far as it recommends the acquisition of small blocks of land for experimental purposes or the growth of improved seed should be accepted, then it may be possible to sympathise with his object more than if he asks the Council or the Government to discard the majority report. But I take it, as the Resolution stands here, that the Honourable Sardar has chosen to depart from his own recommendation the recommendation to which he was a party in that he joins the minority report in suggesting the acquisition of compact blocks without any limitation. However, inasmuch as this question is under examination by the Government, and the Government has already appointed an officer before the Committee's report was out from the press, I shall not say anything which is likely to prejudice any final adjudication on the merits which the Government of India may come to. I would not make one way or the other any remarks now which might commit the Government even in a partial way to the adoption of this or the other course. But I agree fully that there are insuperable difficulties such as have been suggested by previous speakers, and that it will require very careful examination before any proposition of this character can be accepted by the Government. I may also inform the Council that the revision of the Land Acquisition Act is under consideration and will shortly be laid before both the Houses, and this question may have to be considered in connection with that revision later on.

With regard to (b), I think we can promise more sympathetic support and the Irrigation Branch of my Department, in consultation with the Revenue, will investigate what can be done in the way of providing compact blocks from waste forest lands, etc., but I cannot say anything more now.

With regard to (c), I think I shall adopt the same course, although if the proposition advanced by my learned friend is correct he is out of court. In one place he has told us that, unless there is a radical change, there is not much room for the growth of factories. If that be so, we shall have to remove the conditions which have retarded the growth of factories, namely, the inability of the cultivator to provide cane in sufficiently large quantities for factory production running over large and extensive periods. We shall have to remove that cause before anything can be done, and a mere guarantee of interest will not be of any great use. If, on the other hand, factories have been earning such large dividends as has been represented to be the case, then in such areas there seems to be no necessity for any guarantee on behalf of Government. However, this question requires still further examination, and I think, therefore, that the Council will be well advised in dropping (a), (b) and (c) for the present, and also omitting the words "by previous consultation with the Local Governments." Inasmuch as the Chair has ruled that I should strictly confine myself to the Amendment proper, I shall not say more at present, but I would ask the Council to accept the Amendment—not that it would lead the Government to accept the Resolution as it stands,—because I hope to be able to show that even as it would stand altered it will not be possible to accept it.

The HONOURABLE SARDAR JOGENDRA SINGH: Sir, about the Amendment moved by the Honourable Mr. Kale, I think just a few explanations would set the mind of the

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Council at rest. When I said "without previous consultation with Local Governments," my idea was, that the matter would ultimately go to the Local Governments, and that we should be strengthening their hands by passing this Resolution here. I did not mean to say that we, sitting here in Simla or the Imperial Government, were going to set apart blocks of land in other Provinces. All that I meant was, that if we pass this Resolution here, the Local Governments' hands will be strengthened, and they will be more readily inclined to carry out the recommendations of the Sugar Committee. So far as that goes, I have absolutely no objection to accepting the Amendment moved by the Honourable Mr. Kale.

Regarding (a), (b) and (c), the question was such a large one that I was not able to explain it fully. I think the Honourable Mr. Pratt's criticism is most cogent. He speaks from knowledge, and what I mean is exactly the scheme he has outlined of pooling together and then distributing the reserved blocks for sugar plantations. That is exactly what I meant. It does not involve taking away 50,000 acres, as some people who have no connection with agriculture seem to have imagined. It is just providing a small block of land as a demonstration farm—nothing more than that.

The Honourable Mr. Sarma pointed out that possibly I was going beyond the recommendations of the Sugar Committee; but, if he will look again at (a), (b) and (c) of my Resolution, he will see that I mentioned no specified area whatsoever. And, if he dips into the report, he will find that the Committee definitely recommends the acquisition of 600 acres for a factory manufacturing 10,000 tons of sugar. So I have not gone beyond the report, though I should very much like the Provincial Governments to go much beyond the report and adopt a much bolder policy.

Regarding the financing of these factories, I have hardly any doubt that when the Honourable the Revenue Member is able to provide the necessary conditions, such as compact blocks of land and irrigation, private capital will be forthcoming. But, in the meanwhile, as the Honourable Mr. Pratt pointed out, I am very anxious that the Government of India and the Local Government should take their share of the profits. It should not be only the capitalists who should get the profits, but the Government should get some also, and that is why in paragraph 245 of the Report the Sugar Committee recommends the raising of a loan for a factory carrying a guaranteed interest of 7 per cent free of income-tax and half share in all profits above 7 per cent and up to 13 per cent. By this means the Government of India would be promoting one of the biggest industries of India, and if that view is taken, I do not see why the Government of India should not come in for its share of the profits. If the Government is going to give blocks of land and to provide irrigation, it might also take a share in the profits. That is why I asked the Government to take a hand in promoting the industry.

