



Government of Bengal

Appointment Department

Reforms

**Report of the
Provincial Advisory Committee
on the
Delimitation of Constituencies
1933-34**

Volume II

(Part III)

Published by the Superintendent, Government Printing
Bengal Government Press, Alipore, Bengal

Agents in India.

Messrs. S. K. Lahiri & Co., Printers and Booksellers, College Street, Calcutta.

Messrs. Thacker, Spink & Co., Calcutta.

Customers in the United Kingdom and the Continent of Europe
may obtain publications either direct from the High Commissioner's office
or through any bookseller.

Volume II

TABLE OF CONTENTS.

Part III.—Memoranda and Oral Evidence by Non-Officials.

	PAGE.
Memorandum by the Indian Chamber of Commerce	1
Oral Evidence on behalf of the Indian Chamber of Commerce	4
Memorandum by the Bengal Mahajan Sabha	8
Memorial from the Bengal Mahajan Sabha	12
Oral Evidence on behalf of the Bengal Mahajan Sabha	13
Memorandum by the Indian Mining Federation	20
Supplementary Memorandum by the Indian Mining Federation	26
Oral Evidence on behalf of the Indian Mining Federation	29
Note by Mr. Ananda Mohan Poddar, M.L.C., of the Bengal Mahajan Sabha	34
Oral Evidence of Mr. Ananda Mohan Poddar, M.L.C., of the Bengal Mahajan Sabha	36
Memorandum by Mr. Nalini Ranjan Sarker of the Bengal National Chamber of Commerce	37
Second Memorandum by Mr. Nalini Ranjan Sarker of the Bengal National Chamber of Commerce	40
Memorandum by the Bengal National Chamber of Commerce	46
Second Memorandum by the Bengal National Chamber of Commerce	56
Oral Evidence on behalf of the Bengal National Chamber of Commerce	60
Memorandum by the Marwari Association	72
Supplementary Memorandum by the Marwari Association	75
Oral Evidence on behalf of the Marwari Association	76
Memorandum by the Muslim Chamber of Commerce	82
Oral Evidence on behalf of the Muslim Chamber of Commerce	84
Memorandum by the Indian Merchants' Association, Chittagong	96
Memorandum by the Bengal Chamber of Commerce	99
Memorandum by the Bengal Provincial Committee of the European Association	101

Volume II

Part III

Memoranda and Oral Evidence by Non-Officials

Memoranda and Oral Evidence by Non-officials.

Memorandum by the Indian Chamber of Commerce.

The Indian Chamber of Commerce, Calcutta, does not enjoy the right of representation in the existing Bengal Legislative Council merely for the reason that it was founded a few years later than the introduction of the Reforms. Although in consideration of its representative character of Indian Trade and Commerce, and the assistance it has rendered to the Government by formulating the views of the Indian Commercial and Industrial community on various questions of commercial, industrial and public importance, *e.g.*, Currency, Exchange, Banking, Transport, Industries and Labour, General Finance, Customs, Posts and Telegraphs, Law and Legislation, Public Affairs, etc., the Indian Chamber of Commerce should have been entitled to send representatives of Indian Commerce, it has been debarred from functioning as a constituency for this purpose due to the reason that it came into existence in 1925 after the allocation of the existing four seats amongst public bodies was determined.

Chamber's representation on several bodies since 1925.—Since the establishment of this Chamber in 1925, it has been granted representation on the following bodies, on the recommendation of the Government of Bengal and/or the Government of India:—

- (1) The Calcutta Port Commissioners.
- (2) The Eastern Bengal Railway Advisory Committee.
- (3) The East Indian Railway Advisory Committee.
- (4) The Bengal-Nagpur Railway Advisory Committee.
- (5) The Railway Rates Advisory Committee (five seats).
- (6) Board of Control for Apprenticeship Training, Bengal.
- (7) The Bengal Conciliation Panel.
- (8) Calcutta Society for the Prevention of Cruelty to Animals.
- (9) Bengal Pilotage Dues Committee.

This Chamber was also invited by the Government of Bengal to various Conferences convened by the Government of Bengal, for considering questions of interest to Indian Trade, Commerce and Industries, *e.g.*, Howrah Improvement Trust, the recent Jute Mills' working hours controversy.

Representative character of the Chamber.—If the representative character of a body is the true criterion for a claim to representation on public bodies, the Committee think that the Indian Chamber of Commerce has an undisputed claim for representation for allocation of at least three out of the five seats allotted to Indian Commerce for representation on the Bengal Legislative Council. The reports of the Indian Chamber of Commerce have been supplied to the Government of Bengal in the past, and a perusal of these reports will no doubt convince the Government as to how the Chamber has discharged its functions in regard to all matters of interest to the public in general and the industrial and commercial community in particular.

The Executive Committee and its functions.—The Committee of the Chamber consists of 18 members who are elected at every annual meeting by the members. There is one President, two Vice-Presidents and 15 ordinary members. No person can be elected as President for more than two consecutive years. Nine out of these ordinary members are selected as representatives of particular interests, *e.g.*, Finance, Insurance, Produce, Jute and Jute manufactures, Cotton and Cotton manufactures, Coal, Transport, Hardware and Engineering, Drugs and Chemicals. The Provision in the rules for the election of nine members in this manner ensures the representation of various trades and industries in the Committee of the Chamber. The Committee of the Chamber appoint annually 13 expert Standing Sub-Committees to deal with matters falling within their purview. The 13 Standing Sub-Committees are appointed for consideration of matters pertaining to the following subjects:—

Finance, Transport, Produce, Insurance, Coal, Piece-goods and Yarn, Cotton Mills, Hardware and Engineering, Rice, Jute, Gunny, Drugs and Chemicals and Hides and Skins.

With a view to ensure careful consideration of several matters of importance which require closer and detailed investigation, the Committee appoints Special Sub-Committees from time to time.

The Committee meet once a week regularly and have about 50 sittings during the course of a year.

Chamber represents the various communities engaged in trade and industries.—The Indian Chamber of Commerce, Calcutta, is thoroughly representative of the various communities employed in trade, commerce and industries. It has, for instance, 23 Muhammadan firms as members, a large number of Marwari firms, Gujarati firms, Parsi firms, Bengali firms, Madrasi firms, Punjabi firms, etc.

List of bodies affiliated to the Chamber.—The Chamber has affiliated to itself the following ten *bonâ fide* and active Associations dealing with their respective trade and industries:—

- (1) Indian Sugar Mills Association.
- (2) Jute Balers' Association.
- (3) Indian Produce Association.
- (4) East India Jute Association.
- (5) Indian Merchants' Association.
- (6) Calcutta Rice Merchants' Association.
- (7) Calcutta Kirana Association.
- (8) Bengal Jute Dealers' Association.
- (9) Gunny Trades Association.
- (10) Shareholders' Association.

This will be enough to show the influence exerted and the prestige enjoyed by the Indian Chamber of Commerce amongst the members of the Indian commercial and industrial community.

List of members along with figures of capital.—I beg to append herewith a list (not printed) giving the names of registered firms who are members of the Chamber and indicating their capital, in all cases where information was available. In this list, towards the end, I

have also given the names of such other members as are not registered firms along with an estimate of the capital represented by them, where such information was available.

List of members classified according to various trades and industries.—I also beg to enclose herewith a list (not printed) of members classified according to the various trades and industries which will show that the Chamber has on its roll of members, Railways, Leading Indian Banks, Insurance Companies, Cotton Mills and Hosiery Manufacturers, Jute Mills, Metal Manufacturers, Hardware Merchants, Accountants and Auditors, Produce Merchants, Glass Manufacturers, Match Manufacturers, Tobacco Manufacturers, Leather and Belting Manufacturers, Hides and Skins Merchants, Salt Traders, Coal Mining Interests, Jute and Gunny Merchants, Jute Balers, Cotton Piece-goods and Yarn Merchants, Rice Mills Flour Mills and Oil Mills, Cinema Industry, Pharmaceutical Works, Stocks and Shares, Jute and Gunny and Exchange Brokers, Shipping Companies, Stevedore and Transport Agencies, Kirana Merchants, Jewellers and Diamond Merchants, Printing Presses, Sugar Mills, Road Surfacers and Paint and Varnish Works, Mills Stores Suppliers, Import and Export Merchants, etc. This will give you an idea of the various important trades and industries represented by the Chamber, and also the firms which represent them.

I also beg to enclose, herewith, a complete list (not printed) of members, arranged alphabetically.

Messrs. G. D. Birla, D. P. Khaitan, ex-President of the Chamber, and Mr. A. L. Ojha, senior Vice-President of the Chamber, were nominated by the Government of India on the recommendation of the organisations representing Indian employers as representatives of Indian employers at the International Labour Conference at Geneva during the last few years.

Several office-bearers of this Chamber have also served on several Committees appointed by the Government, *e.g.*, Mr. D. P. Khaitan, an ex-President of the Chamber on the Central Banking Enquiry Committee, Mr. G. D. Birla, an ex-President of the Chamber on the Royal Commission on Labour, and Mr. S. K. Bhatler, President of the Chamber as an Assistant Commissioner on the Royal Commission on Labour. Mr. G. D. Birla, an ex-President of the Chamber, attended the Round Table Conference held in 1931 in London.

Tribunal of Arbitration.—In the year 1927, a Tribunal of Arbitration was appointed by the Chamber for the determination, settlement and adjustment of disputes and differences between parties who refer to it matters in dispute for arbitration. With a view to cover the varying nature of disputes arising in different trades and in order that the work may be placed in the hands of gentlemen selected for their expert knowledge of the branch of trade and industry with which the dispute is concerned, separate panels have been appointed for each of the following trades on the Tribunal of Arbitration, *viz.*, (1) Jute, (2) Gunny, (3) Piece-goods and Yarn, (4) Iron and Steel, (5) Coal and Minerals and (6) General. The arbitrations are conducted at a minimum charge for the facility of the commercial community, no distinction being made in the charges in respect of arbitrations between the Chamber members, or a member and non-member. The Tribunal of Arbitration of the Chamber has disposed of a large number of cases since its establishment and its awards enforced by the High Court.

[20th January 1933.]

Indian Chamber of Commerce.

ORAL EVIDENCE.

Representatives:

- (1) Mr. S. K. Bhattar.
- (2) Mr. A. L. Ojha.
- (3) Mr. M. P. Gandhi (*Secretary*).

The Chairman first called upon the representatives of the Indian Chamber of Commerce to explain their case very briefly before the Committee.

Mr. Bhattar on behalf of the representatives submitted that they had dealt with the matter at considerable length in their Memorandum which had already been forwarded to the Reforms Officer and there was very little to add to what had been stated there. If, however, any further particulars were asked for, they would be prepared to supply them. In short, their case was that there was no question as to the representative character of their body, because it had got all interests represented there, *e.g.*, there were 23 Muhammadan firms as members, a large number of Marwari firms, Gujarati firms, Parsi firms, Bengali firms, Madrasi firms, Punjabi firms, etc., as also the Railways. They were, therefore, entitled to the seats (3) asked for by them.

In connection with the importance of their Chamber, it was pointed out that it was invited by the Government of Bengal for considering questions of interest to Indian trade, Commerce and Industries, *e.g.*, Howrah Improvement Trust, recent Jute Mills working hours controversy, etc. Messrs. G. D. Birla, D. P. Khaitan (ex-President of the Chamber) and Mr. A. L. Ojha, senior Vice-President of the Chamber, were nominated by the Government of India on the recommendation of the organisations representing Indian employers as representatives of Indian employers at the International Labour Conference at Geneva during the last few years. Further, several members of the Chamber served on various Committees appointed by the Government of India, and assistance was rendered to Government by formulating the views of the Indian Commercial and Industrial community on various questions of commercial, industrial and public importance, *e.g.*, Currency, Exchange, Banking, Transport, Industries and Labour, General Finance, Customs, Posts and Telegraphs, Law and Legislation, Public Affairs, etc.

This, in brief, was their case, and they would be too pleased to answer any question on any particular point about which the Committee had not thoroughly satisfied themselves. Finally, it was added that if they were given three seats, they were prepared to reserve one seat for representing Moslem interests.

Questioned by Maulvi Tamizuddin Khan.—Q. Are the members of your Association also members of other Chambers of Commerce that are in existence?

A. There may be some members belonging to other Associations; it is not possible to give an accurate answer to this question.

Q. How many of your members are represented on other bodies?

A. May be half-a-dozen; it is not possible to give any answer on this point definitely, because we do not know.

Questioned by Mr. N. K. Basu.—Q. Do you think the figures you have given in connection with the list of members along with information regarding their estimated capital are true?

A. Yes, so far as we are aware.

Q. At page 5 of the list referred to, the Hon'ble Mr. B. P. Singh Roy is shown as having invested 10 lakhs; you are aware that Mr. Singh Roy is a landlord and not a business man, what is then really meant by this figure?

A. This figure only represents the capital.

Q. If out of the five seats allotted to Indian commerce, three were reserved for you, how would you divide the other two?

A. Two may be given to the Bengal National Chamber of Commerce.

Q. In view of the fact that there are many firms in your Chamber which are not situated in Bengal, what special disadvantages would you suffer for not being represented in the Bengal Legislative Council?

A. There are only 25 firms which have got their offices outside Bengal, the rest have got their offices here. We feel that our interests should not go unrepresented.

Q. Your Association came into being only in 1925; what disadvantages are you suffering from on account of want of representation?

A. Our interests are not protected, as we cannot properly represent our case through the representatives of other bodies.

Questioned by the Hon'ble Mr. B. P. Singh Roy.—Q. How could you claim more seats than that of the Bengal National Chamber of Commerce or any of the other existing Associations?

A. On this point we have given our views in full detail in our Memorandum already submitted. We represent diverse sections of trade and industries. Please see our classified list.

Q. Do you agree that there are several Marwari firms who are also members of the Bengal National Chamber of Commerce?

A. Very few.

Q. What is the point of conflict between you and the Bengal National Chamber of Commerce?

A. There is no conflict as far as commercial interests are concerned.

Q. Will you kindly explain by concrete instances where your interests differ from other Associations?

A. Our interests are identical, but there is conflict as regards the outlook of things.

Q. Do you agree that commerce and trade should have no racial prejudices?

A. We would very much like that position, but the situation at the present moment is not so.

Q. How many Bengalis are there in your Chamber at present?

A. Forty-two.

Q. Was the view of your Chamber opposed to the view expressed by other Associations in Bengal as regards salt duty?

A. Yes, in a certain sense.

Q. Is it possible in your constitution for anyone to be recognised as a member without being connected in any business?

A. Yes, membership is also eligible to all Indians who are engaged in science, art and literature. But we have not more than five such members. They are almost like honorary members who however choose to pay their subscription. All others are substantial industrial and commercial firms. Please see our list.

Questioned by Khan Bahadur Abdul Mumin.—Q. How many of your firms have also business in other provinces?

A. Very few

Q. How many Bengalis are members of your Chamber?

A. Forty-two.

Q. Of the 25 Muhammadans who are your members, is it not a fact that 18 of them are members of the Moslem Chamber of Commerce?

A. We have not got figures. The Moslem Chamber of Commerce was started only recently.

Q. Supposing that three seats are allotted to your Chamber and no reservation is made, will it be possible for any Moslem members to have one of them?

A. Yes, a Muhammadan gentleman Mr. Faizullabhai Gangjee was elected President of our Chamber for two years.

Q. How many firms are affiliated to your Chamber, who are dealers in grain or other exports?

A. In this connection we would invite reference to the classified list of members of the Indian Chamber of Commerce, which forms an enclosure to our letter to the Reforms Officer.

Q. Is it not a fact that most of the biggest firms of exports and imports of produce are Moslem firms?

A. We do not know.

Q. As far as agricultural produce in India is concerned, is it not a fact that Moslem merchants have got a monopoly in this business?

A. No monopoly; they deal with this business extensively.

Questioned by Mr. H. S. Suhrawardy.—Q. Is it a fact that the trade in connection with the import of vegetable oils is almost entirely in the hands of Moslems?

A. Yes.

Q. How many of the Jute Mills are in the hands of Moslems?

A. Only one.

Q. Is there any in the hands of Bengalis?

A. Yes, one. This Chamber alone has 4 jute mills as its members.

Q. Which is the most important firm that deals with the import of iron machinery?

A. This trade is well divided between Bengalis and Marwaris.

Q. What is the position regarding the sugar trade?

A. This trade used to be controlled by Muhammadans, but is now practically killed on account of import duties, and sugar mills have been established in the country. The Sugar Mills Association is affiliated to our Chamber.

Q. I put it to you that the Marwari Association, apart from the membership of its firms, is a body which is solely engaged in piece-goods and import trade?

A. The Marwari Association has got some wealthy members; they are all interested in commerce; but it is a social body. They do not take active interest in trade, as the Indian Chamber of Commerce and the Bengal National Chamber of Commerce do.

Questioned by Mr. Cooper.—Q. I suggest your Chamber is largely represented here in Calcutta by branches of the Bombay firms and, to a great extent, in the hands of Bombay?

A. Out of a total membership of 216, only 25 have got offices outside Bengal; this figure includes Bombay.

Q. How many firms are represented here by Bombay?

A. Twelve.

Questioned by Mr. Hogg.—Q. When you are making up your mind on any particular public question, do you consult Bombay as to what they are doing?

A. No.

Q. Are you not in regular correspondence with them?

A. No.

Q. Do you keep in touch with representatives in Delhi?

A. Only in case of all-India questions.

Questioned by the Secretary.—Q. How many of your members are connected with the Bengal Chamber of Commerce?

A. About ten.

[In this connection complaint was made that although jute is now controlled by Indians—it was thought 50 per cent. was owned by Indians—yet with regard to jute representation this trade was considered as a European constituency and they (Indians) had no opportunity to stand for it.]

Questioned by the Hon'ble the Chairman.—Q. Is it not a fact that the majority of your members belong to one or other Chambers existing in Bengal, such as Marwari Association, Bengal National Chamber of Commerce, Moslem Chamber of Commerce?

A. No. Those who were already members of the Bengal National Chamber of Commerce are still there, and a few Muhammadans have become members of the Moslem Chamber of Commerce after that Association had been started.

Q. In view of the fact that your Chamber is of an all-India character, why do you seek representation in the Bengal Legislative Council and not in the Legislative Assembly?

A. Because our Chamber has got huge stakes in this province.

Memorandum by the Bengal Mahajan Sabha.

The Bengal Mahajan Sabha.—This Association is registered under section 26 of the Indian Companies Act (Act VI of 1882).

Members.—“Every Chalani or other Merchant or Banker of Bengal and Eastern Bengal carrying on business in Calcutta and elsewhere shall be eligible for election as a life or ordinary member of this Sabha.” (Article 2 of the Association.)

The Bengal Mahajan Sabha consists of members who are merchants, either Chalani or otherwise, and indigenous Bankers carrying on business in Calcutta and in the mufassal. Most of them have their head offices or purchasing centres in Calcutta with branches in different districts of Bengal.

Inland trade and indigenous banking are the two main trading interests which are represented by this Association. It is not too much to say that the entire inland trade and indigenous banking is entrusted directly and indirectly with the class of traders who represent the Bengal Mahajan Sabha.

• **Bengal Mahajan Sabha as distinguished from other commercial associations.**—There is a good deal of distinction between the Bengal Mahajan Sabha and other Commercial Associations of Bengal. The Commercial Associations, such as the Bengal Chamber of Commerce, the Bengal National Chamber of Commerce, etc., are mainly concerned with the export and import trade, and industrial organisation of the province and their activities are mainly restricted within the metropolis of Calcutta and other important ports. But the Bengal Mahajan Sabha has no such limitation.

Inland traders.—The inland traders carry the imported goods from the ports to the doors of the villagers and also the products of the province from the agricultural centres to the ports for export. The Chalani merchants who are the constituents of the Sabha take their goods from the wholesale dealers and importers in Calcutta and also carry the same to the ports from the mufassal for export and it necessarily implies that they must have their offices or purchasing agencies in Calcutta and also in the mufassal. Here lies the main point of distinction with the constituents of the Bengal Mahajan Sabha and other Commercial Associations. The importers and wholesale dealers need not necessarily have any organisation in the mufassal. On the other hand, the Members of the Bengal Mahajan Sabha cannot do without different disposing centres in the mufassal. They are thus the true representatives of inland traders in rural Bengal.

Indigenous bankers.—The other important class of traders represented by the Bengal Mahajan Sabha are the indigenous Bankers or Mahajans. They play the biggest part in financing the agriculturists of Bengal. The Mahajans or money-lenders are the customary financiers of rural Bengal from time immemorial. Every village in Bengal has its own Mahajan, big or small, and their number and resources being limited, the village cultivators, traders, zemindars and others generally depend on them in their financial difficulties. Banking on Western lines is still undeveloped in India. Though we have got some very big Banking concerns in Calcutta and Provincial towns, the entire

Banking system is still left in the hands of persons who are called the indigenous Bankers or Mahajans. The Land Mortgage Banks and Joint Stock Banks are not developed in Bengal, the big Banking concerns are not easily approachable by the common people and the activities of the Credit Societies and Co-operative Banks are very limited, so the part played by the indigenous Bankers or the Mahajans in supplying the financial needs of the people is very considerable.

Who are represented by the Bengal Mahajan Sabha.—In each district there are innumerable market places where the local merchants have their *arats* and shops for local sale and in each village there are money-lenders to finance the people of Bengal in their need. These are the constituents of the Bengal Mahajan Sabha and they are the true inland traders who are responsible for the major portion of internal trade of the province.

The present strength of the association.—The Association at present consists of about 300 Members and each of these 300 Members is the proprietor on the average of about ten business firms in different trading centres and thus the Association is directly concerned with about 3,000 trading houses in Bengal. Merchants carrying on trade on similar lines in the province are also indirectly represented by this Association. In fact, the facilities derived by the activities of the Association are equally shared by the vast number of inland traders and indigenous bankers in Bengal.

Value of transaction of the inland traders and indigenous bankers of Bengal.—(a) *Inland trade.*—In order to have an idea of the internal trade in Bengal, it is necessary that the subject should be studied from different points of view. The value of crops produced annually in the province may give us an idea of the inland trade. Though a portion of the produce is consumed by the cultivators themselves, the major part of it changes hands and that at the first instance through the agency of the inland traders.

We get the following figures regarding the area under cultivation and the price of the products from Government statistics* :-

Total area cropped in Bengal in 1928-29.

Rice, wheat, barley, jowar, bajra, maize, gram, sugarcane, cotton, jute, linseed, rape, mustard seeds, tobacco, etc.	...	Acres	28,702,700
Price of the above produce	...	Rs.	243,80,65,500
To this may be added the price of other subsidiary products, such as cocoanut, betelnut, lac, poultry, spices, etc., which is not less than another	Rs.	7,00,00,000
This gives us a total figure of nearabout		Rs.	250 crores.

* The Provincial Banking Enquiry Committee's Report, page 28.

As for the value of the cultivators' own consumption and the portion given to the landlords in lieu of rent, one-fifth or 20 per cent. of the total product, or Rs. 50 crores, is not an unreasonable figure*. If we deduct the above from the entire product, we have about Rs. 200 crores left. This is the price of the crop which remains for the internal trade and the export.

The next point we are to consider is the seaborne and coastal imports. In the year 1928-29, the value of the same trade was estimated at Rs. 123 crores.

To this should be added the value of interprovincial imports (other than seaborne and coastal) such as piece-goods from Bombay, oil from Cawnpore, etc. ... Rs. 40 crores.

To summarise the above, we get the total figure of internal trade in Bengal as follows:—

(a) Value of products consumed in the province and exported to foreign countries and other provinces	Rs. 200 crores.
(b) Imports (seaborne and coastal) (Industry Year Book, 1932—page 314)	123 "
(c) Imports from other provinces besides coastal and seaborne	" 40 "
	Total	" 363 "

(b) *Indigenous banking*.—Though there are different loan agencies, such as the zemindars and other rent-receivers, loan offices, Government and Co-operative Societies, etc., the rural population of Bengal mainly depend on the indigenous Bankers or Mahajans for all sorts of loan and finance. It may be safely asserted that 75 per cent. of the agricultural loan is due to the village money-lenders and if the agricultural indebtedness of Bengal be estimated at Rs. 100 crores (according to the estimate of the Bengal Banking Enquiry Committee's Report), the value of the Mahajan's investment therein comes to Rs. 75 crores.

Besides the agriculturists there are other kinds of borrowers such as the zemindars and middle class people, traders, industrialists and labourers, etc., whose indebtedness is in no way less than that of the agriculturists. These classes of non-agriculturist borrowers are equally, if not more, dependent on the Mahajans for their financial needs. As a rough estimate, if the non-agriculturist loan be calculated at the

* I roughly calculated the cultivators' own consumption previously at 10 per cent., but after my discussions with His Excellency, I studied the matter from different points of view and think that 20 per cent. will be a more reasonable figure. No statistical account on this item is available either from the official or non-official sources.

same figure of Rs. 100 crores and the money-lenders' share therein be calculated at least 75 per cent., the figures come to another Rs. 75 crores.

The total value of indigenous bankers' investment may be calculated at the following figures:—

	Rs.
Agricultural loan	75 crores.
Non-agricultural loan	75 „
	—
Total ..	150 „
	—

To sum up, we get the following as the value of transaction of the inland traders and indigenous bankers:—

	Rs.
(a) Inland trade	363 crores.
(b) Indigenous banking	150 „
	—
Total ..	513 „
	—

Connection of above trade with the Bengal Mahajan Sabha.—The figures quoted above are the general trade accounts of Bengal. Though it is not the actual value of transactions of the Members of this Association, this trade at one time passes through the hands of the traders who are represented by the Bengal Mahajan Sabha and, obviously, the Sabha can claim these figures as the value of their direct and indirect trade. To say that each individual inland merchant and indigenous banker would be a member of the Association is absurd, but there is no denying the fact that the Sabha is the representative Association of this class of traders, and the results of its activities are equally shared by them.

Value of transactions, particularly of the members of the association.—Now, to find out an exact estimate of the value of transactions particularly of the existing Members of this Association is a very difficult task. It requires enormous labour and a long period to consult the books of these traders and, moreover, the books and accounts are not always available in any particular place for inspection. As an experiment, I attempted in this connection to ascertain the exact figures of the transaction of a few members of a particular trade centre, *viz.*, Bhairab Bazar in the district of Mymensingh, and the result is noted below:—

The annual value of merchandise sold by
17 merchant members of the Bengal
Mahajan Sabha in the year 1927 Rs. 1 crore, 15 lakhs.

This does not include the investment in money-lending of the above traders which, if added, will raise the figure much higher. Still on the basis of this, a rough idea of the value of transactions of 300 Members of the Association may be guessed.

Memorial from the Bengal Mahajan Sabha.

That your memorialists' Association is an Indian Trade and Commerce constituency for electing one Member exclusively to the Bengal Legislative Council and one Member to the Indian Legislative Assembly along with the Bengal National Chamber of Commerce and the Bengal Marwari Association by rotation.

2. That the importance of Indian trade and commerce from the point of view of representation in the Legislatures of the land was first recognised in the Morley-Minto Reforms and carried to a further stage by the Montagu-Chelmsford Reforms, but at no time has such representation been commensurate with the importance of indigenous trading interests of the land.

3. That the Simon Commission recommended the retention of special electorates for trade and commerce and insisted that the proportion of such seats to the strength of the House should be the same as at present.

