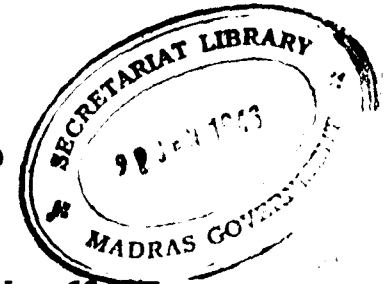


THE
COUNCIL OF STATE DEBATES

VOLUME II, 1940

(19th November to 2nd December 1940)



EIGHTH SESSION

OF THE

FOURTH COUNCIL OF STATE



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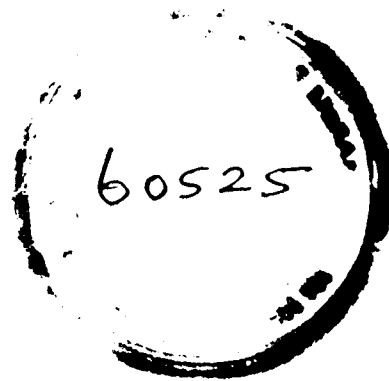
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THE COUNCIL OF STATE DEBATES

(OFFICIAL REPORT OF THE EIGHTH SESSION OF THE FOURTH
COUNCIL OF STATE)

VOLUME II—1940.

COUNCIL OF STATE.

Tuesday, 19th November, 1940.

The Council met in the Council Chamber of the Council House in New Delhi at Eleven of the Clock, being the first day of the Eighth Session of the Fourth Council of State, pursuant to section 63D (2) of the Government of India Act. The Honourable the President (the Honourable Sir Maneckji Byramji Dadabhoy, K.C.S.I., K.C.I.E., Bar.-at-Law) was in the Chair.

MEMBERS SWORN :

The Honourable Sir Girja Shankar Bajpai (Education, Health and Lands Member).

The Honourable Mr. Leonard Wilson (Chief Commissioner for Railways)

The Honourable Mr. E. Conran-Smith (Home Secretary).

THE HONOURABLE THE PRESIDENT : Honourable Members, before we proceed with today's work I propose to read to you a letter which I have received from His Excellency the Commander-in-Chief in India. He is unable to be present here and he has particularly asked me to read this letter to the House. He says :—

" My dear Sir Maneckji,

I am writing to tell you that owing to the war I regret that I simply cannot spare the time to attend the forthcoming session of the Council of State. His Excellency the Viceroy has accordingly agreed to my being represented by Mr. Williams. I should be most grateful if you would be kind enough to make this known to Honourable Members and to convey my regrets."

I have also had a talk with His Excellency on the 'phone yesterday and he has told me that before he hands over the charge of his office to his successor he will attend this Council to bid farewell to the Honourable Members. I will reserve what I have to say till then about the high distinction which His Majesty's Government has conferred on him.

QUESTIONS AND ANSWERS.

BALLAST, ETC., PURCHASED BY THE E. B. R. AND E. I. R.

1. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA :
Will Government lay on the table a statement showing—
(a) the amount of

(a) the amount of ballast, stone chips and boulders purchased by the Calcutta office of the E. B. R. and E. I. R. for the last 10 years up to March, 1940 ?

(b) the average rate paid for the said materials for the above mentioned years ?

(c) how much money had been paid to one of the contractors named Rai Bahadur Seth Teomal for supplying materials from Pakur quarry ?

(d) the outstanding amount to be paid to the contractor up to 31st March, 1940 ? and

(e) the total amount of the outstanding bill which has not been paid to the said contractor Rai Bahadur Seth Toomal ?

THE HONOURABLE MR. L. WILSON: (a) and (b). As statement giving the only information available, is placed on the table.

(c) Rs. 1,37,373 were paid by the E. B. R. over the four years for which information is available, and Rs. 88,000 by the E. I. R. over the last five years.

(d) I am informed that there are no outstanding bills in favour of Ra Bahadur Seth Teomal for work done up to 31st March, 1940.