I do not know how far I will be justified in accepting the omission of (a), (b) and (c). If the Council takes into consideration the views I have put forward before them—that the Resolution of this Council would not carry any mandatory effect on the Local Governments but would only strengthen their hands so far as carrying out the recommendations of the Sugar Committee is concerned,—if that view is accepted by the Council, I think I would add the words "Local Governments" and keep (a), (b) and (c), because we are not passing on a mandate to the Local Governments that they should do

[Sardar Jogendra Singh.]

so and so : we are merely recommending : that is the only effect the Resolution will have.

The HONOURABLE LALA SUKHBIR SINHA : Sir, I quite agree with my Honourable friend Mr. Kale in his Amendment, so far as it goes, about consultation with Local Governments. I think it would be quite inadvisable and undesirable on the part of the Imperial Government to take any action in this matter without previous consultation with Local Governments. But, Sir, as regards the omission of (a), (b) and (c), I would like to say a few words. I am much interested in this industry and have been interested for the last 20 years. I find from my experience that there are a lot of difficulties in starting a big sugar factory. I started a factory in the place I come from on the system of Mr. Hadi, who was formerly Director of Agriculture in the United Provinces. I tried my best to get sufficient cane from the cultivators. But it could not be obtained and the result was, that I had to stop the factory. In running large factories it is very necessary to have some land at the disposal of the company in order to grow its own cane and also to grow different kinds of cane sufficient to meet the requirements of the factory. It is possible that the tenants may come to some agreement to supply the cane to the factory at settled rates, but a time may come when they may not supply the cane at the proper time and the company may run a very serious risk. It is very necessary therefore to have some land at the disposal of the company so that it may grow its own cane.

With regard to clause (c) in the Resolution, I think it is very necessary that Government should guarantee a certain rate of interest. There is no doubt that public money will be forthcoming and people are anxious to have a factory. But if Government will give a guarantee, I am sure more money will come in and more factories could be started. In order to make this Resolution clear and acceptable to the Council, I have given notice of an amendment, which means the same thing, that the Central Government may refer the matter to the Local Governments in order to take the necessary steps and to refer these items, also (a), (b) and (c) as recommendatory, and not as mandatory, so that they may take such action on them as they think fit in the matter. Sir, the development of this industry is now very important. I quite agree with the Honourable Mover that there is much scope in this country for the development of sugarcane cultivation and for the manufacture of sugar, and I quite agree with him that if proper steps are taken, this country can produce as much sugar as is necessary not only for our own consumption, but for the requirements of the whole world. Taking these facts into consideration, I think the time has come when the Central Government should take the necessary steps, and that immediately, to give all possible encouragement to this industry and refer the matter to the Local Governments for their immediate attention. If these three items are also included in the reference to the Local Governments, I think no harm whatever will be done. With these few remarks, Sir, I support the Amendment of the Honourable Mr. Kale so far as it relates to the question of referring the matter to the Local Governments, but as regards clauses (a), (b) and (c) I oppose that portion.

The HONOURABLE MR. PHIROZE C. SETHNA : With your permission, Sir, I beg to move an Amendment to Mr. Kale's Amendment. My

Amendment is to the effect that the words "as far as possible be added in the third line of the original Resolution after the words "that effect."

The HONOURABLE THE PRESIDENT: How does that affect the Honourable Mr. Kale's Amendment?

The HONOURABLE MR. PHIROZE C. SETHNA: The Honourable Mr. Kale retains the portion "that effect be given to the recommendations," and I accept his Amendment, but I only propose an addition of the words "as far as possible" after the words "that effect" in the third line of the original Resolution.

The HONOURABLE THE PRESIDENT: You may move your Amendment after we have disposed of Mr. Kale's Amendment.

The HONOURABLE MR. PHIROZE C. SETHNA: It is possible that the Mover of the Amendment may accept my Amendment.

The HONOURABLE THE PRESIDENT: It is not for the Mover of the Amendment to accept the Honourable Member's Amendment, but it is for the Council to accept it.

The HONOURABLE LALA SUKHBIR SINHA: When shall I have an opportunity to move my Amendment?

The HONOURABLE THE PRESIDENT: We are at present on the Amendment moved by the Honourable Mr. Kale. The opportunity for the Honourable Member to move his Amendment will depend in some measure on the fate of Mr. Kale's Amendment.

The HONOURABLE SIR. E. J. HOLBERTON: I move, Sir, that the question be now put.

The HONOURABLE THE PRESIDENT: I think the Council is now in a position to take a decision on the Amendment moved by the Honourable Mr. Kale. I will put this Amendment in two parts, for this reason that one Member in his speech has severed the two parts.

The first question is that the original Resolution be amended by the omission of the words "by previous consultation with the Local Governments."

The motion was adopted.

The second portion of the Amendment is that clauses (a), (b) and (c) in the original Resolution be omitted.

The motion was adopted.

I will read the Resolution as amended by the Honourable Mr. Kale which is now before the Council.

This Council recommends to the Governor General in Council that in so far as the recommendations contained in the Report of the Sugar Committee suggest action by the Central Government, such action be not delayed, that effect be given to the recommendations contained in the Report of the Sugar Committee as early as possible, and that the Government should foster the sugar industry.