4. That the Indian Franchise Committee also recommended for the retention of the same number of seats in the future constitution for trade and commerce in the Provincial Legislative Council as at present, and the number allotted to your memorialists' Association in Bengal has been fixed at one.

5. That in the Communal Award recently announced by the Premier on behalf of the British Cabinet, the number of seats allotted to Indian trade and commerce has not unfortunately been proportionately increased, though in Bengal the strength of the House has been raised from 140 to 250, and your memorialists' Association by reason of its importance and stake in the country is certainly entitled to at least two seats in the enlarged Legislative Council.

6. That though the Indian Franchise Committee has in the case of the Central Federal Legislature recommended in general terms that out of the four seats to be allotted to Indian Commerce three members are to be elected as at present by the commercial organisations in Calcutta, Bombay and Madras, yet in the specified list of such organisations it did not mention the name of the Bengal Mahajan Sabha along with the Bengal National Chamber of Commerce at page 169, line 20 of their Report, and your memorialists apprehend that the claims of the Bengal Mahajan Sabha may be overlooked in consequence of this misleading statement of the Franchise Committee.

7. That in order that the Legislatures may be better equipped to deal with economic subjects, a certain number of seats should be filled up by the representatives of commerce and industry who will speak from the expert and technical point of view, has been admitted by all, and that your memorialists as representatives of inland traders and indigenous bankers exercise an important influence in the countryside and are well equipped to speak with authority on matters affecting rural life concerning agriculture, industry and labour.

8. That your memorialists being mainly concerned with the inland trade and indigenous banking, are the connecting links between the innumerable rural market-places in the different parts of Bengal on the one hand, and the great export and import houses in the metropolis

on the other, and are as such the true representatives of the trading and commercial interests in rural Bengal; and this special feature and distinctive character of your memorialists as contrasted with other commercial Associations, whose activities are mainly restricted to the metropolis, should not be ignored in dealing with the strength of their representation.

9. That the membership of your memorialists' Association consists in being Chalani merchants, who are as such so many trading firms with head offices at Calcutta and branches all over the districts of Bengal, which is also a distinctive feature as contrasted with other Commercial Associations.

10. That with the wider opportunities and enlarged representation given to the general public, the interests of the great commercial, industrial and banking undertakings which with past traditions have not lagged behind anybody else in the uplift of the country and which are coming to play a rapidly increasing part in the life of the new Indian nation, are likely to suffer unless they are given a secured suitable representation in the Central Legislature and a proportional increase in their representation in the Provincial Legislative Council.

Your memorialists, therefore, most humbly pray that you will be pleased to determine the proportion of seats to be allotted to the Bengal Mahajan Sabha in the Provincial as well as the Central Legislatures in accordance with the issues involved and thereby to set apart for the Bengal Mahajan Sabha—

- (a) at least two seats in the future constitution of the Bengal Legislative Council, and
- (b) at least one seat exclusively at the Federal Assembly without the necessity for its having to wait for its turn by rotation with other Commercial Associations.

Bengal Mahajan Sabha.

ORAL EVIDENCE.

Representatives:

- (1) Babu Aswini Kumar Ghose.
- (2) Babu Dharendra Kumar Saha.

(Babu Aswini Kumar Ghose answered all questions.)

In reply to the Chairman's enquiry as to whether the Sabha had got anything to add to their printed Memorandum already submitted, Mr. Ghose said that they had none.

Question by Mr. E. T. McCluskie.—Q. Is the Sabha a Commercial Association?

A. No, but it is an Association of inland traders.

Q. What kind of trade do you do?

A. Trades of all sorts—rice, jute, etc.

Q. Retail or wholesale?

A. Both.

Q. Are you Chalani merchants?

A. Yes, there are a few members who are Chalani merchants under the articles of the Sabha, but there are other merchants also.

Q. You are then intermediaries?

A. No, we are consumers as well as importers.

Q. Does your Association act as agents?

A. We are traders and not mere middlemen.

Q. How many members are there?

A. Two hundred and ninety-two.

Q. When established?

A. In 1905.

Q. Where is your head office?

A. No. 9, Baistab Charan Set Street, on the Jorabagan Square.

Here the Reforms Officer, Mr. R. N. Gilchrist, pointed out that in the memorial of the Sabha it is mentioned that the members are mainly concerned with the inland trades and indigenous banking and the membership of the Sabha consisted of Chalani merchants.

Mr. G. P. Hogg enquired whether they were distributors of goods throughout the province?

Mr. Ghose replied in the affirmative. He also stated that their Sabha was on a par with the Calcutta Trades Association.

Mr. McCluskie again resumed questioning.—Q. How can your Sabha be on a par with the Calcutta Trades Association?

A. The Calcutta Trades Association are retail traders, but we are both retail and wholesale traders, and our members are Chalani and other merchants.

Q. This is vague.

A. It is quite clear; there are different market-places and numerous firms in the province and these firms have their agents in Calcutta and we represent them.

Q. How will it affect your business if you do not get special seats allocated to your Sabha?

A. Our grievances cannot be ventilated in that case.

Q. Are all your members Bengali Mahajans?

A. Yes.

Q. In that case you can come through the General constituencies.

A. Our members are traders and merchants and to enter through General constituencies requires outside Council politics which we do not like.

Q. Then you want politics?

A. No, not politics outside Council.

Q. What is politics outside Council?

A. All sorts of political propaganda outside for entering into the Council.

Q. If you do not get seats especially earmarked for your Association, how would you suffer?

A. I would illustrate it in this way: In the present Council there is a Money-lenders' Bill and this Bill aims at certain members of the Mahajan Sabha; as their interest is at stake by this and if they have no representation in the Council, their case cannot be properly put before it by anybody else.

Q. You are money-lenders?

A. Money-lenders as well as traders. We finance industrial concerns and agricultural loans; our places of business are mainly in rural areas and not in towns.

Q. You claim that you finance industrial concerns; can you give one instance?

A. Yes, take the case of the Dhakeswari Cotton Mills which is financed by many of our members.

Q. What is your capital?

A. I do not know exactly, but I can give you some idea. The mill has been accommodated to the extent of about 8 or 9 lakhs by different firms belonging to our Sabha.

Questioned by Mr. C. C. Cooper.—Q. Is your Association purely Bengali?

A. Yes; at first it had a good number of Marwari members before the starting of their own Association, but later on these members withdrew from our Sabha and formed their Association.

Q. You finance both sellers and producers of goods?

A. Yes.

Q. When was your Association established?

A. In 1905.

Q. You have been represented ever since the Reforms on the Council?

A. Yes, as well as on the Legislative Assembly in alternate sessions.

Q. You were purely Bengali all the while and you are purely Bengali now?

A. Yes, purely Bengali.

Q. What funds have you got? Is it by donations or monthly subscriptions.

A. Under Article 1B of the Sabha the rate of an ordinary member's donation is Rs. 50 and annual subscription Rs. 10; the donation of a life member is Rs. 500.

Q. How many life members have you?

A. Out of 292 total members, 176 are life members.

Q. What is the biggest firm in your Sabha?

A. Ganga Sagar Sha Loke Nath Sha's firm.

Q. You are purely interested in trades as traders and not in politics as politicians?

A. None of us is interested in politics as politicians; we are generally traders and we want to have reservation of seats in the Legislature only for our business interest.

Q. What is meant by Honorary Secretary, Honorary Joint Secretary and four Honorary Assistant Secretaries? What do all these gentlemen do? Are they holding these posts only technically?

A. No; the Secretary has much work to do; he occasionally resides in Calcutta, but his office is at Narayanganj; so during his absence the Joint Secretary and Assistant Secretaries do the work.

Questioned by Babu Mukunda Behari Mullick.—Q. How are your interests distinct from those of the Bengal National Chamber of Commerce?

A. The Bengal National Chamber of Commerce is a Commercial Association and we have nothing to do with that body which deals in trades with foreign countries; our members are inland traders of the province.

Q. Cannot Maharaja Sris Chandra Nandy, who is your President, look after your interest in the Council?

A. No; only by some chance he was returned to the present Council and he may not have such chance in future; so we desire to have reservation of seats.

Q. I see that besides the Maharaja there are three executive members of your Sabha (Babu Ananda Mohan Poddar, Rai Bahadur Satyendra Kumar Das and Mr. Rezaur Rahaman Khan), who are also members of the Council. And I know when the Money-lenders' Bill was discussed in the Council the Rai Bahadur took strong attitude against it and supported your interest.

A. But he does not come in the capacity of a Mahajan.

Q. Then your case is that unless you as Mahajans are allocated seats in the Legislature your interest will not be looked after?

A. Yes, that is our case and our case is similar to that of zamindars.

Q. Of the 38 executive members, about 9 or 10 are men of legal professions. Could you let me know how they became members of your Sabha?

A. They are only B. Ls., but they are interested in our Sabha very much.

Q. How does Dr. Sarat Chandra Bysack come to be a member?

A. His firm has a big business concern at Daccaputty. It used to send goods to Persia, Turkey and other places, but since the War its business has been largely affected.

Q. How does Babu Hemendra Nath Chatterji come to be a member?

A. Without looking at the office records I cannot say offhand how a particular member came to our Sabha. But as far as I know, a member comes to our Sabha as a representative of a certain firm or a certain limited company.

Questioned by Mr. G. P. Hogg.—Q. What are the primary objects of your Association? Do you look to the internal affairs of the trade or is yours a political organisation?

A. We look only to the interest of our trade. This Sabha is a registered body under section 26 of the Indian Companies Act, with good object.

Q. Do you discuss such matters as terms on which you do your business? Do you transact business with mufassal people and settle terms?

A. We settle disputes; we try to standardise methods of business.

Q. Do you fix prices?

A. We have never attempted that; we simply settle disputes and arbitrate in the cases of our confrères.

Q. Then if you come to the Legislature, you would be able to contribute expert views in connection with trade based on experience which other people are not likely to have?

A. Yes; our mahajani system is quite similar to the zemindari system in Bengal and if we, like the zemindars, do not have representatives in the Legislature, it will be very difficult to put our case before the Council.

Questioned by Khan Bahadur A. Mumin.—Q. You said that you financed the Dhakeswari Cotton Mills. Have you financed it as shareholders or money-lenders?

A. As shareholders as well as money-lenders. There is another mill recently promoted, *viz.*, Dacca Bangasri Cotton Mills, and two of our members started it.

Q. As promoters of big mill industries, would not Babu Ananda Mohan Poddar and others be more suitably called members of the Bengal National Chamber of Commerce?

A. The National Chamber of Commerce is confined to those people who have some interest in foreign trade.

Q. In that case, in your opinion, all mill industries, like jute mills and cotton mills, should not be part of the National Chamber of Commerce, but should be members of your Sabha?

A. They ought to be so.

Q. How many members are there in your Sabha as owners or proprietors of mill industries, such as jute and cotton mills? Not one I think?

A. Twenty of our members are interested in mill industries, having big shares in them.

Q. Beyond that your Sabha consists of firms doing money-lending business, and we may say that your chief activities are money-lending?

A. Not exactly so; our chief activities are internal trading and other Chalani business; money-lending business is only ancillary. Those who have money-lending business only are purely money-lenders.

Q. But they are mainly money-lenders?

A. No. Mere money-lenders cannot be our members.

Q. Several of your members have on an average ten business firms in different trading centres. What are those business firms? Are they offices or shops of the same concern or are they different concerns controlled by one single member?

A. Yes; there are different concerns controlled by one single member. (Babu Dharendra K. Saha said: As, for example, I have four shops at Dacca, Calcutta and elsewhere.)

Q. What shops are they?

A. Cloth shops, rice, kerosene, corrugated iron shops, etc.

Q. Therefore retail trade is also represented in your Sabha?

A. Yes.

Q. Is it not a fact that a very large number of big stallholders in Chandney and New Market of Calcutta are not members of your Sabha?

A. Yes, that is so. Our activities are confined more to the mufassal than to towns.

Q. In the rural areas of the 27 districts, how many of the real retail shopkeepers are members of your Sabha?

A. Many of our members are doing retail business—ordinary and life members—but life members are not mainly in retail business.

Q. How many of them are Mussalmans, except Mr. Rezaur Rahaman Khan?

A. On looking into records I find that there are four life members of that community besides Mr. Rezaur Rahaman Khan.

Q. Your President is Maharaja Sris Chandra Nandy. Has he any interest in any concern?

A. He has got big colliery concerns.

Q. What is your annual subscription?

A. Rs. 10.

Q. What is your budget?

A. That is in the book.

Q. Suppose your Sabha is not given any representation, but some one of your members is returned through the General constituencies. Will he not serve your purpose to look after your interest?

A. No; because if there be keen political contest, none of us will be returned.

Questioned by the Chairman.—Q. Is your line of trade confined to a particular community?

A. Yes; some of our trades are the monopoly of certain communities, *i.e.*, Sahas, etc.

Q. Is it a fact that in East Bengal you are doing successful business?

A. That is so. As a matter of fact, in Dacca there is no Marwari merchant.

Q. Your membership is not open to all and you exercise the right of refusing?

A. Yes; we do not enlist anybody unless he is a *bonâ fide* merchant.

Q. You do Chalani business, and supposing you are not given seats in the Legislature, will inland trade seriously suffer?

A. I think so, as it will remain unrepresented in the Legislature. The whole system of inland trade is based on the Chalani business; most of this business is done at Narayanganj, Chittagong, etc., and the Associations of these places are affiliated to us; so they are also interested.

Q. You say that you have connected firms in rural areas only. If so, how did Mr. Razaur Rahaman Khan become your member?

A. I said mainly. He has a printing press in Calcutta.

Questioned by Mr. K. C. Roy Chaudhuri.—Q. You are big *aratdars* of the province?

A. Yes, we are indigenious bankers and Chalani merchants also.

Questioned by Mr. Narendra Kumar Basu.—Q. I find that selection of new members is done by a majority of three-fourths of your members at a general meeting. Will you let us know how many new members were there during the last five years?

A. Last year we had 12 members. A comparison of the electoral rolls of different years will show the increase of membership. [Points out figures: 1926—172; 1929—215.]

Q. Is it a fact that most of your members are members of half-a-dozen different families of Dacca and Narayanganj?

A. By looking into office records one cannot distinguish which member belongs to which family.

Q. You say you give your opinion on different matters relating to trade and also agricultural matters. But it appears from your report that you gave opinion on the Jute Bill introduced by Dr. Naresh Chandra Sen Gupta and said that your Sabha had no objection to the provisions of the Bill. That was all the thought you gave to it.

A. It depends on individual members of the Executive Committee to reply either in short or at length if asked by any outside person.

Q. Apart from unimportant matters such as location of post offices, transfer of postal superintendents, your political activities are confined to notices of resolutions and questions given by Mr. Ananda Mohan Poddar and nobody else. Is this not so?

A. He is our member in the local Council and we want to bring his activities in Council to the notice of all our members by embodying that in the annual report.

Q. Is your politics confined only to the Council Chamber?

A. Yes, that is exactly our case; we have no outside politics.

Questioned by Mr. H. J. Twynam.—Q. Most of your members are from the mufassal?

A. Yes, nearly 75 per cent.

Q. How many general meetings were held during last year?

A. Three, but special general meetings are held quarterly.

Q. How many Executive Committee Meetings did you have?

A. Twenty.

Memorandum by the Indian Mining Federation.

Introductory—Foundation and early career.—The Indian Mining Federation came into being in March 1913, as an organisation of Indian owners of coal mines of the Raniganj and Jharia coalfields. From the very beginning, the body was intended to represent entirely Indian capital in the coal mining industry. Towards the end of the last century as also during the first few years of the current one, enterprising Indians came to acquire a fairly large interest in the coal mining industry of this province. It might be said that with very limited exception, the bulk of the finest properties in the Jharia coalfields were originally developed and exploited by Indian industrialists. As, however, from the beginning of this century conditions in mining industry in this country began to change and problems of finance, marketing and transport stared the Indian section of the industry more and more in the face, undertakings which were originally under Indian ownership began to change hands. A struggling section of Indian coal mine-owners still pursued their industrial activity in the face of heavy odds and they by the year of the foundation of this body were impressed with the need for a well-laid organisation of their own in order to assert themselves on a collective basis in every sphere of their economic and commercial interest. The problem of the custom of Indian railways to the Indian section of the coal industry was the particular sore point. And it is this grievance of the Indian section of the coal trade which more than anything else served to bring the Indian Mining Federation into existence, as already stated, in March 1913. From the very start, the Federation was an active body and received immediate recognition from the Government of India. As far back as 1916, the office-bearers of the Federation came in constant contact with the members and officials of the Railway Board, and during the difficult years of the war, when various machineries had to be set up for controlling distribution of railway wagons, for

requisitioning supplies of coal, the official authorities worked in closest co-operation with the accredited representatives of this body.

Later developments and present scope of work.—It must still, however, be admitted that during the first five years of its existence, the scope of the activity of the Federation was restricted. During the next five years, however, the colliery managements increasingly realised the value of a trade organisation and with the increasing funds at its disposal which increased enrolment of members ensured, it became possible for the body to develop its activity in various directions. With the advent of constitutional Reforms, the new policy was adopted by the Government of associating non-official elements in representative institutions in various branches of administration. The following is a complete recital of the various spheres and public bodies in which the Mining Federation is at present represented:—

- (i) Bihar and Orissa Legislative Council—1 representative.
- (ii) Board of Industries, Bihar and Orissa—1 representative.
- (iii) District Board of Manbhum—3 representatives.
- (iv) Asansol Mines Board of Health—1 representative.
- (v) Patna University—1 representative.
- (vi) Mining Education Advisory Board—2 representatives.
- (vii) Governing Body of the School of Mines—1 representative.
- (viii) Mining Board, Bengal—1 representative.
- (ix) Mining Board, Bihar and Orissa—1 representative.
- (x) Indian Coal Grading Board—1 representative.
- (xi) East Indian Railway Local Advisory Committee—1 representative.
- (xii) Bengal-Nagpur Railway Local Advisory Committee (Bihar and Orissa.)—1 representative.
- (xiii) Panel of the Board of Industrial Conciliation (Bengal)—2 representatives.
- (xiv) Indian Soft Coke Cess Committee—7 representatives.
- (xv) Board of Examiners, Mine Manager's Certificate—1 representative.
- (xvi) Coal Export Sub-Committee—1 representative.
- (xvii) Coal Wagon Sub-Committee—2 representatives.

It will be observed how varied are the directions in which the Indian Mining Federation has developed its activity, centred though, as it is, round its chief interest, namely, the advancement of the economic welfare of the Indian coal industry.

Efficiency of working.—The Committee of the Federation may be excused if they claim that the manifold activity of the Federation

partly recited in the foregoing paragraph is conducted with the maximum efficiency. The Indian Mining Federation is only an organisation of a particular trade and the tradition of work built up by the successive Committees is that while the body chiefly concerns itself with subjects having a direct bearing on the coal trade, it is never slow to take cognisance of wider issues of economic interest which are either national in character or have an indirect bearing on the welfare of the Indian coal trade. At the same time, the Committee of the Federation have never lost sight of the fact that it is only a restricted ground which they must cover as an organisation of a particular industry. The opinions and views expressed by the Committee of the Federation have been the subject of interesting comment and encomiums in the influential section of the Calcutta press even so far back as 1922. As a measure of efficient working, it may be further stated that in December 1922, the then Viceroy, the Earl of Reading, was pleased to accept an address of welcome from the Indian Mining Federation—an honour which, as far as the Committee of the Federation are aware, has hitherto been reserved exclusively for a Chamber of Commerce rather than an Association of a particular trade to enjoy. In any event, the Committee do not wish to dilate further on the subject beyond drawing the Franchise Committee's attention to this aspect of the Federation's claim to representation on the Legislature.

Constitution and membership.—The Federation was registered under section 26 of the Indian Companies Act in August 1923, prior to which it was registered under the Societies Registration Act. The Memorandum of Association, the Articles of Association including the Rules of Procedure framed under the Articles of Association will be found annexed to this Memorandum (not printed). The constitution briefly is that the administration of the affairs of the Federation is left to a Committee of 13 who are annually elected by ballot by the members in general and the Committee from among themselves elect their own Chairman and Vice-Chairman for the year. The Executive Committee depend for the carrying out of their resolutions, besides the Chairman and the Vice-Chairman, on a salaried Secretary whose appointment the constitution provides. The Federation had in the beginning of the current year 192 members on the roll. The bulk of these members are owners of collieries either in the Raniganj or in the Jharia coalfields. In some cases, different collieries owned by the same firm or individual proprietor are thrown in as separate members, whereas, in others a firm is a member in respect of one colliery only, though it has other collieries either under its ownership or management not specifically borne on the membership of the Federation. The obvious effect of such a position is that though the membership of the Federation is for all practical purposes co-extensive with the entire body of individual firms and limited companies representing Indian capital and owning or managing coal mines either in the Raniganj or the Jharia coalfields, the number of collieries specifically represented by members are less than the number of Indian-owned and Indian-managed collieries in the two coalfields. Moreover, the tendency among the mine-owners is to join the Federation in increasing numbers during the boom period and to fall away from membership during lean times. The Committee would venture to point out here that such variation in the size of membership or keeping aloof by some units of the industry from the organised Association is not peculiar to this Association or even to this country alone.

The following extract is culled from the British Committee on Trade and Industry (Balfour Committee) which will indicate that conditions are identical even in so industrially advanced a country as Great Britain :—

“Well-equipped Associations are, we fear, only a minority and able trade representatives who gave evidence before us would be the first to admit that the financial strength of such organisations and the support they receive from their own members are often very much below what is needed for the efficient carrying out of their present duties. We feel that this weakness of trade organisation is a matter of such vital concern as to justify our laying particular stress upon it in our report. Many times during the course of our enquiry we have turned with something like envy to the vastly more complete machinery of the Chambers of Commerce of Germany and France, where to all intents and purposes memberships and contribution are compulsory (*vide* Balfour Committee’s Final Report, pages 193-94).”

Another noticeable thing about the membership of the Federation is that though the Articles of Association provide for the admission as members of any individual, firm or joint-stock company who are interested in the coal trade or industry, actually the members borne on the list are all *active* businessmen, most being owners or managing agents of coal mines and only a few being dealers in coal. The list of the members (not printed) of the Federation will also be found attached to this Memorandum. Further, a statement (not printed) showing the number of mines on the membership of the Federation as also the tonnage represented by them will be found attached to this Memorandum. In it are further shown the total number of mines and the total tonnage of the two fields of Raniganj and Jharia.

As the members of this body with very few exceptions are private partnerships, no attempt has been made to compile the statistics of their capital outlay. On the whole, the total capital represented by the Federation is estimated to be 4 crores in Bengal and 6 crores in Bihar and Orissa.

History of the Federation’s case for representation.—The Committee now proceed to state the history of the Federation’s case for representation in course of their protracted correspondence with the Government of Bengal. Complete copies of correspondence (not printed) will also be found annexed to this Memorandum, only a brief précis thereof may be given as follows: The Government of India notification No. 767-F., dated 27th July, 1920, provided only for a seat of the Indian Mining Federation in the Bihar and Orissa Legislative Council. This decision, particularly the omission of a seat for this body in the Bengal Council, was probably determined by the view taken by the Government of Bengal, who in their letter No. 1162-A., dated the 19th February 1919, to the Secretary, Reforms (Southborough) Committee, stated that though the Indian Mining Federation was a flourishing body, it was not suitable for an electorate of the Bengal Legislative Council.

In 1923, however, the matter first engaged the serious attention of the Federation and by a representation No. 628/5-3, dated 8th March 1923, the Committee of the Federation moved the Government of Bengal for the necessary amendment of electoral rules in order to constitute Indian Mining federation as an electorate of the Bengal Legislative Council. In their considered reply, dated 31st March 1923,

the local Government regretted that the question of allotment of a seat to the Federation could not be reopened at that stage, but the request for the nomination of a representative of the Federation to the next Bengal Legislative Council would, it was assured, receive the consideration of His Excellency the Governor in due course. Further correspondence on the subject was pursued until in the month of June 1923 the Committee of the Federation asked for the opportunity for a deputation of the Committee to wait on His Excellency the Governor of Bengal to press this matter further. The proposed interview was granted to the deputation on 9th July 1923, and though Lord Lytton, the then Governor of Bengal, could not be persuaded to recommend to the Government of India the suggested amendment of electoral rules, he promised to consider the nomination of a representative to the next Bengal Legislative Council. Early in the month of December in the same year, after the general elections to the next Legislative Council were over, His Excellency the Governor of Bengal was approached to make good the promise of nominating a representative of the Federation to the new Council shortly to be constituted. In response to an invitation of His Excellency, the names of two representatives were communicated to Lord Lytton who was good enough to nominate one of them to the new Council constituted in the early part of 1924. In 1926, again, after the general elections were over, one name was *allowed* to be submitted to His Excellency the Governor of Bengal for consideration for nomination to the next Legislative Council. Unfortunately, on this occasion the suggestion of the Committee was not acted upon. Again in 1929 after another general election of the Bengal Legislative Council was over, His Excellency the Governor was approached to allow the names of the representatives of the Federation to be placed before him for consideration while making nominations to the next Council. This representation, which was made at a belated stage, was duly forwarded to the Appointment Department of the Government of Bengal.

Some results of non-representation.—The Committee of the Federation must not be understood to complain mere hypothetically of the effect of their lack of direct representation in the Bengal Legislative Council. The results of the decision of 1920 have been unfortunate. Occasions have arisen during the last eleven years when matters of vital interest to the coal mining industry in the province of Bengal have been before the Council but without a member in the House to represent the particular point of view of the coal industry, or more accurately, that section of it whose interest only the Mining Federation represents. The history of the Bengal (Rural) Primary Education Bill of 1929 affords interesting evidence in this connection. The Indian Mining Federation being not in a position to express its point of view through a representative of its own within the Council, carried on strenuous lobby work to oppose one of its taxational provisions affecting the coal industry, but the Indian Mining Association, even though represented in the Council, took little interest in the subject. Only so recently as May last year, the Committee had occasion of considering an amendment of the Bengal Mining Settlement Act. On a particular point the Committee had strong opinions but owing to the subject having drawn their attention at the eleventh hour, they found themselves helpless in making their views known to the Council, and even a request for a deputation of the Federation to wait on the Hon'ble Minister in charge of the Bill did not secure the required

opportunity for an expression of views. It would not be difficult to multiply instances of this kind. But it is hardly necessary to do so.

Ineffective representation through sister body.—It may be made perfectly clear that the Indian Mining Federation and the Indian Mining Association even though two sister organisations representing, superficially viewed, identical interests, the membership of these Associations are of a wholly exclusive character and represent distinct economic interests even though within the ambits of a single industry. The Mining Federation represents Indian capital; its membership consists chiefly of small undertakings; the concerns represented by it are mostly proprietary, or what is so for all practical purposes. On the whole, both in point of financial standing as also in point of commercial character of the enterprise, the membership of the Indian Mining Association and the Indian Mining Federation may be regarded to be wholly distinct. Again, the Indian Mining Association does not represent pure producing interest in the coal industry in the sense in which Indian Mining Federation may be regarded to do. The managing agents of the coal companies represented by the Indian Mining Association being the same as for the large manufacturing concerns who are consumers of industrial coal, the producing interest represented by the Indian Mining Association in the coal trade may be regarded as somewhat consumer-ridden. These differences in character and interest have been pronounced acutely enough in the attitudes and opinions adopted by the two bodies on identical subjects in the past. Where the Indian Mining Association has been agreeable to a taxation, the Indian Mining Federation had occasion to demur; where the Indian Mining Federation favoured a particular legislation, the Indian Mining Association have thought it fit to oppose. Without any intention of exaggerating the real difference of interests which separate the Indian Mining Association and Federation, the Committee of the Federation can have no hesitation in stating that for purposes of representation in the Legislature or, to put it in other words, for purposes of safeguarding respective interests in the highest Council of the State, it is essential that the two bodies should be represented separately and individually and not jointly or only one be represented at the exclusion of the other.