(c) I am informed that in the case of the E. I. R. a subsequent bill for Rs. 20,000 was outstanding early in October but has since been passed for payment.

QUESTIONS AND ANSWERS.

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Statement showing boulders, ballast and stone chips purchased by the Calcutta office of the E. B. R. and E. I. R.

Railway.	Working season.	Boulders c.ft.	Rate per 100 c.ft.	Ballast c.ft.	Rate per 100 c.ft.	Chips c.ft.	Rate per 100 c.ft.	Remarks.
			Rs. A. P.		Rs. A. P.		Rs. A. P.	
E. B. R.	December, 1936—June, 1937 .	55,88,084	5 3 0	44,430	3 14 0	*	*	*No records available.
	December, 1937—June, 1938 .	36,60,145	5 6 0	16,49,341	3 12 0	*	*	
	December, 1938—June, 1939 .	54,54,425	6 2 0	17,05,992	4 5 0	*	*	
	December, 1939—June, 1940 .	57,87,436	5 9 0	16,21,471	3 12 0	87,401	13 13 0	
E. I. R.		No information.	No information.	No information.	No information.	No information.	No information.	†Purchase was made by Open Line Division and Construction Engineers and no records were maintained from which the totals can be readily compiled.

COUNCIL OF STATE.

[19TH Nov. 1940.

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BALLAST, ETC., PURCHASED BY THE PORT COMMISSIONERS, CALCUTTA.

2. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA : Will Government lay on the table a statement showing—

(a) the amount of ballast, stone chips and boulders purchased by the Calcutta Port Commissioners for the last 10 years up to March, 1940 ?

(b) the average rate paid for the said materials for the above mentioned years ?

(c) how much money had been paid to one of the contractors named Rai Bahadur Seth Teomal for supplying materials from Pakur quarry ?

(d) the outstanding amount to be paid to the contractor up to 31st March, 1940 ? and

(e) the total amount of the outstanding bill which has not been paid to the said contractor Rai Bahadur Seth Teomal ?

THE HONOURABLE MR. S. N. ROY : (a) and (b). I lay a statement on the table giving the information required by the Honourable Member. Boulders were not purchased during the period.

(c) No contract was entered into by the Commissioners for the Port of Calcutta with Rai Bahadur Seth Teomal during the period

(d) and (e). Do not arise.

Summary of quantities of stone chips and stone ballast ordered during the years 1930-31 to 1939-40 inclusive.

Year.	Stone chips (1" to 1"). c. ft.	Average rate per cent. c.ft. F. O. R.	Stone ballast (1 1/2" to 2"). c. ft.	Average rate per cent. c.ft. F. O. R.
1930-31	29,500	Rs. 15 1 2	4,95,000	Rs. 5 3 1
1931-32	..	..	42,000	4 14 9
1932-33	..	..	..	..
1933-34	11,500	12 11 2	80,000	3 15 0
1934-35	34,700	17 7 9	1,12,000	4 3 0
1935-36	37,000	17 7 7	70,000	4 9 7
1936-37	34,000	14 5 10	40,000	3 9 0
1937-38	40,000	14 9 3	68,000	3 9 0
1938-39	40,500	16 5 0	81,000	5 2 5
1939-40	39,000	15 12 3	1,15,000	7 5 7
	2,66,200		11,03,000	

N. B.—Boulders were not purchased during the period.

MANUFACTURE OF AIRCRAFT.

3. THE HONOURABLE RAJA YUVERAJ DATTA SINGH : Will Government state what practical steps have been taken to establish a factory in India for the manufacture of aircraft in this country ; and with what result ? Where is this factory proposed to be established ; and what is the total estimated amount of capital needed for this enterprise and by what time is the factory likely to be in operation ?

THE HONOURABLE MR. H. DOW : Government are well aware of the importance of establishing the manufacture of aircraft in India at the earliest possible date and are taking such steps as are practicable in present circumstances to that end. They are not prepared to give publicity to the details of any of the projects under investigation.