[Mr. Phiroze C. Sethna.]

The HONOURABLE MR. PHIROZE C. SETHNA : Sir, I now beg to move an Amendment to the Resolution as amended by the Honourable Mr. Kale and which you have just read to the Council.

The HONOURABLE THE PRESIDENT : Will the Honourable Member please read his Amendment ?

The HONOURABLE MR. PHIROZE C. SETHNA : My Amendment is that the words " as far as possible " be added in the third line after the words " that effect."

The HONOURABLE THE PRESIDENT : The question now before the Council is that in the Resolution as amended by Mr. Kale, the following further Amendment be made, namely, that after the words " that effect " in the third line of the Resolution, the words " as far as possible " be added.

I would ask Honourable Members to confine themselves strictly to the Amendment.

The HONOURABLE MR. PHIROZE C. SETHNA : I heard the Honourable Member for Government say in the course of his remarks that it may not be possible to give effect to the recommendations even if the Council passes it. It is therefore with a view to enable the Government of India to give effect to the recommendations to the extent it may be possible for them to do so that I propose this Amendment.

The HONOURABLE MR. B. N. SARMA : Sir, I ask the Council to support the Amendment for this reason. The recommendations of the Committee are under examination, and therefore we are not in a position to state as to what part of the recommendations we may be able to accept and to what extent. In accepting this Resolution as it stands amended now, therefore, we shall be committing ourselves to give effect to the recommendations as contained in the Report. That would be an impossible thing, and I take it that the essence of the Resolution is that we should take as speedy action as possible, and we have not the slightest objection to do it. Therefore, if the words " as far as possible " are included in the Resolution, Government have no objection to accept the Amendment.

The HONOURABLE THE PRESIDENT : The question is that the words " as far as possible " be added in the third line of the amended Resolution which I just read out to the Council after the words " that effect."

The motion was adopted.

The HONOURABLE MR. B. N. SARMA : I would just say a few words with reference to the Resolution.....

The HONOURABLE THE PRESIDENT : Will the Honourable Member let me read the Resolution as it now stands ?

The Council recommends to the Governor General in Council that in so far as the recommendations contained in the Report of the Sugar Committee suggest action by the Central Government, such action be not delayed ; that effect, as far as possible, be given to the recommendations contained in the Report of the Sugar Committee as early as possible, and that the Government should foster the sugar industry.

The HONOURABLE MR. B. N. SARMA : Sir, the Council may rest assured that the Government has not been idle in this matter as may be

supposed from the remarks of the Honourable Mover of this Resolution. Even before the Committee's Report was out from the press, the Government took steps to ask the Local Governments to lend them the services of an officer to deal with the Report, and an officer has been kindly lent by the Bombay Government and he has been appointed on special duty for the purpose of dealing with the Sugar Committee's Report. He has noted largely on the subject and his notes are now before me. And I may assure the Honourable Member that he has succeeded in his object in keeping me awake and alive to the importance of the subject, in that he made me read up the report a few days earlier than I might otherwise have done. The Government realise fully that this is a question of food production and food supply, and that they cannot sleep over the matter if ever they can sleep over any matter, because during recent years the problem of food production, the sufficiency of food supplies in this country has forced itself upon the attention not only of the public, but of the Government as well, and the Council and the public may rest assured that, as far as it lies in the power of the Government, they will take steps to see that there is an increased production in the country. The Honourable Member has already indicated that the particular difficulties in the way of larger areas being brought under the cultivation of sugarcane and producing more per acre are partly irrigational difficulties and partly the inadequate supply of manures. Vast areas of new land are likely to be brought under cultivation if the Sukkur Barrage Project, and the Sadar Project, the Sutlej Valley Project, and the Indus Project are completed, and some of them at any rate have a very good chance of being completed in the near future.....

The HONOURABLE SARDAR JOGENDRA SINGH : In ten years ?

The HONOURABLE MR. B. N. SARMA : That depends entirely upon the people themselves, as to whether the people will find the money, will grow out of their prejudices, will not say that they will not pay more than the existing rates per acre although they may receive large profit by reason of increased irrigational facilities. If they can rise to the occasion and are willing to pay a proper share of what is due to the public for the assistance rendered to them at public expense, I feel sure that we will be able to complete some of these schemes within a shorter period than even the Honourable Member himself has imagined to be possible.

Further, agriculture is now a transferred subject, and it is entirely for the people themselves to say what shall be done, and nobody can accuse the Government hereafter that they have delayed the matter.

The question of manures has been rightly mentioned by the Honourable Mover. The increased supply thereof is a subject that is engaging our attention, and not much can be done unless manures can be brought within easy reach of the cultivator.