Conclusion.—The Committee of the Indian Mining Federation have stated at length their case for representation before the Franchise Committee. They have shown that the present electoral rules under which the Indian Mining Federation is not an electorate of the Bengal Legislative Council is attributable to an unfortunate under-assessment of the stake of the Indian Mining Federation in this province by the local Government in 1920. Abundant facts and figures have been adduced to show that the presumption of the local Government in this respect was wholly unfounded. The Committee have further indicated that for purpose of representation the Indian Mining Association must be regarded as a distinct commercial and economic interest than the Indian Mining Federation. In the next place, the Indian section of the coal trade has suffered in the past for want of direct representation in the Bengal Legislative Council, and lastly, it is feared that the handicap for want of representation would be felt all the more keenly under a new constitution when, as it is envisaged, the provinces will be more autonomous and probably be endowed with larger powers of legislation in the industrial and economic field than what they possess at present. It need hardly be stressed that in the whole field

of industrial life of a community, the coal industry enjoys a key position and for this fact alone, apart from other reasons of weight set forth in the Memorandum, to the Indian Mining Federation must be allotted direct representation; that is to say, the Federation should itself be made an electorate of the Bengal Legislative Council precisely in the way Indian Mining Association has been dealt with in the electoral scheme.

Comparative statement showing the number and tonnage represented by the Indian-owned coal mines borne on the membership of the Federation

	Total number of mines.	Total number Indian-owned.	Total number Indian-owned working.	Total number Indian-owned and working borne on Federation's membership.	Total tonnage raised by mines on Federation's membership.	Total tonnage of the province including output of railway Collieries.
					Million.	Million.
Bengal ..	226	138	81	59	1·18	5·81
Bihar and Orissa	450	362	190	131	2·94	13·38

NOTE.—Mine figures are as on 30th June, 1932, and tonnage figures are for the year 1931.

Supplementary Memorandum by the Indian Mining Federation.

The Committee of the Indian Mining Federation have thought it fit to submit this Supplementary Memorandum in view of the reported enunciation by interested bodies of principles governing constitution of the Commerce and Industry constituencies of the local Council. This principle, as far as the Committee have been able to ascertain, is at variance with the one on which the Committee have urged the Federation's own claim to representation on the local Legislature. The Committee in the ordinary circumstances should have considered it no part of their business to enunciate or refute any such principle; for, the working of the reformed constitution for the last eleven years has made the principle of representation of commercial and industrial interests on the legislative bodies established enough, beyond all question or cavil. Nor is it seriously apprehended that either the Government or the Provincial Franchise Committee will be swerved from such a principle which has this tradition of long practice behind it. But to place the matter beyond any chance of confusion or doubt, the following observations are offered for careful consideration of the Franchise Committee.

The principle of a novel character referred to in the previous paragraph and enunciated by interested organisation seems to be something to the following effect: That in creating commerce and industry

electorates of the local Council, associations or bodies representative of specific industrial interests should not be recognised as electorates of the Council. According to the view expressed, all the seats of the Council available for allotment to commercial and industrial interests should be offered only to such organisations as can claim to be representative of varied commercial, industrial and other economic interests of the province; such as agriculture, transport, finance and banking. The case against representation of specific industrial interest or sectional interests, as it has been described, seems to have been argued in the following manner: Firstly, it is thought that the object underlying the creation of commerce and industry electorates is not the representation of particular interest on the Legislature, but only a method of admitting to the Councils technical and economic experts. Secondly, if a principle of representation of sectional industrial interests were to be accepted, the position of composite general commercial bodies, such as a Chamber of Commerce, will be very much weakened—an eventuality which, it is argued, should be guarded against in every possible manner.

The Committee of the Federation have a whole series of arguments to bring forward against these contentions. Turning first to the plea that commerce and industry electorates are not intended to serve any representative purpose, the Committee of the Federation wonder if there is any single observation of weight in any official document which lends countenance to such a view. The Southborough Committee which investigated the problem of Indian franchise in 1920 definitely stated that the purpose underlying the constitution of commerce and industry electorates was to represent—apart from general commerce—industry, mining and planting interests. That even the Lothian Committee have not taken any other view of the matter is abundantly clear from the fact that almost with regard to all the Provincial Councils they have endorsed the general composition of the Council originally framed by the Southborough Committee on clear recognition of the fact that the specific industrial, mining and planting interests are to be represented in the local Council wherever such large interest exists and specially where they are organised. Indeed, it is amazing that in the constitution of Legislature under a system of representative government, any principle of the constitution of legislative bodies should be enunciated except on the principle of representation of one or other interests. There is no authority, so far as the Committee are aware, for such a view in political thought or in constitutional practice. The Committee do not wish to develop this argument on academic lines. Even, however, if the Committee are to assume for argument's sake that an avenue should be found for association of certain economic experts with the Council, the Committee venture to feel that the constitution of any commercial body, whether general or sectional, as an electorate does not necessarily ensure the admission of such experts. A member of a Chamber of Commerce or of a trade organisation as such does not represent expert knowledge in the sense in which it is ordinarily understood. He represents practical experience; he represents organising ability; he may have an intimate and first-hand knowledge of one or the other aspects of the specialised economic life, which may on occasions prove valuable to the business of the Legislature. But such knowledge or such talent is by no means a monopoly of a member of a composite trade organisation such as Chamber of Commerce, as distinguished from a specific trade organisation. Indeed,

between the experience and personal equipment of a member of a Chamber of Commerce and of a member of a specific trade organisation, there can be no difference at all. A member of a Chamber of Commerce must belong to a particular trade and might have belonged to a particular trade association as well. The fact that the former is for the moment a member of the composite body does not indicate a higher measure of expert knowledge in him than in the member of a specific trade organisation or that the former possesses some knowledge which the latter cannot claim to enjoy.

The fact that members of a Chamber of Commerce cannot be necessarily depended on as experts on the floor of the Council is conclusively proved by the proposal which is still pending before the Government of India for organisation of Economic Advisory Council outside the orbit of legislative bodies. In this connection a reference to the report of Sir Arthur Salter who reported to the Government of India on Economic Advisory Organisation would be instructive. In page 13 of his report he lays down the principle that in such advisory bodies there should be available not only expert opinion but representative opinion as well—opinion “which is representative of every main sphere of the organised economic life of the country.” It is in the latter category that Sir Arthur brings in a Chamber of Commerce and specific trade organisations and not under the category of source of expert opinion. It is still more instructive to note that in the scheme of Economic Advisory Organisation which Sir Arthur outlines on page 20 of his report, he gives an equal and collateral importance to industrial and commercial interests. The point needs hardly be laboured at any greater length. It is in the opinion of the Committee of the Federation somewhat puerile to attempt to point out that an organisation of specific industrial interests is of lesser importance either in its contribution to public opinion or as a source of practical experience in comparison with a composite institution like a Chamber of Commerce.

The second contention put forward against what has been called sectional industrial interests, namely, the acceptance of such a principle would weaken an organisation of general commerce, does not call for much comment at the hands of the Committee of the Federation. They are certainly of opinion that these composite institutions have a useful role to play in the general public life of the country. But the Committee take the emphatic view that the strength of a commercial organisation should not depend on how widely it is privileged to be represented on the Council but on the intrinsic service which it renders to its constituency. The claim for representation should be based on the case which a body is able to make out as to how it would suffer for absence of representation and not on the adventitious ground that it would lose a vantage position.

Some clouding of issue is likely to result from the enunciation of the principle of electoral organisation referred to above and which the Committee have proved to be so unsound in course of the foregoing paragraphs. There has been a tacit presumption underlying the formulation of this unsound principle from interested quarters, namely, that a Chamber of Commerce is a superior body to an organisation representing specific interest. The suggestion seems unfortunate and not a little misleading. The relation of “affiliation” which a specific trade organisation bears to a Chamber of Commerce may unhappily be misconstrued by those less informed about the working of these

bodies to lend countenance to such a view. Nothing could be more mistaken than this. "Affiliation" does not affect in the least the complete independence of the affiliated body which stands exactly in the same relation to a Chamber of Commerce as the latter does to a Federal Chamber of Commerce. But just as the latter does not rob the former of its independent existence and character, so a Chamber of Commerce does not deprive the complete integrity of a specific trade organisation which may happen to be affiliated to it. That the Committee are absolutely correct in their view is proved by the fact that the Lothian Committee recommended both the Federation of Indian Chambers as well as the individual Chambers of Commerce to be made electorates of the Legislative Assembly. Should, however, a different interpretation be placed on "affiliation" of one body to another, the Indian Mining Federation would be prepared to take such steps as may be necessary to establish its complete integrity in the official judgment, rather than see its claim for representation on the local Council prejudiced even in the slightest manner.

Indian Mining Federation.

ORAL EVIDENCE.

Representatives.

Rai A. C. Banerjee Bahadur, C.I.E., and

Mr. K. M. Purkayastha.

The Chairman called upon Rai A. C. Banerjee Bahadur to state the case of his Federation for separate representation.

Mr. K. M. Purkayastha, Secretary of the Federation, then stated his case as follows:—

He began by saying that the Southborough Committee in 1920 had clearly recognised the need for representation of the mining and planting interests in the local Legislature. Acting on that recommendation, the local Government in Bihar provided for the representation of this body in the Provincial Council, but in Bengal the local Government took the view that the Indian Mining Federation, although a flourishing body, was not a suitable electorate for the Bengal Legislative Council. He maintained that the interests served by his Federation were large and vital enough to be taken cognisance of by the Provincial Legislature and the Provincial Administration. It might be argued that the Indian Mining Association which represented the mining interest in the Council ought to suffice for the purpose of safeguarding the Federation's interests there also. But he pointed out by reference to page 9 of their Memorandum that the total number of mines represented by the Federation was much larger than that of the Association. He further contended that the Federation represented the real producing interest in the coal industry; but unfortunately for the Indian capitalist, the Federation was in the unfavourable position of having to work mostly second class mines. The economic character of the enterprises of the Indian Mining Association was better, and being closely linked up with consumers these mines found a ready market, which coal mine-owners under the Federation, otherwise

similarly situated, could not unfortunately command. As stated in the Memorandum, the Federation represented the real producing interest in the coal trade, whereas the Association's interest in the industry may be described as consumer-ridden.

In point of number also the Federation represented more mines than the Association. He stated that out of 226 coal mines that were on the list of the Chief Inspector of Mines, 138 were Indian-owned and 81 were actually working, a large number of others having had to be closed for trade depression. He admitted that the resources of the Association were greater, but he maintained that numerically the Federation was superior.

He complained that their interests had suffered in the past for non-representation in the Council and he instanced the case of the Primary Education Bill, where a cess of 3 pice per rupee of profit made by a coal mine was levied on the mines. In this case the Federation was not able to place its case before the Legislature and present their side of the case. He also mentioned the case of the Bengal Mining Settlement Act (Act II of 1932), under which the coal mines were subject to a cess; but an amendment was recently made to it, making the cess a liability not on the mine-owners but on the properties themselves. The Federation set its face strongly against both the proposals, but got no opportunity of putting forward their case. So, in these cases, the Federation had suffered very seriously for want of representation, and they now claimed that they should have the advantage of putting up their case themselves.

In the future constitution of the country when the Central Government would be of a federal character and the provinces autonomous and the administration was likely to cover a larger sphere, there would be incipient antagonism or economic friction between one province and another. He envisaged a future in which the coal industry would play the most important part in the inter-provincial trade movement, more important than the jute and the tea industries, which dealt chiefly with foreign markets. He stressed the point that the value of coal in the inter-provincial trade movement was many times over that of tea in the inter-provincial commodity movement.

In the future constitution the labour seats would be distributed among a number of industries and he understood that probably two seats would be allotted to the mining labour in which case two seats should also go to mine-owners, the Indian Mining Federation sharing them with the Mining Association. In his opinion, of all the Indian commercial bodies in this city, probably the Indian Mining Federation was the only one which could claim to have rendered the most valuable and continuous services to its members throughout its career.

Questioned by Maulvi Tamizuddin Khan.—Q. Is your Federation an all-India organisation as the name indicates?

Mr. Purkayastha: It represents only capital engaged in the coal industry in Bengal and Bihar. But we have also got one or two members from the Central Provinces.

Q. What proportion of your capital belongs to Bengal?

A. I am afraid I cannot say that offhand.

Q. Have you got any representative in the Bihar Council?

A. Yes. One member.

Q. Did your Federation ask for representation in the Legislative Council in the past?

Rai A. C. Bannerji Bahadur: Yes. One was actually nominated a member by His Excellency Lord Lytton in 1924, but for the last two Councils we were going unrepresented.

Questioned by Mr. N. K. Basu.—*Q.* Is there any bar to the Indian owners of coal mines joining the Indian Mining Association?

Mr. Purkayastha: There is none.

Q. How many Indian members are there in the Indian Mining Association?

A. Not more than half-a-dozen.

Q. You cannot exercise any control over the election of the Mining Association?

A. Not in the least.

Q. When was your Federation started?

A. Our Federation was started in 1913: Not even a man like the late Mr. N. C. Sarkar who was regarded as the King of Coal, even he with his vast interests, had not the honour of being elected to the Council.

Q. Is there any conflict of interest between the Mining Association and the Mining Federation?

A. Yes, plenty of it.

Q. Please indicate one or two.

A. Take the classic case of wagon distribution, when immediately after the War, owing to the shortage of transport, service wagons were doled out to the coal industry. The small coal mine-owners were asked to produce evidence that the coal was sold to a certain party, and it took the Federation 7 or 8 years to knock this practice off. And the result was that while small coal-owners had to starve, the big owners had a plethora of wagon-supply.

Similarly, in the case of the Bengal Rural Primary Education Bill when a cess was levied upon the coal industry, the big owners did not raise their little fingers even to object to this taxation which was of so extraordinary a character. There are obvious instances of a definite conflict of interests.

Q. What proportion of your members are Bengalis?

A. We do not keep such statistics; but I think about 60 per cent. are Bengalis.

Q. Are these Bengali mine-owners interested in mines in Bihar also?

A. Not all, but some of them.

Q. Do you think that the representation of your Federation in the Bihar Legislative Council (or even in the Legislative Assembly) is insufficient, but that in order to safeguard your particular interests in Bengal, representation in the local Legislature is absolutely necessary?

A. Yes, that is so.

Q. But supposing that you are represented in the Legislative Assembly?

A. Even then, this province would require representation in the local Council to safeguard its interest.

Questioned by the Hon'ble Mr. B. P. Singh Roy.—*Q.* Your Federation is affiliated to the Bengal National Chamber of Commerce; is it not?

A. Yes, that is so.

Q. Then why do you claim separate representation? You could come through that Chamber.

A. I dispute that, Sir. There is really an incipient antagonism of interest between the coal industry and other industries. In the case of the Primary Education Bill, as I have already remarked, no other industry was subjected to the tax than the coal industry. Had there been no such conflict, the coal industry should have been similarly exempted.

Rai A. C. Banerjee Bahadur: Although we are affiliated to the Bengal National Chamber of Commerce, we have not lost our independent existence. For the purpose of our specific trade we are an independent body, but for the purpose of acquiring common facilities and conveniences, we are affiliated to that body. We occupy the same building: we pay a part of the establishment charges; in short, in matters of common interest, we act jointly. Mining interests however have been allowed to suffer by the National Chamber of Commerce.

Q. Mr. W. C. Bannerjee who represented the Bengal National Chamber of Commerce in the Legislative Council was a member of your Federation. So should you not try to elect owners of coal mines on the Legislative Council through the Chamber of Commerce?

A. That is merely a matter of coincidence and not the effect of the efforts of the coal mine-owners to have them represented. Such coincidences are merely election accidents. A great merchant or a great zemindar may be elected to the Legislative Council by a particular General constituency or a Commercial constituency, but such accidents do not take away from the claim for representation which merchants or zemindars as such may have put forward.

Q. But your Federation can effectively influence the election of representatives to the Chamber and subsequently to the Council?

A. No, that has already been tried and we have been defeated in many cases.

Mr. Purkayastha: Developing the point further, I may say that there is a conflict between our interests and other commercial interests. We are producers of coal, while they are consumers. The Bengal National Chamber of Commerce has got members who are interested in the establishment of the jute industry, the oil industry and so on, and in connection with their business they consume coal. Consequently, whenever there is a difficulty in the supply of wagons or lack of any other facility caused either by Government or by another body, we have found it from experience that those members of the Chamber who are consumers of coal, always stand against us.

Q. But why?

A. In certain respects because consumers always take advantage of the producers. They cannot do without that commodity, but yet they will combine against us.

Q. But the way in which you are arguing, your case would apply to every commercial interest, so that every interest can claim separate representation?

A. But unfortunately they are not sufficiently organised. Further, if it is argued that way, then the whole case of separate representation falls through, because one can always contend that a capable man from a General constituency can as well represent the case of a particular industry as any member belonging to that industry.

Questioned by K. C. Roy Chaudhury.—Q. The Indian Mining Association has two seats: Is it so?

A. One in Bengal.

Q. Therefore, you Indian owners of coal mines claim one seat also?

A. Yes, for this among other reasons.

Q. You develop only second class collieries, which have suffered under great economic disadvantages, and therefore you ask for representation to protect your business like the Association?

A. Yes, quite so.

Questioned by Khan Bahadur Abdul Mumin.—Q. You are afraid that the Indian Mining Association will not look after the interests of the Indian Mining Federation, composed of small coal mine-owners?

A. Yes, that is our apprehension.

Q. Is your Federation interested only in second class collieries?

A. Yes, unfortunately that is so.

Q. Have you got any seat in the Bihar Legislative Council at present?

A. Yes, one seat. The Europeans also have one seat there.

Q. In Bihar what is the percentage of Indian-owned mines to the European-owned mines?

A. This information is given on page 9 of our memorandum, where it is stated that in Bihar there are altogether 450 mines, of which 362 are owned by Indians.

Q. On that proportion they have got one seat there, and on that analogy you want the same number in the case of Bengal also?

A. Yes.

Q. What is the total membership of your Federation?

A. I am sorry, I cannot tell you offhand.

Q. Supposing all of your members become members of the National Chamber of Commerce, then you may have a fair amount of influence on that body?

Rai Bahadur A. C. Bannerjee: Unfortunately all the coal mine-owners in Bengal are not members of the Federation on account of

the trade depression, but even if they joined the Federation, it is very doubtful if we could exert sufficient influence for our purpose.

Q. How many seats do you want?

Mr. Purkayastha: One only.

Questioned by Mr. C. P. Hogg.—*Q.* I understand that your primary object in desiring this representation is to push your private interests: Is it not?

A. Yes, just as everyone wants.

Q. But what about the public interest? I take it the Legislature exists for the promotion of public interest and not of private interest.

A. Therein I join issue with you. We are talking of representative Government and we can hardly aim at crowding the Council with a company of Solomons.

Questioned by Mr. Mukunda Behary Mullick.—*Q.* You say Rai Bahadur that you are producers of coal, and as such your activities are confined to the Asansol subdivision of Burdwan?

Rai A. C. Banerjee Bahadur: So far as Bengal is concerned, yes.

Q. Under the new constitution the number of members for the local Legislature is going to be increased. Supposing one seat was assigned to Asansol, don't you think that the interests of your Federation could be sufficiently represented by that means?

A. Not at all: There are many people in Asansol who do not know anything about the coal industry, and I do not know how the election of any such people can further the interests of this industry.

Questioned by Mr. C. G. Cooper.—*Q.* So far as I have been able to understand, you base your claim for representation on two points, viz., that you could not effectively voice your opinion in connection with the Rural Primary Education Bill and Bengal Mining Settlement Bill. Is it not so?

Mr. Purkayastha: Those are the two cases in point.

Q. Do you think that the Indian Mining Association would not look after your interests in the Council?

A. Yes, our Federation thinks so, and there are facts in support of our view.

Note by Mr. Ananda Mohan Poddar, M.L.C., of the Bengal Mahajan Sabha.

I was to have appeared before the Provincial Franchise Committee to give evidence on the question of delimitation of Trade and Commerce seats, but owing to the short notice that we got, I could not reach Calcutta before Saturday last. Mr. A. K. Ghose requested you on Thursday last to postpone the hearing for one day, but you informed him that it was quite impossible. Under the circumstances, he had therefore to go along with another Assistant Secretary to the Committee for examination. Mr. Ghose has been our Assistant Secretary for some ten months and during this short period of his office he cannot be

expected to know all the firms which are our members. Naturally, he could not give a fully satisfactory reply to one or two questions which require intimate knowledge about the business and stake of different individuals who are members of the different firms. It seems that one or two members are under some wrong impressions due probably to the aspersions cast upon our Sabha by some of our enemies. In this short additional statement, I beg to place a few facts before the Committee for kind consideration in answer to some questions which might require further elucidation :—

(1) The Indian Franchise Committee has rightly recognised the diversity of interests between trade and commerce (page 130 of their Report, Volume I). We claim to be the only Association representing the interests of Bengali traders and indigenous bankers. The expression Chalani merchants caused some confusion in the minds of one or two members. It means those who make their purchase in important ports like Calcutta and Chittagong and distribute the goods amongst small dealers and actual consumers through their different selling depôts in the mufassal towns and trade centres. They are also called *araddars* who carry on their business with their own capital. This interest of Bengali traders was recognised as a separate interest for representation by the Reforms of 1919 and since then the Simon Report and the Indian Franchise Committee have conceded that their franchise should be retained.

(2) Mr. Ghose said in his examination that roughly twenty of our members were concerned in big industrial concerns. He gave one or two names then and there. I have since made a list and can mention from that the names of at least 25 firms who have large interests in different industries. There are other firms also financially interested in other industrial concerns, but the details about them cannot be supplied without inquiring from the proprietors.

(3) It is rather strange that Mr. N. K. Basu has thought fit to make an allegation that the membership of this Association, nearly 300 strong, is confined to half-a-dozen families of Narayanganj and Dacca. Nothing can be further from the truth. An examination of the members' list or electoral roll will show that different firms with different proprietors are members from different districts. No amount of scrutiny will reveal any facts which can lend any colour to Mr. Basu's suspicion. I am ready to explain any point that may strike Mr. Basu as inequitable for his satisfaction.

(4) Some idea of the worth and business stake of the different firms may be gathered from the following rough classification that we have made from the very recent inquiry for this purpose :—

- (a) Some 75 firms have got trading business—transactions of 25 lakhs and over a year.
- (b) Some 100 firms have similar business—transactions of 10 lakhs and over a year.
- (c) Some 30 firms have similar transactions of 5 lakhs and over a year.

About the rest no data can be gathered within such a short time. Investments in money-lending business and banking business have not been taken into consideration in this connection.

[24th January 1933.]

Bengal Mahajan Sabha.

ORAL EVIDENCE.

Representative:

Mr. Ananda Mohan Poddar, M.L.C.

Mr. Poddar commenced by referring to certain allegations said to have been made by Mr. N. K. Basu in respect of their Association. The word "allegation" was strongly repudiated by Mr. Basu, and Mr. Poddar withdrew the word. Reference was then made to the list submitted by the Mahajan Sabha, giving the names of at least 25 firms which have interests in different industries. (The list was with Mr. Poddar and it was kept for circulation to the members of the Committee.)

Questioned by Khan Bahadur Abdul Mumin.—Q. Is there any special interest in your Chamber which is not represented in the Bengal National Chamber of Commerce?

A. We represent all business interests in Bengal.

Q. What is the position as far as inland trade is concerned?

A. They are our members exclusively, but there are members in the Bengal National Chamber of Commerce who are members of our Association also, *e.g.*, Mr. Nalini Ranjan Sarker happens to be a member of our Association also.

Q. Have you got any apprehension that representatives, if elected by the Bengal National Chamber of Commerce, will not look after your interests?

A. Certainly, because we think that the big trading interests of Bengal, particularly that of rural Bengal, are not properly represented by the Bengal National Chamber of Commerce.

Q. What was the necessity for your forming another Chamber?

A. It is not a new creation. The Association was started in 1905.

Q. Is it a fact that your Chamber consists almost entirely of Eastern Bengal merchants?

A. No, Sir. Previous to 1905—probably in the year 1886—the Association was started under the style of "Eastern Bengal Merchants' Association," but afterwards the new designation, *viz.*, "Bengal Mahajan Sabha," was given because there were many members who belonged to Western Bengal and got themselves included in our Association.

Q. What would be the proportion of Western Bengal and Eastern Bengal members?

A. It is rather difficult to answer—about 46 Eastern Bengal and 30 Western Bengal, and the reason of the disparity is that in Western Bengal districts the trading business is largely in the hands of non-Bengalis.

Q. How would you distribute the five seats so far as the trading interests of Bengal are concerned?

A. Without knowing the other claims, we cannot say, but ours is the only Association which represents the interests of trade in rural Bengal. So we think that representation must be given to our Association.

Q. Do you then claim all the seats?

A. No, Sir, we want two seats.

Questioned by Mrs. P. K. Bose.—Q. Do Marwaris belong to your Association?

A. Only two or three firms now.

Questioned by Mr. C. G. Cooper.—Q. I suggest that the Bengal National Chamber of Commerce is chiefly associated with export trade, whereas your business is confined exclusively to import trade?

A. Yes, but there are some members in our Association who have got both export and import business.

Memorandum by Mr. Nalini Ranjan Sarker of the Bengal National Chamber of Commerce.

A consideration of the allocation of seats in the future Bengal Legislative Council, as proposed in the Communal Award, leads inevitably to the conclusion that the representation suggested for Indian Commercial interests is inadequate and suffers greatly in comparison with that suggested for European interests. The business of the Legislative Council is of no less concern to the one than to the other, and there is a good case for an ampler number of seats for Indian concerns. If, therefore, the distribution of seats is not irrevocable, or if political considerations do not preclude a readjustment of the seats as between European and Indian Commercial interests, I would urge upon His Excellency the desirability of giving his earnest attention to the matter.

2. So far as Indian Commercial representation itself is concerned, I maintain that it should be given exclusively to interests indigenous to the province; that is to say, only the children of the soil, whose main business is centred in Bengal, as opposed to those hailing from outside Bengal and whose main business may not be centred in Bengal or whose business is controlled by interests outside this province, should have no place in this representation. It is obvious that those who are native to the province are naturally identified with its economic welfare in a way that no outsiders can be, for the latter's allegiance is bound to be divided and his outlook liable to be tinged accordingly, even if he be not definitely biassed in favour of the interests of his own province when happening to conflict with those of his temporary business domicile. The fact also remains that the people of Bengal are somewhat backward in matters commercial, in comparison with those of the rest of India. The people of Bengal proper, therefore, require to be strengthened in their endeavour to establish themselves in the commercial world, by being afforded larger opportunities in every sphere.