THE HONOURABLE MR. HOSSAIN IMAM : Is any private company being formed for the manufacture of aircraft ?

THE HONOURABLE MR. H. DOW : I am not aware what private companies may be contemplating the manufacture of aircraft.

THE HONOURABLE MR. HOSSAIN IMAM : Has any one communicated with the Government of India ?

THE HONOURABLE MR. H. DOW : Yes.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Government give information as to what steps they are taking on that subject ?

THE HONOURABLE MR. H. DOW : I have already answered that part of the question. I said that I am not prepared to give publicity to the details of any of the projects under investigation.

THE HONOURABLE MR. HOSSAIN IMAM : I do not want any information on the project itself. I only want information as to what the Government is doing about the suggestion from the private company ?

THE HONOURABLE THE PRESIDENT : The Honourable Member has expressed his inability to do so.

THE HONOURABLE MR. HOSSAIN IMAM : To give information under that head too ?

THE HONOURABLE MR. H. DOW : Yes.

REPAIRS TO THE BADSHAHI MOSQUE, LAHORE.

4. THE HONOURABLE RAJA YUVERAJ DATTA SINGH : Is the work of repair of the Badshahi Mosque in Lahore being carried out under the supervision of the Government of India ? If so, what is the total amount of money estimated to be needed for this purpose ; and what is the time necessary to complete the repairs ?

THE HONOURABLE MR. M. S. A. HYDARI : The work is being carried out by the Central Public Works Department under the supervision of a body known as the Badshahi Mosque Buildings and Estates Authority on which the Central Government are represented. Its total estimated cost is Rs. 9,93,000 and it is expected to be completed during 1942-43.

ALL-INDIA RADIO.

5. THE HONOURABLE RAJA YUVERAJ DATTA SINGH : Is it proposed to open a new receiving centre by the All-India Radio, Lucknow ? If so, where ; and what will be the practical advantage accruing from it ?

THE HONOURABLE MR. S. N. ROY : Yes ; on a site adjoining the transmitting station at the ninth milestone on the Lucknow-Cawnpore Road. The practical advantage is that it will enable the station to relay from the local

medium wave transmitter important and interesting programmes of the B. B. C. and if necessary of other broadcasting stations, which cannot be received direct by local listeners owing to medium-wave or cheap short-wave receiving sets.

CASUALTIES AMONG INDIAN STUDENTS IN ENGLAND.

6. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state how many Indian students in London and elsewhere in England have been killed or injured as a result of enemy air raids up to date since the war began?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: So far as is known, one Indian student has been killed and three injured as a result of enemy air raids on England since the war started.

REMOVAL OF CASTE RESTRICTIONS IN RECRUITMENT FOR THE INDIAN ARMY.

7. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: What are the castes that are eligible for recruitment and is there any province or parts of British India which are excluded from recruitment for the Army? If so, what are such areas; and why should not such exclusion be removed in the interest of the country's defence?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): There has never been any legal bar to enlistment from any class or province. For the classes in practice recruited, I would refer the Honourable Member for the period before the war to the *Army List*, a copy of which is in the Library of the House. For the period since the outbreak of war, a statement is laid on the table showing the classes enlisted. A statement showing some of the classes enlisted in the Indian Territorial Force is also laid on the table.

THE HONOURABLE MR. HOSSAIN IMAM: Does it mean that all classes are now included in the list of recruitable people?

THE HONOURABLE MR. A. DEC. WILLIAMS: I think if the Honourable Member will wait until he has seen the list he will appreciate the difficulty of saying that *all* classes in India are recruited.

New classes and sub-classes enlisted in the Regular Army since the beginning of the war.

Bengalis.
Mussalmans of Sind.
Punjabi Christians.
U. P. Christians.
Oriyas.
Hill tribes of Orissa.
Biharis.
Mers and Merats.
Hazaras of Baluchistan.