I am sorry to say that, so far as can be seen, the reports are not very encouraging as to whether under these new canals projects vast areas could be allotted for sugar production, but I may assure the Council that we will do all that lies in our power to induce the Local Government and the public to undertake and promote sugarcane cultivation on lands newly given out for irrigation under these projects. Whether we can give compact blocks from forest areas is a matter that will receive very sympathetic consideration from the Government. We hope to be able to communicate soon with

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Local Governments our provisional views with regard to the detailed recommendations of the Report. The Honourable Mover has remarked that the Government are in the habit of appointing Committees only to shelve inconvenient inquiries and when they do not mean to take action. I was rather surprised at this statement, because I am sure that the Honourable Member, when he accepted a place on this Committee, could not have felt that the Government's object was to take no action for I am sure he would not have lent himself to promote such an improper object. He has fallen a victim to the tendency to join a section of the public in their cheap sneers at the expense of Government, which do not cost much. But I need not point out that the Government are as alive to their sense of duty as the Honourable Member himself, and nothing will deter them from fulfilling that duty.

As regards Lala Sukhbir Sinha's suggestion, (a), (b), and (c) will go duly to the Local Governments as the other parts of the report, and the Honourable Member may rest assured that they will not be omitted from consideration.

The HONOURABLE LALA SUKHBIR SINHA: Sir, in view of the statement made by the Honourable Member in charge of this Department, I beg leave to withdraw my Amendments.

The HONOURABLE THE PRESIDENT: I should have ruled them out of order.

The HONOURABLE LALA SUKHBIR SINHA: I now rise to give my whole-hearted support to the Resolution as it stands in the amended form, and I hope the Central Government will see that the Local Governments will spare no time in giving all possible help to the expansion of this useful industry for which there is great scope for expansion.

The HONOURABLE SARDAR JOGENDRA SINGH: Sir, the discussion that has gone on before has made my task easier. As the Resolution now stands I need not go into some of the points which I was going to raise. Some of the points were discussed by the Honourable Mr. Lalubhai Samaldas and the Honourable Sir Maneckji Dadabhoy. There are one or two points which I merely wish to bring to the notice of this Council. One is, that the experiments in Bombay do not very much influence results in the Punjab or the United Provinces.....

The HONOURABLE THE PRESIDENT: The Honourable Member must not use his right to reply to the Resolution as now amended to deliver himself of a second speech on the Amendments.

The HONOURABLE SARDAR JOGENDRA SINGH: So far as that goes, Sir, there are one or two misconceptions which I want to remove. Sir Maneckji Dadabhoy, who took up the dignified attitude of defending the Government, pointed out that the Agricultural Department was started by the Government of India. It was started by a contribution given by an American during the Viceroyalty of Lord Curzon. The Government did not create the Department.....

The HONOURABLE SIR MANECKJI DADABHOY: May I give a personal explanation?

The HONOURABLE THE PRESIDENT: The Honourable Member did not give way.

The HONOURABLE SARDAR JOGENDRA SINGH : The Resolution as it now stands, Sir, I think will to a great extent serve in drawing attention to the Sugar Industry. I need not say very much now. All that I want is to quicken the pace. The Honourable Member said that when I accepted my appointment on the committee I could not have done it, knowing that no action will be taken on the report. Well I accepted the appointment conscious of the fact that I shall be able to quicken the pace. From what Mr. Sarma has said, the pace will be quickened, and if this is done we should not have to deal with this question in this Council again. If the pace is not quickened, we shall have to wait, as it seems to me, for ten years until the irrigation problems are solved. In that case we will again have to reconsider the situation and tell them to get a move on. So far as the Resolution is concerned, Sir, I can only beg this Council to consider that what we are now asking for is that the Government of India may be pleased to foster the sugar industry in India by drawing the attention of Local Governments by taking into consideration the recommendations of the Sugar Committee as soon as possible.

The only other thing, is about raising the capital. As that Amendment has been ruled out, that point, Sir, I will not go into now.

The only other point is that the Honourable Member, when putting the recommendations before the Local Governments, might ask them not to defer action till the new irrigation projects come into being. That will mean waiting at least ten years under the best possible conditions. The development of the sugar industry is in the interest of the whole agricultural community, and I therefore ask this House to support the amended Resolution unanimously, and if the time comes to take the matter up again and force Government to take action.

The HONOURABLE THE PRESIDENT : the question is that this Resolution as now amended be adopted.

'This Council recommends to the Governor General in Council that in so far as the recommendations contained in the Report of the Sugar Committee suggest action by the Central Government, such action be not delayed ; that effect, as far as possible, be given to the recommendations contained in the Report of the Sugar Committee as early as possible, and that the Government should foster the sugar industry.'

The Resolution, as amended was adopted.

RESOLUTION *RE* EQUALITY OF STATUS FOR INDIANS IN EAST AFRICA.

The HONOURABLE MR. LALUBHAI SAMALDAS : I beg to move
1-11 P.M. the following Resolution.

'This Council recommends to the Governor General in Council to take immediately all necessary steps to secure effect being given to the policy of equality of status for Indians in the East African Colonies and Protectorates in every respect as laid down in the Government of India Despatch on the subject.'