3. Subordinate only to this principle, I consider that Indian commerce should be represented as a whole and not sectionally, either on a communal basis or on the basis of separate trades or industries. Whatever justification may be claimed in favour of communal representation in the purely political sphere, it is in no way warranted in the economic sphere. The separate representation of special trades or industries is equally undesirable. Both tend to introduce an undesirable element of warring sectional interests instead of strengthening common commercial interests, and there would be no end to claims by various communities and trades or industries for separate representation. It would not be possible, with a limited number of seats, to satisfy all

such claims and, in consequence, a great deal of bitterness might be engendered.

4. His Excellency, I am sure, is alive to these dangers and will not consent to any disintegration of the Indian commercial vote. The economic backwardness of Bengal pleads eloquently for the consolidation of its commercial and industrial interests, and whereas the mere multiplication of unrelated commercial or industrial institutions would merely serve to diffuse the economic energies of the province, their concentration in one large body would render them immensely more effective. For these reasons, therefore, with the limited representation to be accorded to Indian commerce under the Award, it would be far better that these various interests should find representation through one institution in which they are all gathered.

5. In this view, there is required a commercial body that embraces all these interests and in which the indigenous commercial men of Bengal whose principal place of business is within the province are largely represented. Such body further should be one that is sufficiently well established and adequately representative. Such a body is to be found in the Bengal National Chamber of Commerce, of which I happen to be the President. It is a matter of no little pride that my Chamber is the oldest Indian Chamber of Commerce in India, having been established in 1887. It has always wielded a wide influence and apart from being represented in the Bengal Legislative Council and the Legislative Assembly, it has representatives on many other public bodies, *viz.*, the Calcutta Port Trust, the Calcutta Improvement Trust, the Railways, Medical College, Industrial Board, the Indian Central Cotton Committee and a number of others. Its members are to be found not only in Calcutta but largely in the mufassal as well—in Dacca, Mymensingh, Narayanganj, Chittagong, Rangpur, Jalpaiguri and elsewhere. Its membership is predominantly Bengali, but it also includes Bhatias, Marwaris, and other non-Bengalis, whose principal place of business is in this province. Though the number of Muhammadan members is at present few, they are always welcome to join. Its rules and regulations lay open its membership to all real businessmen whose main business interests are centred in Bengal and Assam, irrespective of caste or creed, and the privileges of membership as well as opportunities for service and office, are open to all alike. Its rules provide also for the affiliation of other commercial or industrial institutions, and such affiliated bodies are generally accorded representation in the Executive Committee of the Chamber. Their representatives are likewise eligible for election to any seat, either in the Legislature or other public body, given to the Chamber. Mufassal members pay a smaller rate of subscription, though the privileges are exactly the same. There is nothing to preclude members joining from such a place as Chittagong or elsewhere in Bengal and places in the adjacent provinces of Assam. In short, there is no reason why all Indian commercial interests in Bengal should not be grouped in the Bengal National Chamber of Commerce, and through it find a voice in the provincial legislature.

6. So far as Muhammadan commercial representation is concerned, the number of Muhammadan businessmen (as distinguished from minor traders) in Bengal is comparatively small. Thus, there is hardly any possibility of a purely Muhammadan Chamber of Commerce being established such as would have the strength, influence and capacity of

representing any but a relatively meagre part of the economic interests of Bengal. On the other hand, with a sufficient number of Muhammadan members, it would be quite possible to establish a Convention whereby the Chamber would allot a seat to a Muhammadan member on the Legislature and make suitable arrangements for the representation of this community on other public bodies as well. This attitude on the part of my Chamber makes it unnecessary for Muhammadan businessmen to have a separate Chamber of Commerce of their own, apart from the fact that the establishment of such a Chamber give them no added advantage.

7. The claims of other bodies to separate representation, such as the Mahjan Sabha and the Marwari Association which now enjoy representation in the Legislative Council, cannot be upheld in view of the considerations I have put forward in the previous paragraphs, but I may note a few further points in regard to these.

8. The Mahajan Sabha is composed largely of small traders and retail shop-keepers, but there are a number of influential members common to both the Sabha and my Chamber. There is thus no difficulty in the matter of representation of the Sabha through the Chamber.

9. The Marwari Association is a close body of businessmen, whose principal centre of business is in Bengal, though they themselves hail from outside the province, and such of their members as are not small traders or retail shopkeepers, are individually eligible for membership of my Chamber. The Association, as a whole can, if they so desire, become affiliated to my Chamber or get a group of their members to become members of my Chamber, and thus obtain representation of their interests through the Bengal National Chamber of Commerce.

10. The separate representation of the Marwari business interests, as a section, is opposed to the principle advocated by me. But if it be considered that in view of their having enjoyed the privilege so long they should not be deprived of it now, then such Marwaris, along with the entire non-Bengali business element, as have their seat of business in the province, and as are members of the Chamber, would continue to enjoy it, even after affiliation, by a similar Convention, as suggested in the case of the Muhammadans, a seat could be earmarked for them by the Chamber.

11. As to the Indian Chamber of Commerce and the Indian Mining Federation, the following remarks are pertinent: The Indian Chamber, which was established in 1926, by some influential businessmen who were previously members of my Chamber, is being run on parallel lines with similar aims and objects; the one distinguishing feature is that its members are mostly non-Bengalis. Many of the Bengali members, however, are members of my Chamber also. As far as my information goes, a number of the members of the Indian Chamber have their principal place of business outside Bengal. Those having their main place of business in Bengal are eligible for membership of my Chamber.

Lastly, the Indian Mining Federation is a body affiliated to the Bengal National Chamber and is strongly represented in its Executive Council; thus it will be seen that this body is already identified with the Bengal National Chamber through which its views could and do find adequate expression in the Council.

Taking all points into consideration, and in view of the larger interests of the province, I am convinced and beg to be allowed to

repeat that the only wise course would be to allow the Indian commercial interests of the province to be represented as a whole, through one competent commercial institution, and I feel that I have sufficiently established the claim of the Bengal National Chamber of Commerce as the only eligible institution for such representation. I would assure His Excellency that the Bengal National Chamber would give all its members, without let or hindrance, a full and complete voice in the exercise of its vote. To all its members it would give equal opportunity and there is no fear of its being a close preserve of particular individual or narrow sectional interests.

In conclusion, I feel it would assist to a clearer understanding of my suggestions if I summarise them briefly. I suggest that, if possible, His Excellency should consider the allocation of more seats to Indian commerce as compared with the number of European seats. But apart from that feature, I strongly urge that the proposed five seats should be given solely to the Bengal National Chamber of Commerce. To the latter suggestion I would add the qualification that if it is considered absolutely essential to divide these seats on a communal or industrial basis, that should be effected by means of a Convention, whereby the Chamber would undertake, for the first or second elections, to allocate out of the five seats given to it—

One to Muhammadan businessmen (if a sufficient number of them become members of the Chamber).

One to mufassal traders.

One to non-Bengali members of the Chamber.

The second provision would do away with the necessity of according direct representation to the Mahajan Sabha, and the third with the necessity of direct representation of the Marwari Association. I can think of no better compromise, if compromise is thought to be essential. With the development of common interests and ideas, I feel that after one or two elections, the Convention would be unnecessary, whereas the disintegration of the Indian commercial vote would render the possibility of fusion unlikely in the near future.

There is much to be done for the economic advancement of Bengal, and in any matter of economic interest I can assure His Excellency of the help and co-operation of the Bengal National Chamber of Commerce. For myself I shall be only too pleased to wait on His Excellency if at any time an expression of my views on such matters should be considered to be in any way helpful.

Second Memorandum by Mr. Nalini Ranjan Sarker of the Bengal National Chamber of Commerce.

In considering the question of Indian commercial representation in the future Bengal Legislative Council, it is of supreme importance at this juncture to be careful in determining the principles on which such representation should be granted. Our minds must not be trammelled by the rights and privileges hitherto allowed, for if we are to start with a clean slate we shall have to consider the whole question afresh, unbiassed by the past. Standing, as we do, on the threshold of a new era, it is necessary to formulate guiding principles for the

future such as are unquestionably sound, for once granted they will be difficult indeed to alter.

What principle should we then accept as fundamental? Obviously, if the guiding principle of the new constitution is to be Provincial Autonomy, which needs must be concerned with "the rights of the people of the province first," then the same spirit should animate Indian commercial representation in the Provincial Legislature.

A. The first proposal, therefore, is that representation should be given exclusively to institutions comprising members of indigenous commercial interests. This is based on the following considerations:—

(1) Non-indigenous business communities are not likely to take as much and as real interest as communities indigenous to the province in the economic welfare of Bengal, as distinct from that of other provinces, especially so when there is a conflict of interests. Support by outsiders of the salt import duty, despite the opposition of the people of the province, is a case in point. Again, such communities cannot have the requisite experience and knowledge of local conditions to make their assistance valuable.

(2) The claim that because a non-indigenous body holds considerable commercial interests in the province, it has a right to representation, is untenable on the principle laid down by the Indian Franchise Committee. This Committee has indicated very clearly that "the object of the special representation of commerce is essentially to make expert knowledge available in the Legislatures and not to give any particular voting strength to individual interests" (*vide* paragraph 321 of the Report of the Franchise Committee). This expert knowledge would only be valuable when forthcoming from quarters identified with the true interests of Bengal. Any claim based merely on the magnitude of commercial interests is obviously not sufficient by itself, since on that basis the considerable commercial interests of such people as the Japanese, Germans and Americans in Bengal would have a ground for special representation.

(3) To grant representation to non-indigenous interests would be to increase their political and business influence and their hold on the political and economic life of the province. It is, of course, not proposed to restrict the business activities of non-indigenous people, but the question of their representation in the Council stands apart. Why should they participate in the control of our own internal affairs? All that they may legitimately claim is that it should be open to such of them as are domiciled in this province to join indigenous commercial or industrial organisations, through which their views could thereupon be represented. No necessity can be made out for their separate representation.

(4) The analogy of British commercial representation does not hold good. It is the exception that proves the rule, and is one that has been imposed on us by Parliament.

(5) In other provinces, such as Bombay and Madras, there are large business interests of men belonging to other provinces; but they have no separate representation, although they have their own organisations.

B. The next proposal is that the Indian commercial seats should not be split up either on a sectional or on a communal basis, but allocated *en bloc* through a suitable organisation comprehending all

sections and classes of Indian commerce and industry indigenous to Bengal. The following are the reasons:—

(1) Such splitting of Indian commercial votes would tend to create conflict between the various sections and classes represented, whereas what is required is the correlation of all sections and classes into a strong and homogeneous body.

(2) The small number of seats allotted to Indian commerce does not admit of the separate allocation between all commercial institutions, not even to the most important ones representing organisation of some particular branches of industry or trade. But if the allocation be made on that line, the result would necessarily be, having regard to the limited number of seats, to definitely and practically irrevocably earmark seats even for a few only from among the limited number of some particular trades or industries alone, to the exclusion of others. Evidently the scope for representation of commerce according to such a scheme is extremely narrow, being confined to some particular trades or industries. Problems of importance and urgency of other excluded trades and industries will fail to find a voice, nor will the Legislature obtain expert assistance in the circumstances. Against such a scheme the allocation of all the seats to a strong organisation like a Chamber of Commerce would undoubtedly provide facilities for a wider and more effective representation of all the commercial interests and in such event an equal chance of representation would be thrown open to all the sectional groups brought within the Chamber.

(3) If separate allocation of seats be made, it would be an inducement to each section of trade and industry, even of minor importance, to form organisations solely for the purpose of pressing for representation and we may be overwhelmed by the multiplication of such organisations of no corresponding usefulness to the province. This tendency is indeed visible already.

(4) Again, as is quite possible, if new and important industrial interests arise or develop later on, in such a way as to deserve representation, it will be difficult, if not impossible to find room for them.

(5) On the other hand, the purpose of commercial representation will be quite as effectively, if not better, served by allotting the Indian commercial seats *en bloc* to a single large and all-comprehending indigenous commercial organisation, embracing all the important sections and communities of the indigenous trades and industries of the province with every scope for the inclusion of newcomers in such a way as to make it a really representative and authoritative body of these interests.

(6) Such a body, gaining in influence and prestige by such concentration of the right of representation, should be enormously more useful than a number of small organisations, in serving the economic interests of the people of the province and in increasing their opportunities for extending their knowledge and for the pursuit of commercial and industrial enterprises.

(7) From the point of view of Government also, it would be much more useful and satisfactory. From such a representative and authoritative body alone would the Government and the Legislature be justified in expecting the expert assistance contemplated by the Franchise Committee.

(8) The fact that a body or branch of industry already has representation does not vitiate any of these arguments, nor constitute an argument for the continuance of its representation in the same way in future.

The several points urged gather further weight from the fact that the people of Bengal have much leeway to make up in trade, commerce and industry in order to make up for their less advanced position and stand their ground in the face of growing competition, not only with reference to other provinces but also to other countries. Under a federal system of more or less autonomous provinces, Bengal will have to rely on herself for her economic development and work out her own salvation. There is another very important consideration that should weigh with us in this connection. In the future Central Legislature, where the broader problems of trade and industry will be discussed and decided, there will arise not a few occasions when the interests of Bengal may come into conflict with those of other provinces. The effective presentation of experienced and authoritative views and suggestions on behalf of Bengal, in that Legislature, can only be accomplished by a strong and well-organised body and not by small and minor interests with limited scope and function. In these circumstances, it is necessary to ensure, in the first place, that those who represent its trade, commerce and industry in her Councils should place the true interests of this province above all others; and, in the second place, that nothing is to be done to diffuse or weaken, but everything should be done to consolidate and strengthen, those interests. Only by such means can Bengal's economic condition be best advanced and protected.

The claims of different Chambers and Associations analysed.

Indian Chamber of Commerce.—The claims of this Chamber are not tenable according to the conditions mentioned in the first principle. Its membership is composed largely of the branch offices of concerns of which the head offices are situated outside Bengal. The few Bengali members that are to be found on its roll are also members of the Bengal National Chamber of Commerce, with rare exceptions. Such of its members as are domiciled in Bengal or have their principal centre of business within the province are welcome to join the Bengal National Chamber of Commerce and exercise the right of representation through this Chamber. As a matter of fact, many of them were members of the Bengal National Chamber prior to the establishment of the Indian Chamber in 1926. Even now the President of the Indian Chamber is a member of the Bengal National Chamber of Commerce. The Indian Chamber is dominated by Bombay businessmen. Businessmen from outside Bengal having their activities elsewhere are eligible to become members. The list of "capital" interests of its members is misleading, since the capital values of many companies, etc., having their head offices elsewhere, have been mentioned to show an inflated position. The Railways, Banks, many Insurance Companies, Mills, Manufacturers, etc., are all outsiders, having their branches only in Bengal. The nature of business of the Indian Chamber is the same as that of the Bengal National Chamber. It will be seen from the 1931 Report of the Bengal National Chamber of Commerce that it has done much more work in regard to problems that are of vital importance to Bengal trade and industry. The past records of the Indian Chamber give no indication of its activities in regard to Bengal's problems.

Mahajan Sabha.—The Association supports its claim by contending that it represents commercial interests of rural Bengal. It will be noted, however, that a good number of its members, including some of

the most prominent ones, have little or no commercial interests in Bengal and some are also members of the Bengal National Chamber of Commerce. For instance, Mr. Ananda Mohan Poddar, who is the representative of the Mahajan Sabha in the Bengal Legislative Council, is a member of the Bengal National Chamber of Commerce, while Maharaja Sris Chandra Nundy of Cossimbazar, who is the President of the Sabha, represents the Bengal National Chamber in the Bengal Legislative Council.

Besides, it is not a fact that the Mahajan Sabha has any special claim of its own as representing the commercial interests of mufassal Bengal. As a matter of fact, the Bengal National Chamber of Commerce has a large number of mufassal members drawn from almost all important district towns and centres of business in the mufassal, though it does not admit petty retail traders. As, however, the trade interests of the latter cannot present any special problems or at least such problems as cannot be efficiently tackled by the Bengal National Chamber, the speciality of the claims of the Mahajan Sabha become untenable. It should rather appear more reasonable that such members of the Sabha as have the necessary qualifications should join the membership of the Chamber to avail themselves of the privilege of representation.

Mining Federation.—The claims of the Indian Mining Federation, based on the ground that it represents an important industry, cannot be accepted without granting similar privileges to some other major industries and trade such as Tea and Jute, for instance, which are certainly more important, at least so far as Bengal is concerned. Having regard to the limited number of seats available, and keeping in view the point that in future even apart from the existing one, some other equally important branches of trade or industry may develop with the advance of time, it should be deemed futile to make any effort towards satisfying the claims of the various sectional groups. As any partial satisfaction should involve inequity to others, the best solution in the circumstances would be to allocate all seats to a central representative organisation like the Bengal National Chamber of Commerce in which the interests connected with various trades and industries are represented. For, in such an event the representation of the Chamber may be influenced in such a way as to be primarily determined in the interests of particular trades or industries from time to time as the occasion may demand. The representation of the Chamber, though limited, may thus be taken advantage of by the various trades and industries whom it would otherwise be impossible to satisfy by granting separate representation with the very small number of seats available.

Apart from such difficulties involved on the score of principles in the acceptance of the claims of the Indian Mining Federation, there are some practical considerations which lend support to their rejection without giving any cause for disappointment to the Federation. The Federation, which is affiliated to the Chamber, has already been enjoying singular advantages among all other affiliated bodies representing various trades and industries in the matter of influencing representations of the Chamber in the legislative and other public bodies. There is a fairly large number of its representatives on the Executive Committee of the Chamber. It is significant in this connection to note that in the last decade during the two chances which come to the Chamber to elect a representative to the Indian Legislative Assembly in exercise of the right by rotation with the Mahajan

Sabha, the members actually elected were accredited representatives of the Indian Mining Federation, the first member being the late Mr. N. C. Sircar, elected in 1923, and the second, Mr. S. C. Sen, elected in 1929, who is still sitting in Assembly as the representative of the Chamber. Two other representatives of the Federation, *viz.*, Rai A. C. Banerjee Bahadur and Mr. Susil Ch. Ghose, who are also members of the Committee of the Chamber, have been acting as representatives of the Chamber on the Provincial Cotton Committee, Bengal, and the Calcutta Port Trust, respectively. The latter, who is also the Joint Honorary Secretary of the Chamber, represents the Chamber on the Coal Grading Board. It should thus appear that the Mining Federation is already enjoying ample facilities for representation through the Chamber and there is no necessity of having a seat earmarked exclusively for the one industry which it represents. The argument that a seat has already been allowed to the Indian Mining Association representing the organisation of the European interests does not prove the absolute necessity of granting similar privileges to the Indian Mining Federation, as in the case of the former the allocation of a seat to the industry has been specially facilitated by the large number of seats reserved for European commerce. That it has been so is amply proved by the fact that among the European commercial electorates, seats have been allocated not only to the organisation of the coal industry but also to organisations connected with Jute and Tea. It should be noted that in the Council of Bihar and Orissa, in which province the members of the Indian Mining Federation have their principal and large interests, there is a seat provided for them, because, in that province, there is no other scope for their representation.

Marwari Association.—Regard being had to the principles enunciated above, the case of the Marwari Association should present no difficulty in dismissing their claim. The Association has revealed its non-indigenous character by making the admission in the Memorandum that "Most of the members of the Association have their firms in different centres of trade in India and the Association may, therefore, be called an all-India representative institution of the Marwari community." If the cogency of the principle enunciated against representation of non-indigenous commercial community be unreservedly recognised, as in fact it should be, the fact that the Association has been enjoying the right of representation since the Montagu-Chelmsford Reforms should not be allowed to weigh with the Franchise Committee as the continuance of such representation would amount to submitting to a precedent, merely because it is so, although its implications are on principle recognised to be seriously detrimental to the economic interests of the province. It has been suggested in some quarters that the withdrawal of a seat from the Marwari Association will mean the disenfranchising of the community. Such is not the case, since all the members of the Association have the franchise in the general electorate. The objection is that they should not get any seat in a special electorate on the communal basis.

Muslim Chamber.—The claim of this Chamber is based on no other grounds but those of communal interests, which is untenable in the matter of trade and industry, where interests are not, and cannot be, divided on such a line. Acceptance of their claim can very well lead to the putting forward of such a communal claim by other communities, the Armenians and Jews for example. The Muslim community had no

such organisation before, nor did it urge its claim in this direction before the Lothian Committee. It is only after the Prime Minister's Award that it has established the Chamber and put forward its claim. This is obviously for the purpose of securing additional seat in the Council and not primarily for the purpose of carrying on the business of a Chamber of Commerce. Their claim is also against the intentions of the Prime Minister's Award. The Award has given the Muslims a sufficient number of seats on separate electorate basis. It was evidently not in the contemplation of the Prime Minister to give them further seats on the communal basis in the special electorates, the purpose of which is quite distinct from that of the general electorates, wherein they are to have large representation. Then, too, the Chamber, as constituted at present, is dominated by Bombay and Delhi Muslims. Bengal Muslim members are quite insignificant in number. Therefore, under the principles enunciated, there is no advantage to the Bengal Muslim businessmen in joining the Chamber for obtaining franchise. Indeed, their interests were turned down when the Muslim Chamber supported the salt duty, probably their first corporate act. There is also no precedent or analogy for accepting the claim of the Muslim Chamber for separate commercial representation. In no other province is such franchise existing or claimed. A Chamber like this, even if it can be composed of indigenous Muslim members only, of two and a half months' existence, has yet to go a long way in actual working before it can establish its claim for such representation. But indigenous Bengal Muslims need not necessarily be excluded from the privilege. They are welcome to become members of the Bengal National Chamber of Commerce and exercise their voting power in that body.

Memorandum by the Bengal National Chamber of Commerce.

In response to the invitation extended to the Bengal National Chamber of Commerce, the Committee of the Chamber have pleasure in submitting their views on the subject of commercial representation in the Bengal Legislative Council for the consideration of the Government of Bengal and the Provincial Franchise Committee.

2. At the outset, the Committee would refer to the Communal Decision announced by the Prime Minister allotting 19 seats for the representation of Commerce, Indian and European. While the total number of commercial seats has been fixed, the Committee find that no final decision has been made, either as regards the distribution of seats between the different interests or the "composition of the bodies" through which election to those seats will be conducted. The Committee also note that while these matters will not be statutorily fixed, a suggestion in a foot-note in the Decision indicates that initially the proportions for Bengal will be 14 Europeans and 5 Indians. The Committee of the Chamber feel strongly that the number of seats thus proposed for Indian commerce is disproportionately small, and that in arriving at these numbers adequate consideration has not been given to the importance of Indian commerce. The widespread dissatisfaction prevailing in Indian commercial circles at this meagre representation offered to Indian commerce as compared with that offered to

European commerce impels the Committee to bring this question prominently before the Government and the Franchise Committee, in the hope that on due attention being given thereto an equitable allotment of seats as between these two commercial interests will be effected. As no distribution of the seats has been made in the Communal Decision, the Committee conclude that this matter has been left to the Government of Bengal and the Franchise Committee to decide and they earnestly hope that the just claims of Indian commerce in this connection will also receive the consideration it deserves at their hands.

3. The Committee think it necessary to set forth briefly some of the main considerations showing why the number of seats allocated to Indian commerce is inequitable and disproportionate to those allocated to European commerce.

(a) The object of separate representation for commerce and industry in the Legislature is, in the opinion of the Committee, to secure the presence therein of men qualified to speak with knowledge and authority on the economic questions coming up before the House as well as on subjects connected with trade, commerce, industry and finance which call not only for expert knowledge but also for an intimate acquaintance with the economic conditions and popular sentiments of the province. Such intimate local knowledge can only be expected from businessmen indigenous to the province, and their opinions, therefore, are generally bound to be more valuable than those of other commercial representatives, however large the interests of those others may be. Moreover, the business experience of such men, coupled with their intimate knowledge of the province, would be of great practical assistance to the Legislature in all matters of general interest to the province. Yet again, it will be admitted that their intimate and permanent connection with the weal and woe of the province of their birth cannot but lead such representatives to take a more vital and active interest in all that appertains to its true progress.

(b) The Committee note that the Indian Franchise Committee recommends in paragraph 421 of their report that the allocation of commercial seats in the Assembly should be in the proportion of half and half as between European and Indian. If the Indian Franchise Committee considered this proportion to be adequate for European commerce in the Assembly which is concerned with most of the economic problems of special interest to the European commercial community, it is difficult to understand why in the Provincial Legislature of Bengal which deals with provincial problems, the proportion of European commercial representation should be so much greater than that of Indian commerce. At the same time, if it is thought necessary to give the European community in the province additional representation in the Bengal Council, the Committee submit that it should be given through the General constituencies and not by means of a manifestly unjust distribution in the commercial representation proper.

4. Now, in regard to the number of seats proposed for Indian commerce, five seats, besides being disproportionate, would be quite inadequate for the needs of Indian commercial representation, and though the Committee proceed to base their further observations on the assumption of five seats for Indian commerce, it must not be taken that they consider this number at all adequate or satisfactory. The question of the allocation of these seats is of extreme importance if

the best results are to be ensured, in which connection the Committee would emphasise the following considerations:—

(i) The Committee maintain that representation of Indian commercial interests should, in pursuance of the object of the representation of such special interests, as explained in paragraph 3 (a) above, be given exclusively to interests indigenous to the province, comprising persons belonging to the province whose main business is in Bengal. Organisations of business interests under extra-provincial control or under that of non-indigenous businessmen or firms have not the same natural claim to representation, for they cannot be completely identified with the economic welfare of the province, and their allegiance is bound to be divided in the event of conflict between the interests of their own province and those of Bengal. The attention of the Franchise Committee may, in this connection, be drawn to the fact that in the provinces of Bombay and Madras the right of commercial representation is enjoyed only by associations indigenous to these provinces, although there are in both provinces many businessmen, who hail from other provinces but who have acquired and maintain substantial business interests in these provinces, and in the case of Bombay especially also have their own business organisations there. Apart from this, in the present stage of their commercial and industrial development, the people of this province (Bengal) call for special care and attention in regard to their trade and industrial activities in order that they may be strengthened in their endeavour to establish themselves in the commercial world.

Lest they should be misunderstood, the Committee think it necessary to state that by this it is not meant that there should be any restriction in regard to the business activities or opportunities of outsiders, nor, again, that they should have no commercial organisation of their own, if they decide to have any, nor that they should be deprived of representation as citizens in the ordinary constituencies, but only that in a special constituency, such as this, should the privilege of representation be held exclusively by those indigenous to the province.

(ii) In the view of the Committee, it would be undesirable to distribute the seats among particular branches of trade or industry; nor is it the object of this representation in the words of the Indian Franchise Committee "to give any particular voting strength to individual interests," but "essentially to make expert knowledge available in the legislatures" (paragraph 321). Separate representation of this description does not encourage co-ordination or broad views. The Association or organisation representing a particular branch of trade is usually confined to that branch of trade and tends therefore to be much narrower in its outlook than an Association or Chamber that embraces several branches of trade. As can well be imagined, the latter must be on a broader basis and be the means of giving valuable opportunities for mutual discussions between different sections of the commercial community, thereby making for a comprehensive grasp of commercial problems and expression of authoritative views.

It should also be remembered that the small number of seats available to Indian commerce makes it impracticable to distribute these seats among the several principal branches of Indian trade and industry. Seats could not be found for all, unless greatly multiplied, and those left out would be hurt, if not actually wronged.