Sir, the Government of India's Despatch to the Secretary of State for India of 21st October 1920 has put the whole case of the Indians in East Africa so fully and clearly, and yet in such sober and dignified language, that if it had not been for the persistent agitation carried on thereafter by the

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Europeans in East Africa against the granting of equality of status to the Indians, this question need not have been brought before the Council.

(At this stage the Honourable the President vacated the Chair and the Honourable Sir Maneckji Dadabhoy occupied it.)

The position, however, has changed so much in the interval and my countrymen in East Africa have been so much upset by the agitation of Europeans and their threatening attitude, that it is necessary that we in this Council and the Government of India should by adopting this Resolution assure my countrymen there that the Government of India and the people of this country will do their level best to see that justice is done to the right claims of the Indians in East Africa. Before I refer to the present situation, Sir, I would like to give a short history to show how the position of the Indians in East Africa differs from the position of Indians in other Dominions.

The East Africa Protectorate now called the Kenya Protectorate was under the Foreign Office till 1905. It was thereafter that the control of that Protectorate came to the Colonial Office, and it was only as recently as the 23rd July 1920 that it was annexed and made a Crown Colony. As such its affairs are under the Secretary of State for the Colonies who, with the Secretary of State for India, is responsible to the British Parliament for the final policy to be adopted in the Crown Colonies. These Crown Colonies have not the independent status of the Dominions, and it cannot be argued in their case as in the case of the Dominions that the British Parliament has no right to interfere in their affairs. Secondly, Sir, Indians have been known to be trading with Zanzibar and East Africa as far back as the beginning of the Christian era. I may say that I have the authority of Sir Henry Johnston for this statement. When East Africa was under Arab control, they were treated as the equals of Arabs. We have historical evidence of fresh arrival of Indians in East Africa in 1687, and it cannot be claimed by the white settlers who followed very much later that they were there in East Africa before the Indians came. That argument may apply to the other Dominions, but it cannot in the case of these Colonies. Not only that, but the Indians who went there first began to develop the country, and if priority of arrival and the work done in the development of the country give any preference, preference should go to Indians and not to the white settlers. In this connection it would not be out of place to quote a remark made by Sir John Kirk before the Inter-Departmental Committee. He said :

‘It was entirely through being in possession of the influence of these Indian merchants that we were enabled to build up the influence that eventually resulted in our position.’

Mr. Churchill in his book “My African Journey” puts the case much more fully. He says :

‘It was the Sikh soldier who bore an honourable part in the conquest and pacification of these East African countries. It is the Indian trader, who, penetrating and maintaining himself in all sorts of places to which no white man would go or in which no white man could earn a living, has more than any one else developed the early beginnings of trade and opened up the first slender means of communication. It was by Indian labour that the one vital railway on which everything else depends was constructed. It is the Indian banker who supplies perhaps the larger part of the capital yet available for business and enterprise, and to whom the white settlers have not hesitated to repair for financial aid. The Indian was here long before the first British official. He may point to as many generations of (Here I want the Council to bear with me carefully) useful industry on

the coast and inland as the white settlers—especially the most recently-arrived contingents from South Africa (the loudest against him of all)—can count years of residence. Is it possible for any Government with a scrap of respect for honest dealing between man and man, to embark upon a policy of deliberately squeezing out the native of India from regions in which he has established himself under every security of public faith?’

Sir, the third argument that is raised is, that the Indians who go to the Dominions belong to the lowest strata of Indian civilisation. It has been proved that the Indians who went to East Africa were not indentured labourers, but were traders and they belonged—I do not say, to the topmost society in India, but they belonged to the respectable middle class of Indians,—and it cannot, in justice, be said that they did not come up to the same type of civilisation as the European settlers. As regards the European settlers we cannot say, nobody can say, that they are all of the same type. There are various gradations among European settlers. It cannot be said about our people there that they are in any way inferior in civilisation to the European settlers in East Africa. Then the fourth argument that has been raised is, that Indians have little stake in the Colonies, and it is the Europeans who have a great stake there. We have facts to show, and I am quoting from the Government of India's Despatch, that while the Indians were paying a municipal taxation of Rs. 1,20,000 per annum, the Europeans were paying a municipal taxation of Rs. 70,000. That shows that the stake of the Indians was more, was 70 per cent more. Fifthly and lastly, the most important point is this, whether the European population will be a permanent population or a shifting population. Here I am quoting Mr. Winston Churchill who is a very shrewd observer. He says; “there seems to be a solemn veto placed upon the white man's permanent residence in these beautiful abodes,” and the Government of India also support that opinion, because they, in their Despatch, talk of the European settlers as a “shifting” population. Is it right, is it fair, I ask, that the country should be placed, should be given over entirely into the hands of a population of such a character? Mr. Churchill says: “It will be an ill-day for these native races when their fortunes are removed from the important and august administration of the Crown and abandoned to the fierce self-interest of a small white population.” I hope I have convinced the House that none of the reasons alleged for showing preference to the white population in the Dominions exists with regard to East Africa, and as the country is a Crown Colony no difficulty exists in the way of the British Parliament in exercising its authority to see that justice is done to India which, as a member and portion of the British Empire, has every right to claim this equality for her sons with all British subjects. In the Imperial Conference a Resolution was passed giving India equality of status in all Dominions. It is true that South Africa has protested. To that I shall come later on. Both as regards the Colonies, and even as regards the self-governing Dominions, India has been given a status of equality. Are we to be told that, while Dominions and Colonies are giving us this equality of status, Crown Colonies, which are under the British Parliament, will not give us the same status?