(iii) The utility of a large and resourceful organisation is, of course, far greater than can be expected from a number of unrelated organisations representing merely particular branches of trade or industry. With a limited outlook, the latter is not likely to do justice to the wider problems facing the country from time to time, nor with the limited resources and main experience confined to their special branch of trade can they be considered adequate to the demands likely to be made upon them for the protection and furtherance of trade, commerce, industry and finance as a whole, or for propaganda, public support and governmental aid. On the other hand, a large body, in which several industrial interests are grouped, makes for comprehensive policy and practice and provides a standing organisation of much greater value to the public and Government.

(iv) In the present economic condition of the country, with the growing outlook of Indian commercial interests, the representation of such interests through one large body would be a great help in strengthening and widening its scope. A commercial body exists not only for the purpose of representing its views in the Legislature, but also for dealing with the economic and commercial problems that arise from time to time, and informing and educating the public and helping the Government by advice and criticism in regard to such matters. Far from conducing to these ends, the recognition of sectional or communal commercial interests would engender incoherent economic activities and multiply differences. Hence, it is of great importance that the growth of a strong, central commercial organization should be encouraged in order to encourage in turn the growth of the commercial sense and activity of the people of the province. Larger numbers of the people of Bengal require to be attracted to business activities, more industries require to be brought into existence, and more capital needs to be brought out for investment. Active propaganda will have to be carried on for these purposes and all business interests watched carefully. Such work can only be undertaken effectively by a strong and broad-based organisation. Similar advantages could not be expected from sectional or communal organisations limited in scope, outlook and resources.

(v) The Committee of the Chamber do not desire to give the impression that they overlook the obligation to care for the interests of particular branches of trade or industry, but they submit that, so far as the protection of their interests is concerned, it can be achieved in an indirect but more effective manner. As a component of a larger organisation, the representatives of any important section of trade or industry would certainly be able to influence the representation in the Council in a way conducive to their interests and have their views reflected accordingly. The more important the trade or industry, the more influence would it wield, and perhaps also have its own men among the representatives elected to the Council. It should require no urging upon any branch of industry to show the advantages of combination, for even from its own point of view, it could not hope to gain as much in isolation as it could in combination within a larger organisation.

5. For similar, though even more cogent reasons, the Committee deprecate any suggestion of communal allocation of Indian commercial seats in the Council. Whatever may be the justification for communal distribution in the General constituencies, in this special constituency

it is totally unjustifiable. If disintegration of the Indian commercial vote on the basis of particular trade or industrial interests is to be avoided, still more is it necessary to avoid disintegration upon a communal basis, introducing communal rivalry in a sphere in which common business factors plead strongly for co-ordination and combination—in which direction the development of Indian commerce lies. Moreover, if the recognition of certain communal interests in commerce is inevitable and allowable in very special circumstances, these interests may find due expression within the scheme of representation through a single association. It should also be noted that the opportunities for knowledge, experience and activity are much wider and greater in the case of a large and widely representative organisation, and communal interests stand to gain thereby by inclusion in the larger organisation. For instance, Muhammadan businessmen of Bengal would find it far more advantageous to associate themselves with an old established and large commercial organisation and benefit by the experience and resources of such an organisation than to plough a lonely furrow.

6. These considerations, the Committee trust, will be sufficiently convincing as to the undesirability of dividing the Indian Commercial seats in any way and of the desirability of consolidating the representation through a single organisation embracing the several Indian trade interests. The Committee beg respectfully to submit that such an organisation is to be found in the Bengal National Chamber of Commerce, whose claims to this position the Committee now propose to set forth.

7. These claims rest on the grounds of service, status, constitution and representative character. Since 1887, the Bengal National Chamber of Commerce has functioned to the advantage of trading community of this province and the general economic advantage of its people. The exact services it has rendered may be gathered from past reports, which all go to show that during the period of its existence it has established its pre-eminence in the Indian commercial world and in the official and public eye. Its constitution, no less than its activities, shows that it is impelled by high and broad ideals. It embraces several branches of trade and industry and is in no way dominated by sectional or communal interests, even while it keeps the interests of the people of Bengal in the forefront. Its views are the results of careful study and are therefore authoritative, commanding general respect. It is therefore entitled to offer itself as an existing, reputable, long-established and experienced body, competent to take on immediately the responsibilities of Indian commercial representation in the Council, and if entrusted therewith, to accord fair and equitable treatment to all interests which are likely to come within its embrace and at the same time to render the best services in connection with such representation and in other matters expected of such an institution. So far it stands unrivalled in its claim. In order, however, to place its claims beyond doubt, some further elucidation of the several features of the Chamber may be permissible.

8. The members of the Chamber represent different sections of trade and industry not only of the city of Calcutta but also of the various important districts in Bengal. There are amongst its members prominent businessmen from all parts of the province, viz., Chittagong, Dacca, Narayanganj, Rangpur, Jalpaiguri, Mymensingh and other centres of business. The rules and regulations of the

Chamber lay open the membership to all real businessmen of sufficient standing whose main business interests are centred in Bengal, including Assam, and the privileges of membership, as well as opportunities for service and office are open to all alike. It makes no distinction whatsoever in respect of caste or creed in regard to eligibility for membership. Quite naturally there is a preponderance of Bengalis among its members but it also includes Bhatias, Marwaris and other non-Bengalis, whose principal place of business is in this province. Though the number of Muhammadan members is at present few, they are always welcome to join. For the greater co-ordination of business interests in Bengal, it is proposed in the new constitution of the Chamber to allow any persons, non-indigenous to the province, Indian or Foreign, to associate themselves with the Chamber and enjoy the full privileges of membership, with the reservation that they will not be eligible to hold office or represent the Chamber in public bodies.

9. In this connection, it may be added that, representative as the Chamber is at present, efforts are being made to bring within its fold many other important sections of trade and communities of businessmen in order to increase its representative character and for mutual strength and benefit. To this end, also, the constitution of the Chamber is being revised so as to make affiliation of other similar Associations more attractive and effective. The constitution of the Chamber already provides for the affiliation of other commercial or industrial Associations and such affiliated bodies are generally accorded representation in the Executive Committee of the Chamber. Their representatives are likewise eligible for election to any seat in the Legislature or other public body, accorded to the Chamber. In order that the representation of such affiliated bodies may be more effective it is proposed to make further provision in the revised constitution entitling these bodies to nominate as ordinary members of the Chamber a certain number of their own members, commensurate with their relative strength and importance.

10. A brief reference to the status of the Chamber may be permitted. Established in 1887 it is the oldest commercial organisation of its kind not only in Bengal but in the whole of India. Its activities and influence have grown progressively. Apart from being represented in the Bengal Legislative Council and in the Legislative Assembly, the Chamber has representatives on various other important public bodies, such as Calcutta Port Trust, the Calcutta Improvement Trust, the Railways, Medical College Hospital Visiting Committee, Board of Industries and the Indian Central and Provincial Cotton Committees. The Chamber is quick in acquiring and disseminating commercial information, a service much appreciated by members and the public. Important economic and business questions relating to public finance, transport, rates, postal facilities, etc., are continually before the Chamber for attention. In the preparation of well-reasoned statements when occasion offers to criticise actions conflicting with the interests of its members or of the trade, commerce, industry and agriculture, etc., and also in taking steps to present its views in the proper quarters, it serves a still more useful purpose. Indeed, the cogent criticisms and constructive suggestions of the Chamber have been found valuable in several directions.

11. As stated above, the constitution of the Chamber is under revision at present in pursuance of a resolution passed at the

Annual General Meeting held in January 1932. Such revision has been necessitated by the fact that the organisation has developed far beyond its original constitution, and several changes have become long overdue. The revised constitution has already been approved in draft form by the Executive Committee and is awaiting confirmation at the General Meeting, which will be held before the completion of the labours of the Franchise Committee. A copy of the draft is, however, being forwarded to the Franchise Committee in advance, to be followed by a final printed copy at the earliest opportunity. The Committee invite particular attention to the fact that the revision will not mark any radical departure in principle from the underlying spirit of the original constitution, which so fully reflects the democratic outlook and traditions of the Chamber during the long period of its existence.

12. The scope of the activities of the Chamber is indicated in the Statement of Objects in the Statutes of the Chamber. The special attention of the Government and the Franchise Committee is invited to the fact that on several occasions, the Bengal National Chamber of Commerce has had to take the initiative in organising joint conferences of various commercial bodies in Calcutta to discuss matters of great economic importance to the province, some of these conferences being attended by representatives of the Government. The latest of these were a series of jute conferences held in 1930 and also this year, specially convened to devise a scheme of restriction such as might raise the price of the fibre and save the economic structure of the whole province from a menacing disaster. The conferences, joined by representatives of various commercial organisations, both European and Indian, bore excellent results in the way of placing all facts connected with the problem before the Government, who were persuaded later to embark on a restriction propaganda. In short, it will be seen that the Chamber is a servant, custodian and promoter of trade, commerce and industry, not of any particular section but of the province as a whole.

13. Again, in the present condition of the Bengalis in the commercial sphere, the Chamber has recognised the special importance of disseminating commercial intelligence and has taken upon itself the responsibility of publishing a journal for the purpose. With the same object in view, it has been organising special lectures on subjects of practical importance to industrial and commercial investors. It has also been decided to set up an Arbitration Tribunal during the coming year.

14. Although the attention of the Chamber is duly attracted to commercial matters of local importance, the Chamber has not been exclusively occupied with these interests. It has all along regarded itself as vitally interested in the economic progress of the province and the country as a whole. And though the matters relating to Bengal's trade and commerce have naturally had a prior claim to its attention, its activities have on that account not been narrow but have embraced a wide field, as the latest Annual Report of the Chamber will show (not printed).

15. The following features in the membership of the Chamber deserve particular mention. In the first place, all the principal branches of trade in Bengal have their accredited representatives among the members of the Chamber. The rice trade is represented by certain leading merchants of Chetla, which is regarded as the pivot of the

Calcutta rice market drawing its supplies from the outlying districts. The trade in jute is represented not only by individual members but also by four associations affiliated to the Chamber, while the interests concerned with the coal trade are represented through the Indian Mining Federation affiliated to the Chamber and also through certain individual firms of good standing who are members of the Chamber. The trade in tea, as distinguished from the industry, is through a peculiar organisation of the trade concentrated in the hands of a limited number of non-Indian firms, but the movement that has recently been set on foot to develop an internal trade in the commodity under Indian enterprise has its spokesmen in certain members of the Chamber interested in tea. The trade in all the principal commodities of import such as piece-goods, drugs and chemicals, machinery and tools, paper and paste-board, and printing materials are represented by certain firms of very high standing, some of which are of unequalled importance in India. The interests relating to iron and steel, galvanised sheets and hardware are represented in their various aspects not only by individual importing firms and contractors but also by such organisations as the Association of Engineers, Bengal, and the Calcutta Iron Merchants' Association, which are affiliated to the Chamber.

16. Then, in regard to the industries of Bengal, the representative character of the Chamber will be found to be even more pronounced. Among the organised industries, all the large cotton mills now working in Bengal (with the exception of one under non-Bengali management) are members of this Chamber. Tea and coal are both adequately represented, the former through a number of companies owning gardens in Bengal and Assam, the latter through both individual firms as well as through the Indian Mining Federation. The manufacture of chemicals and drugs is represented by such eminent firms as may indeed be regarded as representative Indian institutions. There are also members representing or intimately connected with substantial interests relating to various forms of transport such as light railways, inland navigation and motor services. Lastly, the membership list includes a number of characteristic middle-sized industries of Bengal, such as rice mills, oil mills, hosiery, etc., while sundry industries like glass works, printing presses, pottery works, manufacture of paints and varnish are also represented by individual firms and companies.

17. In regard to financial institutions the representative character of the Chamber will be found in both the number and kind of such institutions on its membership roll, which it will be seen includes many indigenous reputable bankers and insurance companies in Bengal and some of the leading loan offices. These last, it is worthwhile to note, are the characteristic financial institutions of mufassal Bengal under Bengali management, meeting the credit requirements of agriculture and internal trade in the province. The Chamber has further amongst its members eminent exchange brokers, jute brokers and share brokers.

18. The Chamber has also eight trade and industrial associations affiliated to it, representing interests connected with coal, jute, insurance, iron and hardware.

19. The composite character of the membership will be readily seen from the list in which will be found both joint stock companies

and, more generally, firms or individual businessmen. The preponderance of the latter is attributable largely to the peculiar industrial and commercial traditions of the province of Bengal, namely, the association or development of certain branches of trade or industry with some families of large resources. Incidentally, it may be pointed out that such traditions have been fostered indirectly, but nevertheless in marked manner, by the permanent land settlement which, as is well known, has been followed by a steady appreciation of land values, and consequent investment of the surplus resources of the bulk of the people in land—much to the discouragement of investments in industrial securities on account of the larger risks involved. The movement in favour of the development of business on a corporate basis requires to make much greater headway before any great change in this tradition can be expected and a substantial ownership of industrial and commercial interests by individual proprietary concerns, often transformed into family partnerships with the death of the single proprietor, must still be regarded as a special feature of a good portion of the commercial interests under the control of Bengalis. The names of such distinguished firms as Butto Kristo Paul and Co., Bholanath Dutt and Sons, Prankissen Law and Co., Prasad Das Boral and Bros., etc., may be taken as fairly illustrative of the observations made above. These circumstances together with the fact that the proprietary concerns treat their business investments with almost religious secrecy make it impossible for the Committee to furnish any dependable information regarding the capital investments of the members. The Committee, however, believe that the knowledge of local conditions which in the course of their duties the Franchise Committee will obtain from authoritative sources will not fail to convince them that the business stake of the members of the Chamber is very considerable and fully justifies its claim to function as the most representative body in the province.

20. A few authoritative expressions of opinion regarding its activities and influence may be mentioned for the information of the Franchise Committee. Even so early as 1888 the Chamber received recognition from the Marquess of Lansdowne, then Viceroy of India, as "the accredited exponents of the views of the native mercantile classes of Bengal." Its representative character was once more acknowledged about two decades later by Lord Hardinge who also eulogised the activities of the Chamber as giving "useful and valuable advice.....on questions affecting not only the commercial community but also the general welfare of the people." Again on the eve of the introduction of the Montagu-Chelmsford Reforms, the Government of Bengal recommended the Chamber to the Southborough Committee as "undoubtedly the foremost Indian commercial body in the Presidency," observing that the "list of its members includes all the more important Indian businessmen, and they have interests throughout Bengal." Recently, the traditional distinction of the Chamber as being the most representative organisation of Indian commercial interests in Bengal received recognition at the hands of the Indian Franchise Committee, who recommended the conferring of the right of representation in the Indian Legislative Assembly solely on the Bengal National Chamber of Commerce among all the Indian commercial bodies in the province. Only a year ago the Hon'ble the Finance Member of the Government of India referred appreciatively to the constructive suggestions of the Chamber in his Budget speech.

In writing to the Vice-President he said: "Your Chamber—if I may say so—has always shown a desire to be more than merely critical, and I wanted you to know that I valued this." In referring to the Memorandum of the Chamber on the subject of Tobacco Monopoly, the Hon'ble the Finance Member said: "As regards tobacco, I may take this opportunity of expressing my appreciation of a very valuable Memorandum which I have received from the Chairman of the Bengal National Chamber of Commerce containing a study of the operation of a tobacco monopoly in other countries and suggesting the introducing of such a system in India. This is a matter which has often been considered, but never, I think, pursued to the end, and we are now consulting Provincial Governments, as to setting up a Special Committee to study the question this year."

21. To recapitulate, the constitution of the Chamber admits to its membership all Indians whose principal trade activity is centred in Bengal. No communal distinctions are made. It allows also for the affiliation of sister bodies, who under the revised constitution will be represented in the Chamber by a group of members in proportion to the total number of their members or importance. Alternatively, these bodies are offered membership themselves. Again, non-indigenous persons, Indian or Foreign, will be taken into membership under the revised constitution and enjoy all privileges except those of office and representation. The latter features are important in that they indicate the elasticity of the organisation which makes it possible for the Bengal National Chamber of Commerce to form a nucleus to which other bodies may attach themselves for the purpose of representation at least in the Provincial Legislative Council. All those who so attach themselves are assured of a full and complete voice by the exercise of votes, and equally of opportunity without being embarrassed by fear of close preserves or domination by narrow sectional or individual interests. For all these reasons, the Bengal National Chamber of Commerce, stands out as the one competent organisation in Bengal on which should deservedly devolve the responsibility of Indian commercial representation in the Legislature.

22. In conclusion, the Committee beg to summarise their views as follows:—

- (1) The number and proportion of the Indian commercial representation as compared with the proposed European representation should be larger.
- (2) Only interests indigenous to the province and having their main business activity in the province should have the privilege of representing Indian commercial interests in the Provincial Legislature.
- (3) It is undesirable as being detrimental to the wider interests of the province to divide the number of seats given to Indian commerce—
 - (a) as between various industries or trades,
 - (b) as between various associations, groups or sections,
 - (c) as between various communities.
- (4) Indian commercial representation should be centralised through one association.
- (5) The Bengal National Chamber of Commerce stands unrivalled in its claims to this responsibility.

23. The Committee of the Chamber, believing that, for reasons stated above, the proposal for "centralisation" of the Indian commercial vote is vital to the preservation, consolidation and development of the genuine economic interests of the province, strongly urge upon the Government and the Franchise Committee the necessity of giving the scheme a fair and unbiassed trial.

Second Memorandum by the Bengal National Chamber of Commerce.

In considering the question of Indian commercial representation in the future Bengal Legislative Council, it is of supreme importance at this juncture to be careful in determining the principles on which such representation should be granted. Our minds must not be trammelled by the rights and privileges hitherto allowed, for if we are to start with a clean slate we shall have to consider the whole question afresh, unbiassed by the past. Standing, as we do, on the threshold of a new era, it is necessary to formulate guiding principles for the future such as are unquestionably sound, for once granted they will be difficult indeed to alter.

What principle should we then accept as fundamental? Obviously, if the guiding principle of the new constitution is to be Provincial Autonomy, which needs must be concerned with "the rights of the people of the province first," then the same spirit should animate Indian commercial representation in the Provincial Legislature.

A. The first proposal, therefore, is that representation should be given exclusively to institutions comprising members of indigenous commercial interests. This is based on the following considerations:—

(1) Non-indigenous business communities do not, and they cannot under ordinary circumstances, possess the accurate, extensive and intimate knowledge of conditions in Bengal, which alone could enable them to correctly help or guide the Government in matters agricultural, industrial and commercial, pertaining to the province.

(2) They cannot, naturally, be expected to take the same active interest in the economic development or affairs of Bengal, as the people of the province.

(3) In cases of conflict between this province and others, which is to be viewed as inevitable under a federal scheme of government in the prevailing condition of disparity in the commercial development of the various provinces, the non-indigenous interests are likely to be against this province. The support given by outsiders to the salt import duty, despite the opposition of the people of the province, provides an example confirming such a presumption.

(4) The claim that because a non-indigenous body holds considerable commercial interests in the province, it has a right to representation, is untenable on the principle laid down by the Indian Franchise Committee. This Committee has indicated very clearly that "the object of the special representation of commerce is essentially to make expert knowledge available in the Legislatures and not to give any particular

voting strength to individual interests" (*vide* paragraph 321 of the Report of the Franchise Committee). This expert knowledge would only be valuable when forthcoming from quarters identified with the true interests of Bengal. Any claim based merely on the magnitude of commercial interests is obviously not sufficient by itself, since on that basis the considerable commercial interests of such people as the Japanese, Germans and Americans in Bengal would have a ground for special representation.

(5) To grant representation to non-indigenous interests would be to increase their political and business influence and their hold on the political and economic life of the province.

Non-indigenous interests are already too strongly established in Bengal. Political recognition to their economic activities in this province will have the effect of expanding them further, thus limiting the field of activities of the people of the province. It is not suggested that non-indigenous people should be hampered any way in conducting their business activities, but it is not necessary that for advancing their business interests they should have the right of participating in the control of the internal affairs of the province. Those among them who are domiciled in the province may, of course, claim the right of commercial franchise by joining such indigenous commercial organisations as are in possession of the right of representation in the Legislature. But no necessity can be made out for their separate representation.

(6) The analogy of British commercial representation does not hold good. It is the exception that proves the rule, and is one that has been imposed on us by Parliament.

(7) In other provinces, such as Bombay and Madras, there are large business interests of men belonging to other provinces, but they have no separate representation, although they have their own organisations.

B. The next proposal is that the Indian commercial seats should not be split up on a sectional basis, but allocated *en bloc* through a suitable organisation comprehending all sections and classes of Indian commerce and industry indigenous to Bengal. The following are the reasons:—

(1) In matters of economic development, commercial representation in order to be fruitful must be characterised by a width of outlook and ability to harmonise conflicting interests, industries or occupations. Sectional commercial organisations are not likely to satisfy these tests.

(2) The small number of seats allotted to Indian commerce does not admit of their separate allocation between all commercial institutions, not even to the most important ones representing organisation of some particular branches of industry or trade. But if the allocation be made on that line, the result would necessarily be, having regard to the limited number of seats, to definitely and practically irrevocably earmark seats even for a few only from among the limited number of some particular trades or industries alone, to the exclusion of others. Evidently the scope for representation of commerce according to such a scheme is extremely narrow, being confined to some particular trades or industries. Problems of importance and urgency of other excluded trades and industries will fail to find a voice, nor will the Legislature obtain expert assistance in the circumstances. Against such a scheme

the allocation of all the seats to a strong organisation like a Chamber of Commerce would undoubtedly provide facilities for a wider and more effective representation of all the commercial interests and in such event an equal chance of representation would be thrown open to all the sectional groups brought within the Chamber. It would be possible for the Chamber even to ask the sitting member representing some particular trade or industry to resign during the term of the Council in favour of another representing a different trade or industry whose services might be considered to be more helpful in initiating or making decisions upon particular legislative measures. This can be done at short notice as is done by the Bengal Chamber of Commerce.

(3) Besides, as is quite possible, when new and important industrial or commercial interests arise or develop later on, in such a way as to deserve representation, it will be difficult, if not impossible to find room for them.

(4) If separate allocation of seats be made, it would be an inducement to each section of trade and industry, even of minor importance, to form organisations solely for the purpose of pressing for representation, and we may be overwhelmed by the multiplication of such organisations with no corresponding usefulness to the province. This tendency is indeed visible already.

(5) On the other hand, the purpose of commercial representation will be quite as effectively, if not better, served by allotting the Indian commercial seats *en bloc* to a single large and all-comprehending indigenous commercial organisation, embracing all the important sections and communities of the indigenous trades and industries of the province, with every scope for the inclusion of newcomers in such a way as to make it a really representative and authoritative body of these interests.

(6) Such a body, gaining in influence and prestige by such concentration of the right of representation, should be enormously more useful than a number of small organisations, in serving the economic interests of the people of the province and in increasing their opportunities for extending their knowledge and for the pursuit of commercial and industrial enterprises.

(7) From the point of view of Government also it would be much more useful and satisfactory. From such a representative and authoritative body alone would the Government and the Legislature be justified in expecting the expert assistance contemplated by the Franchise Committee.

(8) The fact that a body or branch of industry already has representation does not vitiate any of these arguments, nor constitute an argument for the continuance of its representation in the same way in future.

C. Lastly, the allocation should not be made on a communal basis, for reasons stated as under:—

- (1) Allocation of the seats on a communal basis will introduce a vicious principle into economic matters, and encourage communal grouping and communal exclusiveness in business, which will hinder economic progress.

- (2) In no other province in India are communal commercial organisations given representation in Legislature. In Bengal, however, it has been granted to the Marwari Association. Both principle and circumstances justify the removal of this exceptional feature of commercial franchise in Bengal instead of making any further expansion of it.
- (3) There are eminent Muhammadan businessmen in Bombay having substantial commercial interests; and there is a fairly large number of Marwari businessmen carrying on extensive business in Bombay. But neither of them enjoy the right of representation on communal basis.
- (4) The Hides and Skins Association of Madras is predominantly a Muhammadan organisation; to it also no right of representation has been given.

The several points urged gather further weight from the fact that the people of Bengal have much leeway to make up in trade, commerce and industry in order to make up for their less advanced position and stand their ground in the face of growing competition, not only with reference to other provinces but also to other countries. Under a federal system of more or less autonomous provinces, Bengal will have to rely on herself for her economic development and work out her own salvation. There is another very important consideration that should weigh with us in this connection. In the future Central Legislature, where the broader problems of trade and industry will be discussed and decided, there will arise not a few occasions when the interests of Bengal may come into conflict with those of other provinces. The effective presentation of experienced and authoritative views and suggestions on behalf of Bengal, in that Legislature, can only be accomplished by a strong and well-organised body and not by small and minor interests with limited scope and function. In these circumstances it is necessary to ensure, in the first place, that those who represent its trade, commerce and industry in her Councils should place the true interests of this province above all others; and, in the second place, that nothing is to be done to diffuse or weaken, but everything should be done to consolidate and strengthen, those interests. Only by such means can Bengal's economic condition be best advanced and protected.

In setting forth above the grounds which make the claims of other Chambers and Associations for separate representation untenable, it is not the intention of the Bengal National Chamber of Commerce to underestimate the activities of such bodies. The Chamber recognises with appreciation the valuable work which these have been doing in their respective spheres. But its proposal to centralise the commercial vote has been prompted by its conviction regarding the potentialities of a strong comprehensive organisation of Indian businessmen, having their principal centre of business in this province, for the furtherance of the economic well-being of the province. The capacity of such an organisation in which the prestige, status, resources and expert knowledge of all influential Indian businessmen belonging to or domiciled in the province are pooled together, needs must be of great and unique value, and the Chamber would like to emphasise that the prospect of reaching the goal is bound to be seriously retarded by splitting up the commercial vote between different organisations.

Bengal National Chamber of Commerce.

ORAL EVIDENCE.

Representatives:

Mr. Nalini Ranjan Sarker and Sir Hari Sankar Paul, क्ट.

(Mr. Nalini Ranjan Sarker answered all questions.)

Questioned by Mr. B. C. Chatterji.—Q. Do you agree that trade and commerce in Bengal are mostly in the hands of Britishers first, next Marwaris and Bhatias?

A. Generally speaking, it is so, as far as wholesale trade is concerned.

Q. Is it a fact that the Marwaris bring even the clerical staff and menials from their own country?

A. Yes, in most cases.

Q. To that extent they differ from the Britishers?

A. Yes.

Q. Will you admit that the trade and commerce of Bengal ought to be looked after by the Government of Bengal in the interests of Bengalis first, and foremost?

A. Yes.

Q. If that be so, is it not necessary for Bengal to have purely Bengali representatives of commerce and trade on the Bengal Legislative Council to help them with their advice and suggestions?

A. Yes, I think so.

Q. If a Marwari or a Sindhi holds one of the seats, he would necessarily advocate his interests even if such interests were in conflict with the interests of Bengal at large; is not that likely?

A. Yes. If non-Bengalis are given a political status, it will give them an impetus to extend their trade in Bengal; it will attract more of their number for the purpose to this province and to that extent our field will be limited and opportunities curbed.

Q. What is the state of things in Bombay, *e.g.*, do non-Bombayites get a seat in the Bombay Council?

A. No.

Q. What is the position in Madras? Is not the Hides and Skin Association in Madras mostly under the control of non-Madrasi Muhammadans; do they get any representation?

A. No, they get it through the Southern India Chamber of Commerce.

Q. What about the Punjab? Do non-Punjabis swamp the Council so far as trade and commerce are concerned?

A. In the Punjab there is only one Chamber of Commerce which is composed of both the Punjabis and non-Punjabis. There is no separate Association.

Q. Are there any non-British members in the Bengal Chamber of Commerce?

A. Yes.

Q. Are non-British members allowed to the Executive Council of their Chamber?

A. According to the existing constitution of the Chamber, non-British Europeans, Americans, Japanese, etc., cannot become members of their Governing Body, neither can they represent the Chamber in any public body.

Q. Supposing you give one seat to coal, then for the lifetime of the Council that seat remains confined to coal interests, is not that so?

A. Yes.

Q. If that be so, how can one be sure of the representation of the various business interests in Bengal through the instrumentality of these five seats only?

A. We have submitted in our Memorandum that the number of seats being very limited, it will be extremely difficult to distribute the seats to different sections of trade and industry. It can be done only through an institution like our Chamber where all sections of trade and industry are represented. Under the proposed arrangement, if you give one seat to coal, we cannot allot a seat to tea or jute or insurance and so forth and so on.

Q. Suppose Government is confronted with the question of sugar industry and there is no representative of sugar industry on the Council, then how do you think a representative of the sugar industry could come to the Council for the time being?

A. It can only be done if the five seats are allotted to one central organisation; in that case any emergency can be met by having one member resigned for the time being. Whereas if the seats are allotted to five different Associations, you will not then have this mobility.

Q. I suppose if all the five seats were given to the Bengal National Chamber of Commerce, then the different interests could be represented by turn?

A. Yes.

Q. During the lifetime of the same Council, different interests could be represented if occasions arose for the representation of different interests?

A. Yes, that is possible in the same way as it happens in the Bengal Chamber of Commerce.

Q. Do you represent mining interests?

A. Yes. The Mining Federation is affiliated to us and most of its influential members are members of our Chamber and, as a matter of fact, they often represent the Chamber on many public bodies where we have representation. Since we got the representation under the Montagu-Chelmsford Reforms scheme, it happens that an influential member of the Mining Federation has been representing us in the Assembly each time. On the first occasion, the late Mr. N. C. Sircar, former President of the Federation, was returned and in the second term Mr. Satish Chandra Sen, an influential member of the Federation and

the sitting member. In the Port Trust there is Mr. S. C. Ghosh, a prominent member of the Federation, who is also our Joint Honorary Secretary. There are and were others representing us in the Road Board, Bengal Cotton Committee and other public bodies.

Q. Regarding the Bengal Mahajan Sabha, what relation does that Association bear to your Chamber?

A. No relation, but their Secretary Mr. Ananda Mohan Poddar is a member of our Chamber and their President, Maharaja Srish Chandra Nandi, represents us in the Bengal Legislative Council.

Q. How is your Association related to the Marwari Chamber?

A. We have got several Marwaris as our members, *e.g.*, the firm of Sir Sarup Chand Hukum Chand, Sir Onkar Mull Jatia, Ram Dutt Ram Kissen Das, Rai Sett Sukhlal Karnani Bahadur, etc.

Q. If these gentlemen seek election for one of the five seats through the Bengal National Chamber of Commerce, would that be possible?

A. I do not apprehend any difficulty. Rai Bahadur Karnani was our representative in the Coal Grading Board; Mr. Bagaria is a member of our Executive Committee.

Q. Then take the Muhammadan community. A Muhammadan Association has sprung up very lately after the Communal Award; what is the name please?

A. The Bengal Moslem Chamber of Commerce; it consists mostly of non-Bengali Muhammadan merchants.

Q. Do you agree with me that these five seats have nothing to do with the communal question; you are aware that the Premier has given an award in which 119 seats have been allotted to Muhammadans and 80 to non-Muhammadans. Do you agree with me that in view of this Communal Decision, these five seats are absolutely non-communal?

A. Yes, that is my view.

Q. Have you any objection to taking Muhammadans as members of your Chamber?

A. Certainly not; we would rather welcome them.

Q. And they could stand for election through your Chamber?

A. Yes, there is no bar. As a matter of fact, Mr. S. Zaman has been twice elected our auditor since his return from England.

Q. Do you agree that the interests of Bengali Muhammadans do not always coincide with the interests of non-Bengali Muhammadans?

A. Not always; there is frequently a difference between province and province.

Q. Your point is that whoever is elected to one of these five seats should come in for election through the choice of Bengalis?

A. Through the choice of those whose principal trading interest is in Bengal—be he a Marwari, Punjabi, Bhatia, etc., or a Bengali. My contention is that the resources and influence of every business-man, whose main centre of activity is in Bengal, must be pooled together through one institution, so that the same can become strong enough to discharge the manifold duties devolved on them.

Q. You don't want the Marwaris or any other community to remain in isolation and apart from the Bengalis?

A. No, why should they remain so?

Questioned by Khan Bahadur Abdul Momin.—*Q.* The chief point, Mr. Sarker, you made out in your Memorandum is that you want representation to the Council only through the Bengalis?

A. Only through the Bengal National Chamber of Commerce; that is the sum and substance of our Memorandum.

Q. According to the articles of your Association, nobody who is not a Bengali or domiciled in Bengal, can become your member?

A. According to our rules anyone desirous of enlisting himself as a member of our Chamber must have his chief centre of activity in Bengal and Assam.

Q. But the domicile question is essential?

A. Not necessarily; the essential condition is that he must have his principal place of business in Bengal; therefore, whether he talks Bengali or Urdu, does not matter.

Q. You have said that the Mining Federation can be represented by the Bengal National Chamber of Commerce?

A. No, I said through the Bengal National Chamber of Commerce.

Q. Under present conditions?

A. Yes.

Q. As regards the Mahajan Sabha, do you think that the Mahajan Sabha has got any interest which is not common to your Chamber of Commerce?

A. I do not think so. Their President and Secretary are our members, so there cannot be any conflict of interest. My contention is that as a separate body and assuming their interests to be different they have not done what they profess, *e.g.*, they claim that they represent indigenous bankers, but they have taken no steps in this connection by submitting memoranda to or appearing before the Provincial and Central Banking Enquiry Committees. The Agricultural Commission considered rural problems, but they never appeared before that Commission.

Q. When was the Bengal National Chamber of Commerce first started.

A. This is the oldest Indian Chamber; it was started in 1887.

Q. Why was it necessary for the Indian Chamber of Commerce to have a separate Chamber of Commerce?

A. The answer can be given more appropriately by that Chamber. So far as I am aware at the time that Chamber was started, four Indian seats were given to the Calcutta Port Trust and they thought of starting a separate organisation of their own in order that they could claim at least two seats. Another object of starting their Chamber was for the purpose of getting separate representation on public bodies.

Q. Or, in other words, they were afraid they would not get proper representation through the Bengal National Chamber of Commerce?

A. No, I don't think so; there was no reason for such fear. The idea was that they wanted more than adequate representation.

Q. As regards the Indian Chamber, are they more interested in all-India commerce than in any particular resources of Bengal?

A. No, both Chambers *viz.*, the Indian Chamber of Commerce and our Chamber are doing the same kind of work; only we attach special importance to many of the local problems.

Q. Have you also got Muhammadan members in your Chamber?

A. Very few.

Q. Do you think that if representation is actually given to you, Muhammadan traders and merchants would have any chance of being returned by your Chamber?

A. Certainly there is.

Q. Is it a fact that no Muhammadan has ever been elected or nominated by your Chamber to any of the elective bodies?

A. Not recently because the number of Muhammadan members is very small.

Q. Is it not a fact that the Moslem merchants are backward so far as political aspirations are concerned?

A. No, Sir.

Q. Do you not think that because the Muhammadans are backward, it was necessary to start a separate Chamber like the Bengal Moslem Chamber of Commerce?

A. I don't think that they are backward and even if your premise be correct, I do not think that the remedy lies in a separate Chamber. In my view they could learn many things by remaining within our Chamber than by starting a different Chamber; they could then have opportunities of moving in a larger sphere, could gather wider experience and find themselves in greater numbers on public bodies.

Q. Would you agree that it is of the highest importance that representation should be given to that branch of commerce which deals with indigenous industries like grain, rice, hides?

A. Our contention is that representation should not go to separate branches of trade and industries but to a central organisation which covers all industries. This is necessary for the purpose of developing the trade interests of Bengal as a province.

Q. Do you not think that that branch of commerce which deals with the indigenous products of Bengal should have larger representation?

A. No. Indigenous products are as necessary as foreign products for trade and commerce. I consider that indigenous industries have got to be revived on an international basis.

Q. I say the other Chambers have broken away and formed themselves into separate interests, because your Chamber works in water-tight compartments?

A. No.

Q. I understand recently—within the last year or two—your Chamber has more or less liberalised their constitution so that every shade of opinion and every description of trade may be represented on an equal basis?

A. Our constitution was the same as before, only we have altered it to embrace mufassal Associations.

(In reply to Mr. Cooper's question, *viz.*, whether the Bengal National Chamber of Commerce would be able to provide for adequate representation to the Bengal trade in which Bengalis, Muhammadans, Marwaris and others are all engaged, Mr. Sarker said that they were going to make that convention from now and there would be no difficulty, just as they were doing in the Bengal Chamber of Commerce. Again, in answer to a further question put by Mr. Cooper, *viz.*, whether they would be strong enough to deal with all the different interests, the reply was in the affirmative.)

Q. You like that all the five seats should go to the Bengal National Chamber of Commerce; in case your suggestion is accepted, do you think it will be possible for you to reserve any seat for the Moslems if certain Muhammadan members be enlisted in your Chamber?

A. There will be no difficulty, provided there are an adequate number of Muhammadan business-men.

Q. It follows that you think that representation of Moslem merchants is necessary?

A. Not by separate electorate or by separate organisation.

Q. Do you admit that hides and skins are very important trades?

A. They are comparatively important, but not like jute and tea, for instance.

Q. Regarding export of tea, apart from Europeans, is not this trade entirely in the hands of Moslems?

A. No. There are other bodies, also.

Q. What portion of this trade is carried on through British agencies?

A. About 80 or 90 per cent.; there may be one or two Muhammadan firms.

Q. As regards the export of rice from Bengal, this trade also (apart from European firms) is done through Muhammadan merchants?

A. No. There are firms in Chetla and also a lot of other Indian non-Moslems firms. As a matter of fact, there is the Calcutta Producers' Association which has got over 100 members, mostly Hindus.

Q. Do you admit that trade in rice is of the utmost importance so far as Bengal is concerned?

A. Not of the utmost importance. Jute is of the utmost importance.

Q. What is the position regarding jute?

A. There also, excepting very few Bengalis, the business is largely carried on by Marwaris, Europeans and Bengali Hindu middlemen. I do not know a single Moslem firm trading in jute.

Q. In answer to a question put by Mr. B. C. Chatterji, you said or at least the suggestion was that Marwaris, Bhatias and other up-countrymen who come to trade here, do not scruple to bring their own class of people as assistants and menials; does not the same apply to Bengal?

A. No. I can give you instances in which a capable Moslem has been employed.

Questioned by Maulvi Tamizuddin Khan.—Q. There are two or three Muhammadan members in your Association; can you tell us what trade they represent?

A. They are general merchants.

Q. Can you tell me whether any hides or skins firm is a member of your Chamber?

A. So far as that trade is concerned, it is not represented in our Chamber.

Q. As your Chamber is constituted at present, you cannot say that your Chamber represents the commerce of Bengal as a whole?

A. I say most of the trade or commerce that is done by Bengalis; we represent them.

Q. You cannot say the same thing as regards the total commerce of Bengal?

A. Britishers have the upperhand.

Q. How many Marwari members have you got as members?

A. Seven or eight.

Q. You cannot say that the Marwaris are adequately represented in your Chamber?

A. My point is that in the case of domiciled Marwaris, having their principal centre of business in Bengal, there is no bar to their becoming members or taking part in our deliberations and they will enjoy all the privileges including representation.

Q. As at present constituted, if representation is given to commerce and trade only through your Chamber, the total indigenous trade of Bengal would not be represented as a whole?

A. Not as a whole but most of them will be represented. No Chamber of Commerce or Association for sectional trade and industry represents the whole of them in respect of any area in any country.

Q. You have said in your Memorandum that so far as Bombay and Madras are concerned, there the hide merchants have not got special representation, do you know how are they represented in Madras?

A. Through the Southern India Chamber of Commerce.

Questioned by Mr. N. K. Basu.—Q. Will it be giving a correct interpretation of your views if I venture to say that according to you, if representation be given to Associations which have not their foundations laid only in Bengal, real interests of Bengal will be apt to suffer?

A. Yes, that is my conviction.

Q. Do you know what views the Indian Chamber of Commerce gave in connection with the salt duty question; did they support the Bengal case or the Bombay case?

A. They supported the Bombay case because Bombay interests were more cared for. Their Chamber is mostly representative of merchants who are Bombay or Delhi men. I should also mention that the recently started Moslem Chamber of Commerce also supported the Bombay case.

Q. How many Bengali merchants are there in the Bengal Moslem Chamber of Commerce?

A. Very few—not more than five or six, or at the most ten.

Q. You said in answer to a question by one of the questioners that you claim to represent the major portion of the trade done by the Bengalis; may I ask you whether by “Bengalis” you mean Bengali Hindus or Bengali Muhammadans also?

A. In the term “Bengali,” both Hindus and Muhammadans are included.

Q. What is the proportion of trade done in Bengal between Bengalis and the up-country men?

A. It is difficult to say, in the absence of statistics.

Q. Is it your view that so far as commercial representation is concerned, it should not be done on a communal basis?

A. Yes, no communal consideration should be given.

Q. Is there any antagonism between Bengali Hindu commercial interests and Bengali Moslem commercial interests?

A. I say no. Recently we started an organisation of tea interests in which Nawab Musharaff Hossain of Jalpaiguri was our President.

Q. Is it not a fact that a very large proportion of the trade and commerce of Bengal is in the hands of non-Bengalis, *e.g.*, Marwaris, Parsis, etc.

A. Yes.

Q. Is it necessary for each of them to have representation in the Council?

A. I don't think so.

Questioned by the Hon'ble Mr. B. P. Singh Roy.—Q. Do you think that commercial interests in Bengal as between Hindus and Muhammadans, would be properly safeguarded through the Bengal National Chamber of Commerce?

A. Yes.

Q. You think that representation should not be on racial or religious basis but purely on commercial basis?

A. Certainly yes.

Q. Do you think that as the Bengal Chamber of Commerce represent European interests, if seats are allotted to your Chamber, commercial interests of Bengal as a whole will be safeguarded?

A. Yes.

Q. Do you think that if representation be given to three different institutions, *e.g.*, Indian Chamber of Commerce, Muhammadan Chamber of Commerce and your Chamber, the pooling of resources will not be possible and it will have a disintegrating influence on commercial representation and commercial interests?

A. Yes, I think so.

Questioned by Mrs. P. K. Bose.—Q. Do the Europeans keep a seat reserved for the representation of the Mining Association?

A. Yes, it is possible there, because they have got numerous, even superfluous seats. The case of European commerce does not bear any analogy to that of Indian commerce.

Q. Is it not necessary that the mining interests should get separate representation?

A. It is not necessary, because once you allot all the seats to a central organisation, it can take care of all interests by sending representatives in turn. We are starting under a new era. Momentous changes in the constitution are coming, and we ought to start afresh and with a clean slate.

Q. Will you earmark a seat for the Mahajan Sabha?

A. Earmarking will not be necessary, because we have men like Mr. Satyendra Kumar Das, Mr. Ananda Mohan Poddar and others as our members, and they can come to the Council through our franchise.

Questioned by the Chairman.—*Q.* Can non-British firms, *e.g.*, Indian, Japanese or American, become associated members of the European Chamber of Commerce?

A. Yes. They can have such relations with them, but would not be allowed to be members of the governing body, because European and non-European interests differ. Nor can they represent the Chamber on any public body or Legislature.

Q. You have suggested that your Chamber should have all the five seats?

A. Yes and the reasons we have given at length in our Memorandum and other notes submitted to the Reforms Officer.

Q. Do you agree that the Bengalis are backward in commerce?

A. Yes, comparatively speaking as far as export and import trade is concerned.

Q. You are perhaps aware that one of the primary considerations of the Lothian Committee in giving Indian commerce as many as five seats, is that they should be able to help Government with expert advice regarding all interests?

A. Yes.

Q. If Government asks the opinion of your Chamber on sugar, tea, etc., you will have to consult the people who are doing that particular trade?

A. There will be no difficulty because in most cases they are our members.

Q. Have you got a sufficient number of exporters and importers in tea, rice, linseed oil, lac?

A. Yes, we have; some of the produce merchants are our members.

Q. Bengal is mainly an agricultural country and export is most important. Do you admit that the export of agricultural produce is a very essential thing so far as trade and commerce of Bengal are concerned?

A. Yes, it is.

Q. Therefore, is it not very necessary that you should have an adequate representation of agricultural produce?

A. Yes, and we have a number of members who are traders in agricultural produce. If you mean the producers of agricultural commodities, they are not organised. There is no bar to anyone becoming

our member, provided his principal centre of business is in Bengal. As a matter of fact, our Chamber can become an ideal Chamber by representing all shades of commercial interests.

Q. That is a possibility, but the question at the present time is, have you got these facilities?

A. Comparatively speaking, we have these facilities.

Q. Don't you think that the Indian Chamber of Commerce should have separate representation?

A. The Indian Chamber of Commerce is mostly representative of non-Bengalis. We do not agree that non-Bengalis should have representation here. By giving them separate representation you give them political status on a separate communal basis and attract more of their number to come and carry on business in Bengal.

Q. What you want is that industries which have interest and headquarters in this province should have representation?

A. Not separately but through the main body. This is my principal contention.

Q. Your idea is that you will have no objection to giving seats to non-Bengalis if they are members of your Chamber and domiciled here?

A. Not on any communal or separate Chamber basis. My whole point is that these seats have been given by the Lothian Committee in order to give opportunities to our people. If it was merely on the strength of export and import trade done in Bengal, then the Bengal Chamber of Commerce would be sufficient. We are starting now on the basis of Provincial Autonomy, so the interests between one province and another may have differences in future. The economic condition of the country is becoming more and more acute. There was a time when the people of this Province thought that zemindari would give them better status, but now owing to desperate economic straits they are coming to industries, trade and commerce. Britishers are there occupying the most frontal position, next to them are the up-country communities. So if whatever opportunity is offered to us be captured by the non-Bengalis, where will our sons and brothers go for opportunities and employment?

Q. Do you know that the business in connection with the tonnage and freight brokerage is mainly done by the Muhammadans?

A. No. I presume your information is not quite correct.

Q. Regarding coastal trade, is not most of it in the hands of Moslems as far as Indian trade is concerned?

A. There are lots of non-Moslems who are also concerned in this trade.

Questioned by the Secretary.—*Q.* Do you think that rural trading interests of Bengal could be adequately represented by the Bengal National Chamber of Commerce?

A. Yes, why not. We have firms like Messrs. B. K. Paul and Co. as our members who have extensive dealings with the mufassal. We have as our members a number of big middlemen and traders having extensive connections throughout the province who are interested in produce and other commodities, and we have got prominent businessmen as members in Rajshahi, Chittagong, Dacca, Mymensingh.

Questioned by Mr. G. P. Hogg.—*Q.* The objects of your Chamber are mainly trade, commerce and manufacture; do you consider yourselves as a political body?

A. We are not a political body. In connection with the sterling-rupee controversy, we supported the Central Government. We take no interest in any political subject which is not directly or even remotely connected with trade, commerce, industries or finance.

Q. Have you ever passed resolutions on subjects which could not be said to have been connected with trade or commerce?

A. We passed resolutions on constitutional questions, and that also with regard to such matters as affect our trading interests.

Q. Your Chamber does not, as a Chamber, pass resolutions or deal with subjects not connected with trade, commerce or industry?

A. Not that I remember.

Q. In selecting candidates to your membership, I notice that the Executive Committee has power to give final decision as to the eligibility or otherwise of any candidate for admission?

A. Yes.

Q. In considering the admission of candidates to your Chamber, do you take account of their political views?

A. The question does not arise, as men like Raja Reshee Case Law and myself are there at the same time.

Q. Suppose a large number of firms of comparatively small size, to whose status you could not object, attempted to swamp your membership in order to gain control of your Chamber, what would your Committee do to prevent that?

A. In such a case we shall doubt their *bonâ fide* and not allow them to our membership. Up till this our Chamber has been composed practically of every party, but nobody has ever been able to capture the Chamber, and business-men generally do not like to meddle in politics.

Q. I have an idea that the Bengal National Chamber of Commerce has, at times, passed resolutions bearing on matters which could not be said to have been connected with trade?

A. On one occasion His Excellency, asked me personally about this point when the first Press Ordinance was passed. I don't remember that we passed any such resolution.

Questioned by Mr. K. C. Roy Chaudhuri.—*Q.* I will put only one question: You are aware of the fact that the Bombay business-men because of their predominant position in trade and industry play a great part in Delhi and your claim, I suppose, is that in Bengal where the Europeans are leading in industry and commerce, next best are the Marwaris and you are the third, by having all the five seats allotted to your Chamber, you would be able to acquire that importance which will help you to protect the industries, particularly rural industries, of Bengal, *e.g.*, cottage industries.

A. Your question is rather involved. There can be no doubt that by having all the five seats allotted to our Chamber, we can increase our influence not only in the province but also at Delhi. Indeed, such

an opportunity will work in pooling together the resources and influence of all big business-men of Bengal in one institution, as in Bombay. Thus, our Chamber will be able to put forward the claims of Bengal industry, trade and commerce more potently. For cottage industries, we need not go to Delhi. Even now our reputation and influence at Delhi is not less than those of any other Chamber; and our activities have been appreciatively mentioned by the Finance Member.

Questioned by Mr. Mukunda Behari Mullick.—*Q.* How many mufassal members have you got in your Chamber?

A. I think 40 to 50.

Q. Is there any distinction between company and individual members so far as your Chamber is concerned?

A. No, there is no distinction.

Q. Do you think that solicitors are eligible for membership of Chamber? What is the custom in other countries, *e.g.*, England?

A. In London the British Chamber of Commerce take solicitors as members, here also we have got solicitors as our members who are themselves actively engaged in trade, commerce or industry.

Q. What do you mean by the "affiliation of Associations" to your Chamber?

A. In business centres, business-men can combine to form an Association for carrying on their own business—their Association can be affiliated with us—*e.g.*, the Indian Mining Federation.

Q. Are these affiliated members entitled to the full status of your Association?

A. Yes.

Q. You have given a list of affiliated members in which four have reference to jute, *viz.*, Eastern Bengal Jute Association, Belgachia Jute Arathdars' Association, Bengal Jute-growers' Association and East Indian Jute Association, would you be good enough to tell us if any of these Associations have been able to stand as a member of the Bengal Legislative Council?

A. They were affiliated only within the last two years and to enlarge their representation we have made a new provision in our rules.

Q. Shall I be correct if I say you have got nothing to do with the agricultural produce as such, tea, paddy, etc.; you have no direct interest in that trade?

A. We have got many tea companies.

Q. Since 1921 you have been getting representation in the Bengal Legislative Council where you have got two seats; may I just enquire what interest have your representatives taken in the agricultural produce, *e.g.*, paddy, jute.

A. I cannot answer this question without reference to the Council Proceedings.

Q. In 1928 when the Bengal Tenancy Act was amended, may I just enquire who was then your representative?

A. Mr. Satish Chandra Sen and Mr. Sadhan C. Roy.

Q. What part did they play in that connection? You have given promises about the future, but I would only take into consideration what you did in the past.

A. We never promised that in connection with the amendment of the Bengal Tenancy Act we would side with the tenants or with any party.

Q. You have said in reply to a question by Mr. B. C. Chatterji that just as the Bengal Chamber of Commerce, you are thinking of arranging your business in such a way as will enable all interests to be represented, will you be able to arrange that one member should resign in order to make room for another, should such a contingency arise for the representation of any particular interest?

A. No such question came before the Council during the last 6 or 7 years. Under Provincial Autonomy it may come, and we hope to be able to make suitable arrangements when the occasion arises.

Q. I think the annual general meeting of your Chamber is an important function; how many members took an active part at the last meeting?

A. I do not remember the number, but the proceedings circulated to members will give you the figure.

Q. Have all members paid their subscriptions up to date?

A. I cannot say without reference to the Accounts, but my impression is that not more than two years' subscriptions are due and their number is only a few.

Memorandum by the Marwari Association.

The Indian commercial community of Bengal is a large community composed not of the indigenous trading communities of Bengal alone but very largely of non-Bengalis also. The interests of all these communities, Bengalis and non-Bengalis, are not identical but differ fundamentally because people of different castes and creeds are interested in different branches of trade and commerce, although there are some branches in which all are more or less interested. Then, while some are interested both in the inland and seaborne trade as well as in industries, there are others who confine their activities to internal and inter-provincial trade alone. Thus, the Indian commercial community of Bengal is a community of diverse interests requiring representation.

Unfortunately, however, the Indian commercial community has never had adequate representation in the Bengal Legislative Council. Formerly, it was said that the difficulty of forming constituencies for the election of representatives stood in the way of securing the proper representation of Indian trade and commerce. That difficulty was partly solved in 1919 when three public bodies representing Indian trade, commerce and industry, namely, the Bengal National Chamber of Commerce, the Bengal Mahajan Sabha and this Association, were recognised as suitable constituencies to elect representatives to the Bengal Legislative Council. It was undoubtedly the best step that could be taken to secure the presence in the Council of men who could

speak with knowledge and authority on the economic issues and on other subjects connected with trade, commerce and industry; but only four seats were allotted to the three Associations. Probably the numerical strength, then fixed for the Legislative Council, did not permit of a larger number of seats being given to Indian trade, commerce and industry but, whatever the reason might have been, the number was too inadequate to secure the proper representation of the diverse interests of the Indian commercial community.

The Marwari Association considers it a matter of regret that only five seats have been allotted for the representation of the Indian commercial community in the Legislative Council to be constituted under the next constitution. It shows that the claims of interests of the Indian commercial community have not been given the consideration they deserve. These interests are certainly large and important enough to deserve more than five seats in a House of 250 members. Besides, it should be remembered that to develop the trade, commerce and industries of the province is one of the principal functions which the Legislative Council is expected to perform and that among its members it should therefore have persons who, by their knowledge and experience, are in a position not only to place before it the needs and requirements of the province but also to speak with authority on matters of a technical nature in connection therewith. It is sometimes argued that among the members returned by General constituencies, there must necessarily be men possessing considerable knowledge of commercial and industrial matters and Special Commerce and Industry constituencies are unnecessary. The Marwari Association has never been able to accept this view and is glad to find that Lord Lothian's Committee also have rejected this view, and have recommended in paragraph 324 of their report that "the method of representation through Associations has worked fairly satisfactorily in the past and we recommend that it should be continued in the future" on the ground, as stated in paragraph 320 of their report, that "functional representation is assuming increasing importance under modern conditions and the arguments in favour of making special provision for the presence in legislative bodies of business and economic experts is in our judgment a strong one."