I will give a history of the agitation of the white settlers, which may be interesting. It is proved that before the Boer War the relations between the white settlers and Indians were not bad in East Africa. It was the advent of the Dutch settlers in the Highlands which was the first cause of trouble in this country. But so long as the administration was in the hands of the

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Foreign Office, there was very little trouble, and the agitation of the white settlers met with little success.

They tried to do justice between the Dutch and other white settlers and the Indians, but soon after the administration was transferred to the Colonial Office, there was a distinct change in the attitude of the local officials, who began to favour the demand of the white settlers for racial superiority.

This must have been noticed by Mr. Winston Churchill when he was there in 1907, for he said that "the speculator, the planter and the settler are knocking at the door." He however thought—but unfortunately his prophecy has proved wrong—that the day when the small white population would be powerful enough easily to get round both the Local Government and the Colonial Secretary and insist on having the administration abandoned to the self-interest of the white settlers was very remote. Unfortunately, for the Indians in Kenya, Lord Elgin, as Colonial Secretary, gave certain pledges to the white settlers. It may be that he gave them in a moment of weakness, but these pledges are now being held up by the white settlers as their *magna carta*. Lord Elgin had no right to give away the rights of the Natives, who are most interested in the development of the country, or to give any concessions to the white settlers, without consulting the wishes of the natives there or the natives of India. Having obtained those concessions, and having obtained those lands in the Highlands, as they are called, the white settlers began to agitate for racial supremacy, by asking that no Indians should be allowed to acquire lands in these parts, and further that they should be segregated in other areas. The Indians got frightened at this attitude, and as they saw that their rights were being taken away by enactment of local laws—legislation in which they had practically no voice—they thought that the best course would be to approach the Government here and get their support. They also sent a deputation to England, headed by Mr. Jivanjee. Mr. Jivanjee saw Lord Milner. Lord Milner gave him an interview, but that interview was not allowed to be published. Mr. Jivanjee says in one of his speeches that the interview was not allowed to be published possibly, because Lord Milner wished the occasion to be treated as private, and this was and has been the key-note of the policy of the Colonial Office throughout, to keep everything as secret as possible so that all the Indians there, as well as the representatives of the Government of India when they went there, would be faced by the accomplished fact. In response to the appeal of the Indians the Government of India decided to send Sir Benjamin Robertson to make local inquiries and report thereon. Unfortunately Sir Benjamin Robertson's report was not published, so far as I know, but we take it that the Government of India's Despatch has been based on the recommendations of Sir Benjamin Robertson, and, as I said above, we in India and the Indians in Kenya were prepared to accept the proposals made in the Government of India's Despatch, as we thought that they were fair, reasonable and practicable. There is also an idea that when Sir Benjamin Robertson went there he had no opportunity of in any way modifying the recommendations in Lord Milner's Despatch on account of their being publicly announced before he reached there.

Lord Milner's Despatch gives to the white settlers practically all that was asked for by them, although it makes a nominal concession to the Indians by granting to the 30,000 Indians in East Africa the right of electing only

two members to the Legislative Council, and that also on a very restricted franchise, as against the right of the European settlers numbering only 7,000 to 8,000 to elect eleven men.

Naturally that Despatch caused dissatisfaction here. I may mention that Lord Milner in his Despatch dissociated himself most thoroughly from the very insulting remarks that were made by the economic convention of the European settlers. They said that the Indians were both unclean and had insanitary habits; let it be said to the credit of Lord Milner that he dissociated himself from that remark. But unfortunately he was so much obsessed by Imperialistic instincts that he used words, which practically make the Indians in East Africa political helots. I am not using strong language, because these very words were used by Mr. H. S. Polak at one of the meetings in England where Lord Chelmsford presided, and Lord Chelmsford himself acknowledged that Mr. Polak had used no exaggeration in his paper. When the Government of India's Despatch was sent to the Secretary of State, the white settlers saw that it was just possible that the Secretary of State would take up the cudgels on behalf of the Indians there, and might be able to succeed in convincing the Secretary of State for Colonies of the unfairness of the Europeans' demands. They then began to agitate against the acceptance of the Government of India's recommendations by the Secretary of State. Now, there has been agitation going on on both sides. I am not going to say that the Indians there are not agitating. But the European settlers have practically adopted the attitude of what one might call "active resistance"—the attitude that they will not allow any rights to be acquired by the Indians in East Africa even if it came to fighting the Government of Great Britain. The Indians, on the other hand, adopted the policy of what is known as "passive resistance," and the first item of their agenda or programme was the non-payment of taxes. I want to refer to one fact here, *viz.*, that as soon as this was known, the Government of India—I hope the Honourable Member for Government will correct me if I am wrong—sent a wire asking them to stop this agitation and not to take up the programme of "passive resistance."