The Association feels that the injustice done to the Indian commercial community of Bengal under the Reforms Act of 1919 will not be removed but rather accentuated by the Prime Minister's Communal Decision which, while increasing the number of seats for European commercial interests from 11 to 14, wants the vast Indian commercial community to be content with five seats only. The Association does not grudge the increased representation that has been given to European commercial interests. It is well aware of the contribution which the European commercial community has made to the economic well-being of Bengal. But the fact should not be ignored that the contribution of the Indian commercial community has not been small and that, given equal facilities and opportunities, it can serve the province equally well with the European community. The Association desires to emphasise the fact that Indian commercial interests are not less important and it is therefore only just and reasonable that a larger number of seats should be set apart for the Indian commercial community to secure the representation of its diverse interests and to enable it to make itself increasingly responsible for the economic well-being of the country.

It will not be out of place to point out here that as a result of the increasing attention which the Indian people are devoting to trade, commerce and industry, remarkable changes have taken place in the country and numerous commercial and industrial concerns have come into being with Indian capital and under Indian management. New associations have also come into existence with the object of protecting and promoting the various interests of the country. If it is not too late now to consider this question, the Association would urge upon the attention of the Provincial Franchise Committee the necessity of allowing larger representation to the Indian commercial community.

As regards the allocation of seats, the Marwari Association naturally desires to confine its remarks to the needs of the Marwari community whose interests it has the honour to represent. The Marwari community is one of the principal commercial communities of India, having a large share in the export and import trade of the country as well as in its manufacturing and other industries. So far as Bengal is concerned, it is well known that a very large portion of its export and import trade and almost the whole of its distributive trade is in the hands of the Marwari community. Besides, the Marwari community has invested its capital largely in industries in the province and there are several cotton mills, jute mills, jute presses, oil mills, flour mills, etc., owned and managed by Marwaris. A large proportion of the shares and debentures of the industrial concerns under European management are also held by the Marwari community and it is therefore no exaggeration to say that Bengal owes her economic prosperity to a very great extent to the commercial and industrial activities of the Marwari community. The position occupied by the Marwari community among the communities which constitute the Indian commercial community of Bengal can thus be said, without fear of contradiction, to be inferior to none but superior to many.

The Marwari Association represents this important commercial community and is the oldest and premier representative institution of the community. It is composed of many highly respectable and well-known Marwari firms and individuals interested in various branches of trade, commerce and industry. In fact, there are very few among the prominent Marwari merchants who are not members of the Association. There is no other institution which is so fully representative of the interests of the Marwari community as this Association. As the Rules and Regulations of the Association show, it was established with the object of promoting the "intellectual, commercial, social and other advancement of the Marwari community" and it has been working steadily but unostentatiously for the attainment of that object. The Marwaris are essentially a commercial people and not politically minded. Politics therefore occupy a place of secondary importance in the wide scope of the Association's work and that too because politics have become so inter-connected with trade, commerce and industry that it is impossible to eschew it altogether. The Association therefore interests itself in political questions only to the extent necessary for the protection and promotion of the interests of trade, commerce and industry and considers them mainly from the standpoint of economic interests of the country in general and the Marwari community in particular. But even apart from politics, the scope of work of the Association is very large embracing, as it does, a wide field of activities, namely, the moral and material well-being and progress of the Marwari community. Its

membership is not large, and this is because of the very stringent rules governing the election of members.

Most of the members of the Association have their firms in different centres of trade in India and the Association may, therefore, be called an all-India representative institution of the Marwari community. But apart from that, they are very closely connected with the interior of Bengal, having shops, *arats*, jute presses, etc., almost at every centre of business. The Association thus fully represents the interests of the Marwari community of both Calcutta and the mufassal.

The choice of the Government, therefore, fell rightly upon the Marwari Association in 1919 for electing a representative of the Marwari community to the Bengal Legislative Council. A more suitable elective constituency could not have been found and cannot be found even now. The Association is, therefore, glad to find that the Franchise Committee, in paragraph 328 of their report, have recommended the retention of the existing list of constituencies which includes the name of this Association also. But only one seat which this Association has now to fill in the Council is not commensurate with the position of the Marwari community in the trade, commerce and industry of the province, nor is it enough to provide for the representation of the various interests of the Marwari community. Now that the number of seats for the representation of the Indian commercial community has been raised from four to five, the Association urges that one more seat be allotted to it and hopes that having regard to the importance of the interests of the Marwari community, this suggestion will be favourably considered by the Provincial Franchise Committee.

The practice of registering firms is not in vogue amongst Marwari merchants and even if this were so, registered firms are not required to declare their capital.

Supplementary Memorandum by the Marwari Association.

In continuation of the previous Memorandum, the Marwari Association desires to submit the following supplementary memorandum.

In that original Memorandum, the Association described the position occupied by the Marwari community in the trade, commerce and industries of the country and, with a view to secure a better representation of the various interests of the community, asked for one more seat to be allotted to it as the oldest (established 1898) and premier representative institution of the community. To substantiate that statement, a list of names of the prominent members of the Association is appended herewith (not printed), showing the lines of trade, commerce and industry in which they are interested, from which it will be evident that the claim of the Association as the principal body representative of all the diverse interests of the Marwari community is based on uncontestable facts and that, with a few exceptions, its membership consists of everybody who is anybody in the Marwari community.

This Memorandum, the Association fears, would be an unnecessarily lengthy one if the names of all the members of the Association and their business activities were included in the list. It may, however, be

mentioned that their commercial and industrial interests are varied and extensive and they contribute largely to the revenues of the Government in the shape of income-tax, super-tax, customs duties, etc.

The Association regrets its inability to quote figures to make this Memorandum more complete in every respect as accurate figures are not available.

The Association is aware, as stated in the previous Memorandum, that with the growth and development of the trade, commerce and industries of the province, new Associations have come into existence to protect and promote the various interests of the country. But there is no other institution in the country which represents the large and important interests of the Marwari community even half as fully as does this Association. The interests of the Marwari community being not identical in all respects with those of any other section of the Indian commercial community, they cannot be understood, much less represented, by non-Marwaris and this makes it essential that to secure and to ensure the representation of the interests of that most important section of the Indian commercial community of Bengal, this Association should continue to be one of the Special Commerce and Industry constituencies as it has been since the inauguration of the Reforms of 1919.

Marwari Association.

ORAL EVIDENCE.

Representatives:

Rai Bahadur Ramdev Chokany, President, and

Rai Bahadur Badridas Goenka.

The Chairman asked Rai Badridas Goenka Bahadur whether he wished to emphasise any particular point in his Memorandum, otherwise the Committee would start asking them questions at once.

The Rai Bahadur replied that he had no particular point to emphasise.

Questioned by Khan Bahadur M. A. Momin.—Your Association consists of Marwaris only?

Rai Bahadur B. D. Goenka: Yes.

Q. There are members of no other community in your Chamber?

A. No.

Q. Most of you have your domicile outside Bengal?

A. We came originally from Rajputana, but most of us have now got our domicile partly here and partly outside the province.

Q. What particular branches of commerce does your Chamber deal in?

A. They are mentioned in our Memorandum. They are cotton piece-goods, jute, jute presses, sugar, woollen and silk materials, flour mills, oil mills, jute mills, cotton mills, etc.

Q. Are you interested in tea?

A. Yes, to some extent.

Q. Do you export or ship rice?

A. Yes, we do.

Q. Do you export or import sugar?

A. We import.

Q. Do you carry on coastal traffic?

A. Yes, we bring out goods from Bombay, but we have no share in coastal shippings.

Q. May I take it that you are chiefly interested in jute and piece-goods, so far as Bengal is concerned?

A. No, certainly not. There are several other lines of trade in which we are equally interested, as I have already explained.

Q. Many of your firms are also members of the Bengal National Chamber of Commerce?

A. Very few; not many.

Q. If all of you became members of that Chamber and if proper representation were given to it, do you think that your interest would suffer?

A. Yes, certainly.

Q. Supposing that seats were given to the Chambers of Commerce combined, would you still insist on having a seat reserved for your Chamber?

A. It is a difficult question to answer unless I know the details of the proposed constituency. But supposing such a constituency were formed, we would insist on having a seat reserved for our Association for otherwise it might be that no one representing our peculiar interests might get elected to the Council.

Q. Do you think that your interests in commerce are different from those of the Bengali traders?

A. Yes, they are different.

Q. On this analogy of difference in interest, would you also recommend or consider it desirable that a seat should be reserved for the Muslim Chamber of Commerce?

A. I am afraid I cannot answer this question without knowing details of the membership of the Muslim Chamber of Commerce and the range of its interests. If, however, it contains a goodly proportion of members and its trade interests are sufficiently varied and of provincial importance, then I should say—Yes.

Questioned by Maulvi Tamizuddin Khan.—Your Association is not a purely commercial Association?

Rai Bahadur B. D. Goenka: May I answer this question with another question. Is there any purely commercial Association in existence?

When pressed for a definite answer, he said: Originally it was a purely commercial body, but later on, through force of circumstances,

it was forced to deal with political, social and economic affairs, in short, with everything concerning the Marwari community in Bengal.

Questioned by Mr. N. K. Basu.—You said in reply to a question of Khan Bahadur M. A. Momin that the interests of Bengali traders and the interests of your Chamber are not the same but are antagonistic; will you please explain?

Rai Bahadur B. D. Goenka: In certain respects only they are not identical.

Q. May I ask what view you took on the question of the salt duty?

A. We were at one with the National Chamber of Commerce on that question.

Q. You did not take the Bombay view of the matter?

A. Certainly not.

Q. In certain matters of piece-goods and other articles, do you say that your interests have some affinity to the interests of the Bombay mill-owners?

A. Not always, because we are interested in the import trade also.

Q. So far as piece-goods are concerned, may I take it that the Marwari Association has a very large say?

A. Yes, it has.

Q. Do you think that in this case the interests of the Marwari Chamber and those of the Bengali traders in piece-goods are the same; or do they clash?

A. Yes. In some cases they do clash. So far as the import trade is concerned, I do not think our interests are the same as those of the Bengali traders.

Questioned by Mr. H. S. Suhrawardy.—You say that your interests are different from those of the Bengalis. Is it because you are people of a different caste and creed?

Rai Bahadur B. D. Goenka: This is a question which concerns Indian commerce and we all claim separate representation because our interests are not just the same, but different.

Q. Yes, I understand that. But is this difference in interest due to the fact that you are people of a different caste? You say in your Memorandum: "The interests of all these communities, Bengalis and non-Bengalis, are not identical but differ fundamentally because people of different castes and creeds are interested in different branches of trade and commerce, although there are some branches in which all are more or less interested." I find that is the only thing in your Memorandum put forward in support of your claim for separate representation.

A. I think the idea therein was merely to emphasise the difference of trade and commerce, and not exactly to accentuate any dissimilarity of interests with those of the Bengalis.

Q. Have you got an extensive membership?

A. About 175 or 200 members.

Q. Most of you are also members of the Indian Chamber of Commerce?

A. Very few.

Q. Sir Sawrup Chand has got extensive cotton interests; is he a member of the Indian Chamber of Commerce?

A. May be, he is.

Questioned by Mr. S. M. Bose.—Is there another Association of Marwaris in Calcutta, for we have received a representation from another Marwari Association in this connection?

Rai Bahadur B. D. Goenka: That is the Marwari Trades Association. They are an Association purely of traders and shop-keepers.

Q. They, too, have asked for a seat; on what basis can they do so?

A. I do not like to cry down a sister organization, but as I have already explained, it consists purely of retail traders and shop-keepers.

Questioned by the Hon'ble Mr. B. P. Singh Roy.—Most of your members are domiciled outside Bengal; so can you take the Bengal view of the commercial enterprises in which you are engaged?

Rai Bahadur B. D. Goenka: We take a purely commercial view of all questions that come before us.

Q. Not an all-India view?

A. Certainly we do so, when necessary.

Q. In course of your business, don't you look to the interests of Bengal?

A. Certainly we do.

Q. You are interested in the consumers of Bengal, not in the producers?

A. Yes, we are interested in the consumers.

Q. Do you employ Bengalis in your firms?

A. Yes, several. My firm had till recently a very highly paid Bengali as our representative in London.

Mrs. P. K. Bose: Is that Bengali, a Hindu or a Mussalman?

Rai Bahadur B. D. Goenka: A Hindu.

Khan Bahadur M. A. Momin: Have you any Muhammadan employees in your firm?

Rai Bahadur B. D. Goenka: Yes, several. In our jute presses there are any number of them.

Questioned by Mr. G. P. Hogg.—You say that your interests are different from those of the Bengali traders; do you mean to say that

you trade in a different type of goods, or engage in different lines of trade from those adopted by the latter?

Rai Bahadur B. D. Goenka: Take for instance the trade in the import of piece-goods. In that case most people are inclined to take the view of the Bombay mill-owners. When the protective tariff was first put on, there was some talk of looking to the interests of the consumers; but when the tariff was raised last March, there was not even a word said on behalf of the consumers.

Q. On the question of import of piece-goods in Calcutta, would you take the same view as the Bengali traders?

A. That is a hypothetical question and I am afraid I cannot answer that question.

Q. If a Bengali firm dealt in the piece-goods trade, would your interest be the same as the interest of that firm?

A. Yes, certainly.

Q. The attitude of the money-lending section in your community, for instance, would be presumably the same in connection with the Money-lenders' Bill now before the Legislative Council as that of the Bengali money-lenders?

A. Yes, certainly.

Q. But supposing you were borrower, naturally your interest would be different. Is that what you mean by "difference in interest"?

A. Yes, exactly.

Questioned by Mr. Mukunda Behary Mallik.—How many Associations are there of Marwaris, who look after your trade and commerce here?

Rai Bahadur B. D. Goenka: Three: (1) the Marwari Chamber of Commerce, which deals with imported piece-goods only, (2) the Marwari Trades Association, which is a body purely of traders and shop-keepers, and (3) the Marwari Association, which deals with all varieties of goods.

Q. From the fact that in some cases your interests clash with those of the Bengali traders, cannot the conclusion be legitimately drawn that the interests of Bengal suffer at any rate to that extent?

A. Why should they? I cannot follow you.

Q. My point is that: Supposing it be conceded that the import of piece-goods is against the interest of Bengal, then might not one say that so far as the import business is concerned, it would clash with your interest?

A. I do not exactly follow you.

Q. If the interests of a section of Bengali traders clash with those of your community, would it not follow that the interests of Bengal suffer, at least to the extent? Or, in other words, if a Bengali trader deals in piece or any other goods which is beneficial to the country,

might it not be considered that that particular firm was working in the interest of the province?

A. No, I do not admit that.

Questioned by Mr. B. C. Chatterjee.—What is the strength of your membership?

Rai Bahadur B. D. Goenka: In the region of about 200; 175 to 200 that is.

Q. Have you got any seat in the Legislature now? If so, since when?

A. We have got one since the Reforms were inaugurated.

Q. If you contested a seat in the General constituency, don't you think that one of your members could get elected?

A. I do not think, in that case we should have the ghost of a chance and that is why we are pressing for separate representation.

Questioned by Mr. N. K. Basu.—In the 200 firms comprised within your Chamber, are there any Bengali apprentices in any one of them?

Rai Bahadur B. D. Goenka: Yes, there are hundreds of Bengalis there.

Q. I don't mean regular employees, but apprentices, who are trained in them.

A. Practically none; but this is so, in view of the fact that the practice of training apprentices is not in vogue with our firms.

Questioned by Mr. R. N. Gilchrist.—Which Association is the most representative of your community?

Rai Bahadur B. D. Goenka: The Marwari Association certainly. The Marwari Chamber of Commerce was originally started as a branch of the Marwari Association under the name of "Piece-goods Sub-Committee," but after 2 or 3 years, when it got going as an Association of Importers, it resolved itself into a distinct organization, and called itself the Marwari Chamber of Commerce.

Hon'ble Mr. Khwaja Nazimuddin: What about the Indian Chamber of Commerce?

Rai Bahadur B. D. Goenka: That is a body, the majority of whose members are non-Marwari business-men; it is the Bombay school of thought that has the upperhand in the Indian Chamber of Commerce.

Mr. R. N. Gilchrist: Is it your opinion that the Indian Chamber of Commerce does not adequately represent the Marwari community in Calcutta?

Rai Bahadur B. D. Goenka: Certainly it does not.

Q. Is it correct to say that the Marwari Chamber is a Piece-goods Association?

A. Yes, the Marwari Chamber of Commerce may be said to be practically an Association which deals mainly in piece-goods.

Q. Are your interests in any way different from those of the Marwari Chamber?

A. Yes, their interests are limited in extent and scope. Our interests are wider.

Memorandum by the Muslim Chamber of Commerce.

I am directed by the Committee of the Muslim Chamber of Commerce, Calcutta, to hereby offer you their most grateful thanks for giving them the opportunity to express their views on the subject of the representation of the Indian commercial community in the Bengal Legislative Council under the reformed constitution.

The Committee have carefully considered the Communal Decision, announced by the Prime Minister on the 4th August last, specially the portion relating to the allotment of seats to the commercial community of Bengal, and find themselves unable to agree with the observations of His Majesty's Government on the foot-note to the Table of the Communal Decision.

In view of the fact that the Indian commercial community will decidedly have wider and more vital interests in the trade, industry, mining and planting, etc., of their own country, the proposal of allocating 14 seats to Europeans and only five to Indians is entirely against the canons of fair play and equity. Statutorily as well as on their own merits the Indian interests richly deserve major share in the allotment. However, if presently the vested interests are to be favourably treated the Committee suggest that out of 19 seats at least ten should be allotted to the Indians, whereof four seats be reserved for the Muslim community.

The Committee strongly believe that a closer study of the circumstances, wherein Muslims have to conduct their business operations and industrial enterprises, will convince the Government of the need of allowing the Muslim commercial community bigger opportunities and better facilities to safeguard and promote their interests. Though they are larger in number in the province, Muslims are too weak to stand shoulder to shoulder with other communities in making any united effort to add to the national wealth. First they have to stand on their own legs, but, having started late and being naturally ignorant of the ways, they find it almost a Herculean task to do so in face of intense competition and blocked up passages. Even in those trades, like raw jute and hides and skins, in which accidentally they have a sort of monopoly, special provision in the Legislature to protect and promote their interests, as enjoyed by others in similar cases, are denied to them.

It is, therefore, evident that for the Muslim commercial community in Bengal the question of representation in the Council is the question of life and death to their economical existence. And just as it is vital that Muslims must have representation in the Council, it is also paramountly essential that the representation should be adequate enough to give them full opportunities to safeguard and promote their interests generally in commerce and industry and specially in their staple trades of raw jute and hides and skins.

I am directed by the Committee to enclose a copy of the Chamber's Memorandum and Articles of Association (not printed) which will explain to you in full detail the constitution and scope of work of the Chamber, while from the enclosed list of members (not printed) you will learn that almost all the leading Muslim merchants of Calcutta and elsewhere in Bengal and those of various sects and groups of the community, carrying varied and diverse trades, have already joined

the Chamber. Amongst the members there are eight registered firms, whose capital respectively is as follows:—

	Rs.
Adamjee Jute Mills, Ltd. ...	41,70,000
Adamjee Hajee Dawood and Co., Ltd. ...	35,00,000
Dost Mohammad and Co., Ltd. ...	7,50,000
Himalaya Insurance Co., Ltd. ..	5,00,000
Muslim Press and Publications, Ltd. ...	1,50,000
Nauman Jafferey, Ltd. ...	1,50,000
Ishaq Chandna, Ltd. ...	1,00,000
Wise Brothers, Ltd. ...	1,00,000
Total ...	4,20,000

As regards the capital of other firms, nothing can be said definitely, as they are private concerns, but their aggregate capital is estimated at more than 15 crores of rupees.

The total freight used by the members of the Chamber in a year is estimated at over 1 million tons, which is mostly booked with the British shipping companies in Bengal, and it is noteworthy that about 75 per cent. of India's coastal trade and over one-third of Bengal's salt trade is controlled by the members of the Chamber.

Further the Chamber's members have in Bengal, not only the major interests in raw jute and predominant in hides and skins, but very appreciable in rice, wheat and wheat flour, oil-seeds, cereals, rosin, tea, tobacco, shellac, jute and jute manufactures and timber, and oils, vegetable produce, soaps, provision, hosiery, chemicals and drugs, apparels, toys, piece and fancy-goods, yarn, paper, printing requisites, watches and general imports.

Many of the Chamber's members have been taking very keen and conspicuous part in several industries. They have secured eminently valuable shares in jute, tanning, shoes (leather and rubber), sugar, soaps, scents, cigarettes, matches, carpets, films and button manufacturing. Some are interested in smaller indigenous industries. Others have taken to suitable cottage industries. The new awakening and stress of circumstances have given them the correct impetus, and it is certain, if better and surer opportunities for guidance and encouragement are extended to them, the Muslim commercial community should soon progress in every direction and even give lead to others at least in the industrial field.

Whereas such vital and large interests are at stake and handsome results in sight, benefiting the people, province and Government, the Committee have every hope that the Government will be pleased to allot four seats, in case ten seats are allocated to the Indians, otherwise at least two seats to the Muslim Chamber of Commerce, which is the only *bonâ fide* and competent body to look after the Muslim commercial community's interests in Bengal.

[25th January 1933.]

The Muslim Chamber of Commerce.

ORAL EVIDENCE.

Representatives:

- (1) Mr. M. A. H. Ispahani.
- (2) Mr. M. Rafique

The Chairman asked the representatives if they had anything further to state, besides what they had mentioned in their Memorandum. They could do so as briefly as possible.

Mr. Rafique said that when the Chamber was started it had 80 members, but now the number had gone up to 104, and the total capital of the members now was over Rs. 18 crores.

As regards exports, Mr. Ispahani gave the following figures: He said that among Indian exporters the members of the Chamber had exported during the last 11 months (January to November)—

- (1) Jute fabrics—4 crores, 16 lakh yards by members of the Muslim Chamber and 2 crores, 28 lakh yards by non-Muhammadans.
- (2) Hessian—11 crores, 24 lakh yards by members of the Muslim Chamber and 10,51 lakhs, by non-Muhammadans.
- (3) Lac, shellac and other produce—Members of the Chamber 70,000 bags, and by the non-Muhammadans 23,000 bags.
- (4) Rice—Out of 1,05,000 tons, 74,000 tons have been shipped by Muslims and 21,600 tons by non-Muslims.
- (5) Sugar (from January to December 1932)—The members of the Chamber have imported 762,000 cwt., against 605,712 by non-Muslims.

Mr. Ispahani said that those figures, as he had already stated, were for 1932. He gave the following figures (from 1926 to 1931) which came to the share of Muslim merchants—

- (1) Jute—Out of a total average export of Rs. 42 crores, the Muslims exported Rs. 6 crores, 22 lakhs.
- (2) Rice—Out of Rs. 2 crores, 35 lakhs; Rs. 140 lakhs.
- (3) Grain and pulses—Rs. 60 lakhs.
- (4) Tea—Out of Rs. 23 crores; Rs. 3 crores, 32 lakhs.
- (5) Lac and shellac—Out of Rs. 4½ crores, Rs. 1 crore.
- (6) Hides and skins—Out of Rs. 5 crores, Rs. 3 crores, 20 lakhs.

Looking to the import trade of Bengal for the period 1926-31, he showed the following figures:—

- (1) Sugar—70 per cent.
- (2) Salt—33 per cent.
- (3) Vegetable products—90 per cent.

- (4) White oils—80 per cent.
- (5) Glasswares—45 per cent.
- (6) Hosiery—60 per cent.
- (7) Chemical drugs—40 per cent.
- (8) Provisions—45 per cent.
- (9) Fancy goods—35 per cent.
- (10) Woollen materials—42 per cent.
- (11) Fruits—95 per cent.

(On enquiry by Mr. Hogg, he said that all these formed part of sea-borne trade.)

Mr. Ispahani said that these figures had been compiled from the figures received from the Collector of Customs and the Director of Commercial Intelligence.

Regarding coastal trade, Mr. Ispahani stated that nearly 75 per cent. of the coastal trade in Bengal was controlled by the Mussalman members of the Chamber.

Mr. Hogg: In what way? Are they importers or exporters?

Mr. Ispahani: They export and import and also distribute.

Mr. Ispahani also mentioned that importance of any commercial community is judged by the shipments it affects. He said "in coastal trade we command by far the larger share; we book 15 lakhs of tons of freight with British and other steamship companies. This should alone show to what a large extent we command the trade of the province."

He stated "as regards enlistment of members, we have only taken those who are actually traders, that is to say, who are actually interested in trade and are *bona fide* commercial people.

Questioned by Mr. B. C. Chatterji.—Q. In what proportion does your Chamber consist of Bengali Muhammadans as against non-Bengali Muhammadans?

A. What is the definition of a Bengali Muhammadan and that of a non-Bengali Muhammadan? Suppose anyone's father is living here, has purchased property, etc., will he be a Bengali Muhammadan?

Mr. Chatterji: I think, those who are natives of Bengal as we Hindu Bengalis are easily distinguishable. My idea is that those Muhammadans who in their ordinary lives are more Bengali are Bengali Muhammadans. Do you in your common talk use Bengali language or non-Bengali language?

Mr. Rafique replied that he could speak Bengali, but could not write it. We have 54 out of 104 such members who are domiciled in Bengal, living here for about the last 40 years.

There was a great deal of discussion about the definition of Bengali Muhammadan and non-Bengali Muhammadan.

Mr. Chatterji: In Bengal we know who are Bengali Muhammadans as against our Muhammadan friends who came from up-country and settled here. Take, for instance, the Marwaris, they cannot be called Bengali Hindus, though they came here in large numbers, made

their homes and have settled here for generations. There is appreciable distinction between them and the Bengali Hindus.

Mr. Rafique said, there were several members of the Chamber who had married here, settled here for their trade purposes and had properties here, but they occasionally went to their native country. Will not these gentlemen be called Muhammadans?

Mr. Chatterjee said that in his opinion those Muhammadans whose mother tongue was Bengali should be called Bengali Muhammadans.

Mr. Rafique replied: There are Muhammadan families, living here for more than 100 years, but their mother tongue is Hindustani, for instance, the Nawab Bahadur of Murshidabad, the Nawab of Dacca and even our Chairman the Hon'ble Khwaja Nazimuddin; it is very difficult to distinguish between Muhammadans and Bengali Muhammadans.

Mr. Chatterji: How is it difficult? The Marwaris, Parsis and others, who live in Bengal, for many years, are quite distinct from the Bengali Hindus.

Mr. Gilchrist: I think that those who are born in Bengal can be said to be Bengali Muhammadans. How many such members are there in the Muslim Chamber of Commerce?

Mr. Rafique: Fifty-four.

Mr. N. K. Basu enquired how many Bengali Muslims are managing directors of their firms, and asked to name them.

Mr. Rafique: It will be impossible now to do so. We can give the list later on if required.

Mr. N. K. Basu enquired of Mr. Ispahani as to the place where he was born.

Mr. Ispahani: In Madras.

Mr. N. K. Basu: Do you know whether in Madras any seat is allocated for the Muhammadan commercial community?

Mr. Ispahani: No. But this is, perhaps, due to the non-existence of a Chamber of Commerce there to ventilate this grievance.

Mr. B. C. Chatterji resumed questioning.—Q. Your business is a very old standing business?

A. A good many of our members have business here for generations.

Q. Your Chamber is formed for helping and protecting the Muslim commercial community of Bengal?

A. Very much.

Q. When did you form this Chamber?

A. 1st October 1932.

Q. When the business interests of your various concerns were neglected, you thought that you must start a Chamber of your own?