This they have adopted, and I want to bring it forward here to show that my countrymen there are still in a reasonable frame of mind, and if they can be sure of the sympathy of the Government of India and of this Council, I believe they will not take any rash action or adopt any unconstitutional methods. When this agitation went on on both sides, the matter was referred to a Joint Parliamentary Committee. Their report, which has only appeared, I believe, in the last number of the Gazette of India, but which was published in some other papers, as usually happens, gives formal approval to the principles underlying the recommendations of the Government of India, while as regards the practical working out of those principles, it leaves the matter, or rather, it recommends that the matter should be left, in the hands either of the local officials or of a Royal Commission. The former method, Sir, is not supported by my countrymen in East Africa. They have reasons for believing from the attitude of the Local Government—and especially of the Governor there—that they are quite antagonistic to our legitimate aspirations and rights. I shall quote only one remark which the Governor has made. In replying to the Indian Deputation at Nairobi the Governor said: "that this country is primarily for European development, and whereas the interest would not be lost sight of, in all respects the Europeans must predominate."

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The Chief Secretary to the Government in his written reply says that "His Excellency believes that though Indian interests should not be lost sight of, European interests must be paramount throughout the Protectorate." At the last Convention of the European Association, the Governor said openly that "the views of the Europeans in this country could not possibly have been put forward more strongly than they have been." And this was acknowledged by the Chairman of the Reception Committee. He plainly said that he is going to fight our fight. Those are his very words. If it had been merely in words, it would not have mattered much, but even in action the Governor has shown his hostile feelings towards Indians. It would be no exaggeration to say—and Honourable Members of this Council will bear me out—that the Indian troops helped to save East Africa to the Empire. There were during the war seven or eight thousand Indian troops about two-thirds of the total number of troops in East Africa, and the services of these troops have been recognised by Generals in the field as well as by His Majesty's Government. But when it came to giving lands to the soldiers for settlement, 1,500 farms, comprising over a million acres of land, were reserved for European soldiers. When the Indians approached the Governor to grant some land to the Indian soldiers, he added insult to injury by saying that it was for the big Indian landowners or for Indian citizens to find land for the Indian soldiers. If that is the attitude of the Government there, can my countrymen ever expect justice from them? But in spite of the support of the Local Government and the Governor, the Europeans must have necessarily felt that their case is a weak one, because what they have done now, is to send a deputation to South Africa to get the sympathy of General Smuts. We have only recently had a short telegram saying that General Smuts had asked them to carry on the agitation on constitutional lines. I do not know whether General Smuts wants to interfere in this matter, but I believe he is too much of a gentleman to interfere in matters which do not concern him, more specially as the Right Honourable Srinivasa Sastri has said in very clear language that South Africa has no concern in this matter. Nor do I think that it is possible for him to interfere in a matter like this, and being a statesman he would not like to take away the legal and inherent rights of other peoples in the country even if they have not the same colour of skin as General Smuts himself.

Sir, I fear I have very little time at my disposal, and I will not go over all the various grounds that the European settlers have taken up against the Indians, giving up one after another. There was first the ground of uncleanness of habits; then the ground that the natives of the place would be spoilt by coming into contact with us—practically charging us with immorality. It requires very great self-restraint, Sir, not to use strong language in reply to that charge; but I recognise that there is so much racial animosity abroad already, that I am not going to say anything here which might create further bitterness either here or there. But I cannot help saying that we Indians have never been land grabbers: we can show a clean sheet as regards that, and we hope other nations can do the same. As regards immorality, India can invite comparison with any nation. I have the authority of Mr. Andrews for saying that attempts were made to stir up the Africans against the Indians, and these have been so serious, that the Indian community has been obliged to appeal to the Africans as a whole as to whether the European version of the Indian character were true, with the result that convincing evidence was given both

in Kenya and in Uganda that the African community itself desired the presence of the Indian settlers among them and wished for closer contact with India. The Prime Minister of Uganda—he has an unpronounceable name—declared to Mr. Andrews that they wanted Indians to come and work with them because they believed that Indians were morally a superior people and their presence did them good.

Now they have openly said that they will resist by force any acknowledgments of the rights of Indians to acquire lands in the Highlands. That is a point, Sir, which I wish to bring before this Council. It is the Highlands that are to be barred to us. We do not want the Highlands on any sentimental grounds. Practically, there is no more land available there: all the lands have been given away to European settlers. It is the European settlers who now want to sell their lands and they are prevented from doing so. We do not want to fight for these lands as I just said on sentimental grounds only. But these Highlands are the one and only direct highway to Uganda and also to the great cotton belt to the north of Uganda now being developed mainly by Indian enterprise. If once this highway is stopped, it will be to the detriment not only of Indian interests, but to the trade and commerce of that part of the country generally. Now, if the European settlers could go and develop those lands themselves, perhaps there would be some justification for their attitude. But as Mr. Winston Churchill has said, it has still to be proved that European settlers can rear their children in equatorial regions even at a height of 6,000 feet, and till that is proved, the white man's country will remain a white man's dream.

One other agitation has now been started. It has been said that the Indians have not the same ideas about the honour of women as the European settlers. I say, Sir, this is a very insulting remark, and I appeal to my European friends here in this Council to say whether we have not always treated European ladies with great respect and even reverence.

If the honour of an English woman is safe in a country where the population of Englishmen and Indians is 1 to 300, there is no reason to be afraid of Indians in a country where the population is hardly more than 1 to 4, and we do not in the least want to encroach upon the rights or privileges of European population. But this argument and the appeal made in the name of white women to Her Majesty the Queen Empress can be understood only as showing that the European settlers feel that they have no case based on reason and that they are on their last legs.

I hope I have convinced the Council that Indians are asking nothing more than mere equality of status, when they ask for franchise on a common electoral roll and the right of acquiring land in open competition in any part of the Colony, including of course the so-called Highlands, and right to live in any parts of the town; and that to talk of these as asking for domination is wilful and perverse misrepresentation. The Council must have also seen that the aspersions cast against the Indians in East Africa have no justification, and to take the most charitable view the present uncompromising attitude of the white settlers may be attributed to a sincere but a mistaken misunderstanding of the demands of the Indians. On this hypothesis I appeal to my British friends in this Council and to non-official English friends outside in this country, to do their level best to remove all misunderstandings and to assure the Europeans there that the Indians do not want domination of any sort

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either over them or over the Arab settlers or the natives of the land. It is really a pleasure to see that many eminent Englishmen, like Sir George Buchanan, and others, are endeavouring their level best to remove the misunderstandings that exist between the two races. Is it too much, Sir, to expect that my European friends here in this Council and outside will appreciate the motives of the Indian settlers? They do not want to take away any of the rights of the native population. I hope, therefore, that efforts will be made on both sides to bring about a happier and better understanding between these two classes of people.

As I said my countrymen would be prepared to give franchise to the Arab settlers who are much more civilized than the native negroes. It has been said that we have not been able to manage our affairs in India, and that is shown as one of the reasons why we should not get any franchise. Fortunately, we have got our Reforms, and with them, if not full responsible self-government for which we are trying and which we hope to get in the near future, at least we have got the first instalment of self-government, and as such we can assure them that we can manage our affairs as well as any others.

Sir, the European settlers have in one of their meetings said that if England has to choose between losing India or East Africa, she should not mind losing India, because East Africa will provide greater facilities of a much better kind than India for British immigration. British statesmen are the best judges of what is good for their country, but it is because I do not want the British connection to cease, and because I believe there is a bright future for my country as an equal partner in the British Empire, that I ask the Government of India to support my countrymen's demand for equality of status, so that the strain on India's loyalty may not reach the breaking point. If the Colonial Office is not able to do justice between Indians and Europeans in East Africa, let them transfer the government of the Colony to the Government of India under whose administration we,—Englishmen and Indians,—have been living amicably and peacefully for more than a century and where the best members of each community try to take a dispassionate view even of racial problems coming up for their consideration. That British East Africa should be administered by the Government of India was the opinion of my late esteemed friend, Gopal Krishna Gokhale, and if I mistake not, Sir Theodore Morrison has practically endorsed the same view. If the British Government will not agree to the transfer of the Colonies to the Government of India, the Cabinet, as a whole, must use all their influence with the Secretary of State for the Colonies to see that there is no tinkering with the claims of the Indians in East Africa. I do not want to press my demand under any threat that India otherwise may be lost to the Empire, nor do I base it on the strength of the services rendered by my countrymen during the war. I base my demand on the equitable rights of Indians as the free citizens of the British Empire—a right recognised by the Imperial Conference and on the right of India as a Member of the League of Nations.

One word more and I have done. It seems from a telegram in the *Pioneer* that the European settlers have taken up a very uncompromising attitude, and have said that they look upon Lord Milner's Despatch as the minimum. This attitude is to be very much regretted. The Right Honourable

Srinivasa Sastri who is in intimate touch with the whole movement both in England and East Africa, at the last Saturday's meeting of the Assembly of the League of Nations said. I do not want to quote the whole of his remarks, because it will take time. What he said was "that there should be no colour bar in mandated territories as was likely to happen, if they did not take time by the forelock and pay due regard to their sacred trust." He added: "let not the time come when India and Japan would find it necessary to tell the Assembly that they were worse off under the League of Trustees than under the Germans, and his recommendation that there should be no colour bar should be applicable to East Africa also." Let the Government of India follow my Right Honourable Colleague's example and take time by the forelock and make a spirited move in the matter. With these few remarks I commend this Resolution for acceptance.

The HONOURABLE THE PRESIDENT: Further discussion of this Resolution will be resumed at 11 o'clock to-morrow till which time the Council stands adjourned.

The Council then adjourned till Friday, the 23rd September 1921.