A. Yes.

Q. I take it that the formation of your Chamber has absolutely nothing to do with the Prime Minister's award?

A. Nothing. The idea of starting a Muslim Chamber of Commerce is more than five years old.

Q. Does a considerable portion of your earnings go out of Bengal?

A. Very small. Most of our members live in Bengal.

Q. It is desirable for any province that the men of that province should try and do as much of their business as possible in the mufassal. Do you do that?

A. Yes, we do that.

Q. At the present moment you are doing a considerable part of your business in Bengal?

A. Yes.

Questioned by Khan Bahadur A. Mumin.—Q. Is not the mother tongue of the Muslims the same as that of a very large number of Hindus also of Calcutta?

A. Yes; the reason for this probably is that a very large number of the ancestors of these people migrated from up-country and settled in Calcutta.

Q. You want to call these residents nothing but Bengali?

A. Yes.

Q. As regards your Association, you said that 54 members are Bengali out of 104; this means that the other 50 are not born in Bengal?

A. We have no information about that

Q. Is not a considerable number of your Muslim trading community domiciled? It does not matter whether they are born in Bengal or not.

A. Many of our members are here for generations; they married here and have their properties. They are domiciled.

Q. What is the percentage of such members?

A. 75 per cent.

Q. A very large percentage of your members own landed property also as other inhabitants of Bengal?

A. Yes.

Q. How many members of your Chamber have actually trading head offices outside Bengal?

A. Twenty per cent. *i.e.*, 80 per cent. are in Bengal.

Q. Mr. Ispahani has given a list of commodities in which you are interested and from this we find that most of the indigenous articles of Bengal are in your hands?

A. Yes.

Q. Then among, the Indians, will you say that the trade is entirely in your hands?

A. Yes, except tea.

Q. In the case of hides and skins, you control them?

A. Yes.

Q. As regards rice?

A. We hold command in that trade.

Q. As regards commercial control, after the Europeans, your Chamber is the most important one?

A. Yes, by far.

Q. You said that your Chamber was established in 1932; is it not a fact that there was another Chamber five years ago?

A. Yes, but that was not registered.

Q. You have been contemplating to establish a Chamber of your own for more than five years?

A. Yes.

Q. Many of you are members of the Indian Chamber of Commerce?

A. Yes, about 20.

Q. Some of you are in the Bengal National Chamber of Commerce?

A. Yes, about 1 or 2.

Q. If a special seat is given only to the Indian and Bengal (National) Chambers of Commerce, can you have fair expectation from them of looking after Muslim interests?

A. No.

Q. You have your members in the Bengal National Chamber of Commerce and Indian Chamber of Commerce. Have you entered into any other public body?

A. No.

(Here Mr. Rafique mentioned that though they had some members in the Indian Chamber of Commerce, they practically had no voice. For instance, two years back when the question of export duty on hides and skins came up, we gave our opinion but it was not accepted, though this particular business is our monopoly.)

Q. Your interest in other trades is identical with that of the Indian Chamber of Commerce, but there may be cases in which your interest might be different from that body?

A. Yes.

Q. Look at the list of commodities, please. Will it not be correct to say that most of these are indigenous?

A. Yes.

Q. You are interested not only in the earnings, but also indirectly interested in the development of Bengal produce?

A. Certainly.

Q. Is there any contemplation of starting any industries for the improvement of agriculture?

A. Yes.

Questioned by Mr. Narendra Kumar Basu.—*Q.* Will you please look at the second sentence of paragraph 4 of your statement? In it you say that "Though they are larger in number in the province, Muslims are too weak to stand shoulder to shoulder with other communities in making any united effort to add to the national wealth."

Will you please tell me how with your capital of about 18 crores of rupees do you say that you are too weak?

A. In the beginning this requires some explanation. At first our representatives in other bodies were ignorant of English and so they could not put their grievances properly and were invariably defeated in their object. Now by the spread of education and propaganda, we wish to stand shoulder to shoulder with others to look after our interest properly.

Q. Therefore, your Association is more political than trade purposes?

A. No; I mean to say that we have no effective voice in trade matters.

Q. Then you mean to say that you are weak in knowledge of language and knowledge of rights?

A. Not knowledge of rights. We are not a political body, but a commercial organization. We have been too weak to look after our trade interests; we have been neglected all along.

Q. Then what are you weak in?

A. We are weak in asserting our rights.

Q. Then you think that if some provision is made for your body to come into the Legislature, you can get over that difficulty?

A. Certainly.

Q. In page 2 of your statement, it appears that the capital of your registered firms is Rs. 94 lakhs. Is that paid up capital or nominal capital?

A. Practically all paid up. We shall let you know the details.

Q. You say in your statement that the total capital of your members is about Rs. 18 crores. You estimated it by mere guess?

A. By information we have got.

Q.—Please let me know, as briefly as possible, in what respect the interest of the Muslim Chamber of Commerce and the interest of other Chambers or Associations of trade will be affected? It seems there is no conflict in the commercial interests between the Marwari, Indian and the Bengal (National) Chambers of Commerce. So I am eager to learn how and where your interest will conflict with that of others?

A.—Suppose members of our Chamber do 80 per cent. of trade, such as hide and skin, vegetable oil, etc., and the others do 20 per cent. In that case the other Chambers may not take so much interest as we would and, consequently, there might be conflict.

Q.—Will there be conflict if you and other Chambers do identical sort of business?

A.—Yes in most cases there is conflict, but in other cases co-operation.

Q.—You said that one-third of the salt trade is controlled by your Chamber. Are not several of your members dealing with this trade, people from Bombay side? I do not want the legal definition as to whether they are Bengali Muhammadans or Bombay Muhammadans; please answer according to your interpretation, and I desire to know

whether this business is mostly confined to Bombay Muhammadans or not?

A.—Yes. People from Bombay who have settled here.

Q.—Is it not a fact that the opinion you gave to the Collector of Customs regarding the enhancement of the duty on salt was conflicting with that of the Legislative Council?

A. Yes.

Q. You said that the Muslims do most of the indigenous trade in Bengal. You also said that they were indirectly interested in the imports of Bengal. Are you interested directly or indirectly in the export trade of Bengal?

A. Yes.

Q. How many of your 104 members have paid subscriptions.

A. Most of them; there might be a few left.

Q. The President and Vice-Presidents have got their head offices in Calcutta?

A. Yes.

Q. Has any other member of your Chamber become member of the Bengal (National) and Indian Chambers of Commerce excepting those whom you have already mentioned?

A. No.

Questioned by Mr. H. S. Suhrawardy.—Q. Calcutta is in Bengal, but so far as Calcutta Muslims are concerned are they all different culturally, ethnologically and intellectually from Bengal Muslims?

A. No.

Q. Is it not a fact that since your Chamber has been started, the Muslim traders and community are taking more interest in commerce and trade?

A. Yes, definitely.

Q. Is it a fact that commercial Muslims also have awakened to safeguard their interest commercially since the establishment of your Chamber?

A. Yes.

Q. Do you consider that the Muslim Chamber of Commerce will give impetus to Muslim trade?

A. Yes.

Q. Will your Chamber help Muslim traders?

A. Yes, already it has been helping.

Q. Mostly non-Muslim Chambers of Commerce will not be in a position to help Mussalman traders as much as you hope to do?

A. That is our particular object in view of course. In fact, the producers and exporters as well as the importers and consumers are mostly Mussalmans while the rest of Indian traders are more or less intermediaries. We, the Muslim Chamber, therefore, can do more towards the development of the commerce and industry of Bengal.

Q. Do you know that small shop-keepers in the mufassal and various other places do not take goods from Marwari importers?

A. Yes.

Q. Are you aware or not that a small Muslim shop-keeper is handicapped because so far as the terms which he gets from Marwaris are not so beneficial as the terms which a small Marwari shop-keeper gets from his Marwari sellers?

A. We have such complaints from traders in Japanese goods.

Q. Can your Chamber help in giving facilities to Muslim traders?

A. We hope to do so.

Q. Do you suggest that the Indian Chamber of Commerce or the Bengal National Chamber of Commerce will give such facilities to Muslim traders to set an example in the mufassal?

A. Very doubtful.

Q. If the duty on hides and skins, which has been imposed, had been taken away, would it mean an increase in the volume of export?

A. Yes.

Q. Have you been trying your level best to impress upon the authorities to take away this restriction?

A. Yes, but so far we have failed.

Q. Do you hope if your Chamber is given seats in the Legislature your protest will have more ventilation than others?

A. Yes, certainly.

Q. Previously there was no collective opinion of Muslim merchants upon this point?

A. No.

Questioned by Mr. S. M. Bose.—Q. Is it not a fact that most of the members in your list are Delhiwallas and Bombaywallas?

A. No.

Q. Is it not a fact that 2 or 3 members in your list are Bengali Muhammadans?

A. No.

Q. Is it not a fact that this Chamber is to a large extent controlled by Delhi people often coming from Delhi?

A. No.

Q. Is it not a fact that in Bombay most of the trades are in the hands of Muhammadans?

A. I have no information.

Q. In Bombay there are big Muhammadan traders?

A. It may be.

Q. Do you know that Muhammadans in Bombay have not asked for any special representation in the Legislature?

A. I cannot tell you, but the position in Bengal is different.

Q. It appears from evidence that trade in the hands of Muhammadans has been very large and very important for some years; at any rate from 1926? Then when the Franchise Committee came did you give evidence, at least any of you in the individual capacity, and asked for representation for your interest in trade?

A. We were not aware of it.

Q. Can you say if before the Lothian Committee any Muhammadan asked for special representation for industry and trade?

A. I do not know.

Q. Is there any bar to any member of your Chamber to join the Indian Chamber of Commerce?

A. No.

Q. If a large number of Muhammadans join the Indian Chamber of Commerce, etc., will you not be able to give your opinion effectively?

A. No.

Questioned by Mr. C. G. Cooper:—Q. You represent one of the biggest commercial Chambers in Calcutta?

A. Yes.

Q. In spite of your wide interest in different kinds of trade, such as gunnies, sugar and other produce, you have not felt any necessity to have protection of any Chamber of Commerce?

A. We have been members of the Indian Chamber of Commerce.

Q. How long have you been members there?

A. Five or six years; from the time when the Chamber started.

Q. Not in Bengal National Chamber of Commerce?

A. No.

Q. Why?

A. No answer.

Q. The Bengal National Chamber of Commerce is the only oldest Indian Association, but you did not think it necessary to become a member; why?

A. I cannot answer that question.

Q. You are members of the Indian Chamber of Commerce?

A. Yes.

Q. From the evidence it appears that you control the bulk of the trades and you have an established position; yet you felt you could not get your interest properly represented by that Chamber?

A. No.

Q. Why?

A. We did not get proper opportunity; we were in a minority.

Q. In spite of your standing?

A. Yes.

Q. You now feel you ought to start a Chamber of Commerce to protect your interest?

A. Yes.

Mr. Cooper said that he could not follow the figures given in the statement. He pointed out the mistakes and said probably in calculating nine months' figures they have included those of 11 months.

Mr. Rafique, after some consultation, said that the error has been made in the totalling of the hessian exports during the 11 months in 1932. He then submitted the amended figures as follows:—

Members of the Chamber—10 crores and 35 lakh yards
Non-Muslims—9 crores and 43 lakh yards.

Questioned by the Hon'ble Mr. B. P. Singh Roy:—Q. From the evidence it appears that members of your Chamber are not natives of Bengal; they are domiciled in Bengal, *i.e.*, people who have come to Calcutta for trade, have married here and have connections here. Suppose a conflict arises in commercial interests between Bengal and any other province under the new constitution, what view will the majority of your Association take? Will they take all-India view or Bengal view?

A. Bengal view.

Q. I find some 23 members of your Chamber are members of the Indian Chamber of Commerce and on a question the members of the Indian Chamber of Commerce told us that they took all-India view of things and not merely Bengal Provincial view of things. So I want to find whether your Association is likely to take all-India view or Bengal view of things?

A. Bengal view of things.

Q. It appears that some of your firms are big dealers in tea. Suppose there is a question of imposing import duty on tea coming from Java, will you support it or not?

A. We will support it.

Q. You prefer Bengal tea to tea from Java?

A. Yes.

Questioned by Mrs. P. K. Bose:—Q. Will there be any practical trade difficulty if you have no representation in the Council?

A. Yes, we had difficulties in the past.

Q. But you never tried through the Bengal National Chamber of Commerce to put your case?

A. We have not been given any chance to put our case before.

Q. But you have not tried to put your case?

A. We tried the Indian Chamber of Commerce.

Q. In National Chamber of Commerce?

A. No.

Q. They send their own representatives in the Council.

A. Yes.

Q. In future the interest of Muhammadans will be better safeguarded, as there will be a large number of representatives in the new Council. Will not that serve your purpose?

A. Who knows that commercial people will go there.

Q. Then Muhammadan traders have no confidence in Muhammadans?

A. We have the fullest confidence in Muslim members but people in business alone can understand the needs and difficulties of businessmen.

Q. Have you no influence to send your trading men through the general constituencies?

A. No.

Q. You want direct representation through the Muslim Chamber of Commerce?

A. Yes. Because if we have representation from our own Chamber, we can send persons who can take a personal interest in a particular matter. For instance, if any question arises regarding hides and skins or tea in the Council, we shall have expert members from our Chamber to look after our interests.

Q. Your Chamber is entirely for Muhammadans?

A. Yes, particularly for Muhammadans, but our rules do not debar a non-Muslim from becoming a member.

Q. Will it be communal?

A. No, there is no communalism in commercial matters.

Q. Will it be encouraging communal growth in communal business?

A. No. The Muslim Chamber of Commerce is and can be the only National Chamber of Commerce in a province with a Muslim majority in the population.

Questioned by the Chairman.—**Q.** You said previously that the Muslims did not know English and were, therefore, reluctant and shy of joining the other Chambers of Commerce. This also must be one of the reasons that the Muslim Chamber of Commerce could find 104 members recently, as owing to a shortage of number of members or if there were no member, it was possible that they might not have any representation in Council?

A. Decidedly.

Q. Do you not think that because as far as Indian commercial import and export are concerned, Muslims having the largest control, it will be a loss to the Bengal Council itself if they are kept out of it?

A. Certainly.

Q. You have claimed representation of how many seats?

A. Two seats, and taking into consideration that we hold an important position in commerce in Bengal and our claim is very modest, we fully deserve to get at least two seats.

Q. Whether the Muslims who are members of your Chamber belong to Bengal or outside as far as trade of Bengal is concerned?

A. They have got a very big stake in business here.

Q. With regard to coastal trade, can you say who are the brokers of most of the firms?

A. In Mackinnon Mackenzie, there is a Hindu gentleman who gets a certain percentage of freights booked; no Indian can book unless he fixes freights through this particular gentleman. So our position is, though we are important exporters and importers, we have no voice in freights. And this is one of the reasons why we ask for opportunities to represent our case and to safeguard our interests. We have about 23 members in the Indian Chamber of Commerce by accident, but we have no influence there.

Q. Have any Muslim of trade importance been appointed or elected to any public body, e.g., Port Commissioners, Improvement Trust, etc.?

A. None at all, we have all along been neglected.

Q. Leading Muslim merchants of Calcutta refused to start a Commercial Chamber lest it become a political body?

A. Yes; when we started this Chamber we could not get co-operation because people thought that we were a political body.

Q. Is it a fact that these people said that before joining the Chamber they wanted to be assured that the Chamber was going to be on a permanent basis, with funds and not merely a got-up affair to attain a political or a particular object?

A. Yes. We also told them that we were not a political body.

Questioned by Mr. Gilchrist, Reforms Officer.—Q. You said that you have got nobody to represent you in the Port Commissioners or any other public body, because you were not an organised body; but why?

A. Because there was suspicion that we would be a political body.

Q. You say that you started an Association in 1925, but why did it not come to fruition?

A. Education of our people took much time.

Q. How many meetings had you when you restarted?

A. From 1st October 1932 we have had five or six sittings.

Questioned by Mr. G. P. Hogg.—Q. You mentioned that freight brokers attached to some big shipping companies appointed a particular gentleman and you find some grievances there. Is it your idea that through the Legislature you will be able to compel these companies to conduct their business in a particular way which would suit you?

A. No.

Q. Then what led you to say so?

A. Just as an example.

Q. Example of what?

A. Want of Muslim organisation.

Q. I thought that you were complaining against the shipping companies for their action in regard to freight booking? Is that so?

A. No.

Q. Then do you want that all freights that are booked must not be booked by an Indian gentleman?

A. Yes. A fair share should be booked through a Muslim broker.

Q. Then you want to protest against this action not through Council, but through your Chamber?

A. Yes, that is one of our objects.

Q. With regard to this sort of conflict your fear is that if you join the Bengal National Chamber of Commerce you will not be able to take up the question in a way you like?

A. Yes.

Q. What is the reason that a certain community is more interested in some particular line of business than others, and, therefore, each community should put forth its own views regarding a particular trade?

A. The nature of conflict will arise if the distribution of a particular trade is in the hands of a particular community, and this particular community will naturally neglect others.

Q. Am I correct that your difficulties are from this fact that if the trades of different kinds are distributed unequally amongst different communities conflicts will arise?

A. Yes. Our main grievance has been and is that we have been left out of everything all along.

Memorandum by the Indian Merchants' Association, Chittagong.

This Association was established in the year 1907 and affiliated with the Federation of Indian Chamber of Commerce and Industry and Indian National Committee of International Chamber of Commerce.

2. The objects for which the Association was established are various, but primarily the following:—

- (a) To promote friendly feelings amongst mercantile firms and individuals.
- (b) To discuss and promote commercial interest in general.
- (c) To decide disputes between trading firms, companies and individuals.
- (d) To fix customs and usages of trade for the guidance of the merchants.
- (e) To hold communications with public, quasi-public or private bodies, companies, corporations or persons and also with other associations to send out representatives wherever necessary and to do all acts and frame rules for protecting the general mercantile interests of Chittagong and other places as well as for promoting the general interests of the public of those places.
- (f) To enter into any arrangement with any Government or authority supreme, railway, municipal, local or otherwise, that may seem conducive to the Association's objects or any

of them, and to obtain from any such Government or authority all rights, concessions, and privileges which the Association may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

- (g) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid economic interests and in general to take the initiative to secure the welfare of the business community in all respects.

3. Membership.—Firms, companies, individuals carrying on business at Chittagong belonging to different provinces of India, *e.g.*, Bengal, Central Provinces, Bombay, Madras, Punjab, Marwar, Ceylon, etc., are the members of this Association who have invested several crores of rupees in business throughout Eastern Bengal and Assam and other places.

A List of the members of the Association and its executives is enclosed herewith (not printed).

Scope of work.—Since the last 25 years of the age of this Association, numerous acts and things in the interest of all merchants, traders and companies, both registered and unregistered firms of Chittagong and other places of Eastern Bengal, Assam and Burma, have been done successfully by this Association. In fact, it has by its continuous support and activity throughout such a lengthy period of a quarter of a century rendered all services as to give rise to the higher aspiration in the ideas and methods of the mercantile community and other public.

Future scope of work.—At the present acute stage of the country evolving trade depression, economic distress, unemployment of the youths, the scope of the work of this Association has particularly been diverted to industrial developments by the utilisation of the raw materials and the resources of the country, and this Association fervently hope that by strenuous efforts of the members of this Association the objects outlined above will materialise; consequently, the Port of Chittagong will also grow to an industrial and commercial city for Eastern Bengal and Assam, befitting her rank of major port to which she has been raised.

Local representation.—In the year 1928, when the Chittagong port was raised to a major port by the Government of India, three seats out of seven elected members of the Port Commissioners were allotted to this Association in consideration of its strength and utility. In the Advisory Committee of the Assam-Bengal Railway Co., too, this Association has been given a seat for representation.

Representation in the Bengal Legislative Council.—In the year 1919, under the scheme of Indian Constitutional Reforms, the question of representation of the Indian commercial community arose. Three seats for three mercantile bodies located in Calcutta were thought insufficient and this Association represented the matter to the Chief Secretary to the Government of Bengal (*vide* letter, dated 28th January 1919) for allotment of one more seat to accommodate this

Association, and it was allowed with the object to arrive at a common agreement amongst the four public bodies of the Indian commercial community, *i.e.*, (1) the Bengal National Chamber of Commerce, Calcutta, (2) the Indian Merchants' Association, Chittagong, (3) the Bengal Mahajan Sabha, Calcutta, and (4) the Marwari Association, Calcutta.

The other three Associations addressed this Association for a joint conference and discussion, advocating the spirit of non-partitionship, but it is a matter of much regret and great surprise that they, taking advantage of their location in Calcutta, arranged the allotment of four seats amongst themselves without giving due consideration to the interest of this Association. The seats were then allotted to them as follows:—

	Seats.
(1) The Bengal (National) Chamber of Commerce ...	2
(2) The Bengal Mahajan Sabha ...	1
(3) The Marwari Association ...	1
Total ...	4

It will not be out of place to mention here that while the interest of the Bengal National Chamber of Commerce can be protected by one representative only, it is unnecessary as well as unfair to occupy two seats, depriving this Association of its just and *bonâ fide* claim and interest.

It is basic truth that the interest of this major port of Chittagong to which this Association is very closely attached is not identical with the same of the three Associations located in Calcutta. On the other hand, the welfare and development of this port and its consequent benefit towards the mercantile community of this Association is rather detrimental in the interest of Calcutta port and other Associations located there, as with the progress of the former the latter may lose a portion of her trade in Eastern Bengal and Assam. It is obvious that the interest of this Association will undoubtedly jeopardise, if this Association remains unrepresented in the Provincial Council under the proposed new constitution.

This Association, therefore, claim *bonâ fide* that the total number of five seats under the new Award should be increased to six and divided equally among the mercantile bodies located in the major ports of Bengal, *i.e.*, Calcutta and Chittagong. If the increment of seats is not possible, two seats from five should be allotted to this Association, considering the following facts:—

- (a) That this Association has been deprived of its just and due claim of franchise from its inauguration.
- (b) That this Association has a lot of work in view to be done towards the development of the major port of Chittagong which she so badly needs.
- (c) That the Calcutta port has already reached her zenith towards developments of all kinds and nothing much remains to be done towards this object.

- (d) Three seats for the representation of three Indian mercantile communities of Calcutta should be considered sufficient, as the general trade interest of Calcutta port will also be protected by the European mercantile community who have adequate representation in the Council, whereas the European community of Chittagong has only one seat for representation of the trade interest of Chittagong.

The other objects, claims and other reasons in detail may be given by a representative of this Association who may attend the Provincial Franchise Committee Meetings on receipt of previous intimation.

Memorandum by the Bengal Chamber of Commerce.

The position is that under the Communal Decision announced by the Prime Minister, (a) 11 seats have been allotted for the representation of European interests in the General constituencies, election to these seats to be by voters voting in separate communal electorates covering the whole area of Bengal; and (b) out of 19 seats allotted for the representation of European and Indian commerce initially 14 will be given to Europeans, the seats to be filled, as at present, by election through Chambers of Commerce and various Associations. The opinion of the Chamber is invited, in the case of the General seats, as to the constituencies which can suitably be formed to provide for the 11 seats, and in the case of the Commercial constituencies, as to how the 14 seats should be allocated.

2. Other bodies interested have been addressed on the subject, and reference is made to the advisability of these various bodies coming, if possible, to a common agreement in the matter. In the circumstances, the Committee of the Chamber thought that the best course to follow was to arrange for the whole subject to be considered by a Joint Committee upon which the following bodies were represented, namely: the European Association, Calcutta; the Calcutta Trades Association; the Indian Jute Mills Association; the Indian Tea Association; the Indian Mining Association; the Narayanganj Chamber of Commerce; and the Bengal Chamber of Commerce. Unfortunately, the shortness of time available did not allow of its being possible to obtain the views of the Chittagong Chamber of Commerce. The Joint Committee have now completed their examination of the question, and I am instructed to communicate the result to you and to explain that their recommendations have been approved by the Committee of this Chamber. It will be convenient, it is thought to deal with the two subjects—general representation and commercial representation—in one letter.

3. Before coming to the specific recommendations in regard to the allocation of seats in the two types of constituency, it is perhaps desirable to explain a general consideration which has been kept in view with regard to the representation of Europeans in the Dacca and Chittagong Divisions. The total number of Europeans is given, in the statement which you forward, as 431 in the Dacca Division and as 398 in the Chittagong Division, out of a total of 20,895 in the province. These being contiguous divisions, it might, therefore be

argued that on a population basis they would be proportionately provided for if they returned one member between them. But it is agreed that this consideration should not be strictly adhered to, and that on general grounds the two divisions should have separate representation. Accepting this conclusion, the next question considered was whether the representation should be arranged through the two Chambers of Commerce, *i.e.*, the Chittagong Chamber and the Narayanganj Chamber, or through the General constituencies. It is agreed that representation should be on the latter basis, *i.e.*, through the General constituencies, because this arrangement has the advantage of giving representation to all Europeans in the divisions.

4. I am now to deal with the allocation of the 14 seats which it is proposed should be made available for European commerce and to say that after a full consideration of the different points of view, it has been decided to make the recommendation noted in the following table:—

	Seats.
Bengal Chamber of Commerce	7
Calcutta Trades Association	... 2
Indian Jute Mills Association	... 2
Indian Tea Association	... 2
Indian Mining Association	... 1

5. In the examination of the question of allocating the 11 General seats, careful consideration has been given to the relative populations of the different divisions, and of the areas within these divisions, and it has been decided that a division on the following basis would represent a reasonable distribution:—

	Seats.	Population.
<i>East Bengal.</i>		
Dacca	1	431
Chittagong	1	398
<i>North Bengal.</i>		
Rajshahr, other than Darjeeling	1	613
Darjeeling	... 1	1,089
<i>West Bengal</i>		
Calcutta, Howrah and the 24-Parganas	... 6	17,216

Although this distribution might appear to be inequitable from the point of view that it allows, on the population basis, numerically insufficient representation to Calcutta, Howrah and the 24-Parganas, the balance will be restored in the Commercial constituencies, where Calcutta will provide most of the representatives. With regard to the 6 seats suggested for Calcutta, Howrah and the 24-Parganas, the

European Association has framed a scheme for the distribution of the seats among separate constituencies, and it is understood that they are submitting this scheme direct to you.

6. Finally, I am directed to say that the Chamber assumes that there will be sufficient opportunity, at a later stage, to consider proposed regulations governing the preparation of the electoral roll, the conduct of elections, and so forth. They particularly wish it to be arranged that, as at present, a person should be eligible for election as a member of the Council to represent a General constituency (this term, under the existing Electoral Rules, including a European constituency) if registered on the roll of the constituency *or of any other constituency in the province*. This provision is, the Committee consider, essential so as to provide for possible difficulties, temporary or otherwise, in obtaining mufassal residents as the representatives of General constituencies. The Chamber and the Chamber Associations also wish to press the point which they have frequently urged, and which is of great importance, namely, that in the new arrangements there should be no question of an electoral roll having to be framed with a single person nominated by each elector as their representative on the roll.

Memorandum by the Bengal Provincial Committee of the European Association.

I have the honour to submit herewith my Committee's recommendations with regard to the allocation of the 14 Commercial European seats in the Bengal Legislative Council, under the reformed constitution:—

	seats.
Bengal Chamber of Commerce	7
Calcutta Trades Association	2
Indian Tea Association	2
Indian Jute Mills Association	2
Indian Mining Association	1

In arriving at these figures, my Committee's representatives did so in consultation with the other interests involved.