Mahratta Brahmins.
Yusufzai Khattaks.
Hazarawals (Gujars).
Punjabi Mussalmans (Kharrals).
Punjabi Mussalmans (Maliars).
Dogras (Rathis).
Dogras (Kanets).
Dogras (Griths).
Lodhas.

Some of the classes at present enlisted in the Indian Territorial Force.

Punjabi Mussalmans.	Seni Khattaks.
Minas.	Bhittanis.
Katats (Merats).	Marwats.
Rawats (Mers).	Pathans.
Mahrattas.	Gaur Brahmins. °
Mahars and other Harijans.	Meos.
Mussalmans (Dakhani).	Mussalmans.
Lingayats.	Multanis.
Brahmans.	Kharrals.
Christians.	Sikhs.
Rajputs.	Ahmedis.
Ahirs.	Bishnois.
Hindustani Mussalmans.	Dogras (Rathis, Kanets).
Jats.	Griths.
Bishnoi Jats.	Holis.
Lodhis.	Garhwali Rajputs.
Lodhas.	Kumaoni Rajputs.
Other Hindus.	Hos.
Punjabi Hindus.	Mundas and Oraons.
Gujars.	Tamils.
Khalils.	Telugus.
Mohmands.	Adi-Dravidas.
Gigyanis.	Nairs.
Mohamedzais.	Thiyyas.
Yusufzais.	Moplahs.
Bangash.	Coorgs.
Akora Khattaks.	Gowda Coorgs.
All Mahratta sub-castes not taken in Regular Army (including Bhandaris).	
Mashabis and Ramdasias.	
Rajputs formerly classed as Mahtons and Thakars.	
Madrasis.	

LAWLESSNESS IN SIND.

8. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state whether there has been any correspondence between the Central Government and the Government of Sind with reference to the recent murders of some Hindus in that Province and the steps taken to cope effectively with the situation? If so, what steps, if any, have been taken in that respect; and do Government propose to make available to Honourable Members of this House such correspondence?

THE HONOURABLE MR. E. CONRAN-SMITH: The answer to the first part of the question is in the negative. The second part does not arise.

11TH (BIHAR) BATTALION, 19TH HYDERABAD REGIMENT, INDIAN TERRITORIAL FORCE.

9. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Is a territorial battalion in Bihar in existence, under the appellation of the Hyderabad Regiment, and consisting of the Rajput Ahirs, Mussalmans and Brahmins of Bihar, the Hos and Mundas of Chota Nagpur and Mussalmans from Orissa? If so, why other castes have been excluded from its composition and why does it bear the name of the Hyderabad Regiment? How long has it been in existence; and what is its present strength?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Yes. There is a territorial battalion in Bihar. Its correct designation is the 11th (Bihar) Battalion, 19th Hyderabad Regiment, Indian Territorial Force. This territorial battalion is affiliated for training purposes to the 19th Hyderabad Regiment and hence bears its name. A statement showing the class composition of this unit and the areas from which recruits are drawn is laid on the table. The class composition was fixed on the advice of the Provincial Advisory Committee who presumably considered the present seven classes enough.

The unit has been in existence since 1921. Its strength is 817.

Statement showing class composition and areas of recruitment of the 11th (Bihar) Battalion, 19th Hyderabad Regiment, Indian Territorial Force.

Class composition.	Areas.
Muhammadans, 4 platoons	Saran, Champaran, Puri, Patna.
Rajputs, 1 platoon	Saran, Shahabad, Gaya.
Ahirs, 2 platoons	Saran, Shahabad, Patna.
Brahmins, 2 platoons	Shahabad.
Hos, 4 platoons	Chaibasa.
Mundar and Oraons, 3 platoons	Ranchi, Palamau.

APPOINTMENT OF HOUSE NUMBERERS IN CONNECTION WITH THE CENSUS.

10. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: (a) Have instructions been issued by the census authorities to the effect that normally Muslim house numberers should be appointed for Muslims in all areas in Bengal and Calcutta, in the coming census; and have no corresponding instructions been issued to the effect that Hindu house numberers should be appointed for Hindus in all areas? If so, why this discrimination?

(b) Has any representation on the subject been received from the Hindu Mahasabha, or anybody else protesting against the above and do Government propose to cancel the instructions referred to in (a)? If not, why not?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) The Honourable Member is apparently referring to a circular relating to house numbering issued in connection with the census in Calcutta. It had no reference whatsoever to the rest of Bengal. It repeated the instructions of previous censuses and the sentence quoted is merely an illustration of a general practice which applies to all communities. Thus Hindu house numberers would be appointed in the exclusively Hindu areas and so on. There is no discrimination.

(b) No representation has been received by the Government of India and no action is proposed, since no discrimination exists.

THE HONOURABLE MR. HOSSAIN IMAM: Has this practice been extended to other places?—that Hindu house numberers are appointed in the Hindu areas and Muhammadan house numberers in Muhammadan areas?

THE HONOURABLE MR. E. CONRAN-SMITH: I think I made the position clear by saying that this repeated the instructions of previous censuses. It follows that local census authorities have the power to make similar arrangements.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member enquire if this is the practice in Bihar? I am afraid it is not followed there.

THE HONOURABLE MR. E. CONRAN-SMITH: I will consider the suggestion, Sir.

CIVIL ENGINEERING COLLEGE, ROORKEE.

11. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Is there any proposal to transfer the Civil Engineering College, Roorkee (United Provinces), to the military authorities, or to restrict the number of students therein; and have Government received any proposal from the military authorities in this respect? If so, will Government give a brief detail of the proposed scheme?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Such a proposal was mooted, but has now been abandoned.

MANUFACTURE OF ARMoured FIGHTING VEHICLES.

12. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state what arrangements have been made for the production of tanks and armoured cars in this country for war purposes?

THE HONOURABLE MR. H. DOW: Consequent on the production in India of considerable quantities of high grade steel, it has now become possible to produce armoured fighting vehicles in India. They are being built on imported chassis armoured with steel of Indian production.

THE HONOURABLE MR. HOSSAIN IMAM: Does it mean light armoured vehicles or heavy vehicles?

THE HONOURABLE MR. H. DOW: Both light and heavy.

INDIAN AIR FORCE PILOTS.

13. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state how many Indian aircraft pilots are on active war service; and what steps are being taken to increase their number for the efficient and speedy prosecution of the war?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): There are now 52 Indian Air Force pilots on active service.

Two Service Training Schools have been established in India for the training of Indian Air Force pilots; in addition the Civil Aviation Training Scheme has been launched to provide elementary flying training for 300 pilots a year for two years.

MANUFACTURE OF PARACHUTES.

14. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Do Government propose to explore the possibility of making complete parachutes in India? If so, what is the scheme, if any?

THE HONOURABLE MR. H. DOW: The possibility of making the silk fabrics used in parachutes, and of manufacturing complete parachutes in India has been under investigation for some time.

THE HONOURABLE MR. SHANTIDAS ASKURAN: What is the result of the investigation? Do you think we will be able to manufacture them here?

THE HONOURABLE MR. H. DOW: Yes, there is very considerable hope. There are firms in India which claim that they can make the fabric. These are now under test. Air Headquarters are taking very considerable interest in the matter, and we know what their demands for parachutes are going to be. We have asked the local Controllers of Supplies to make investigation as to what is locally available or can be made available. A certain firm in Bombay has claimed that it is in a position to manufacture complete parachutes. With the concurrence of Air Headquarters we have given this firm a test order for two complete parachutes; and if it is able to produce them satisfactorily I have not the slightest doubt that this order will be followed up. It is our intention to make in India everything of the kind that is found possible.

THE HONOURABLE MR. HOSSAIN IMAM: What is the cost of a parachute in this test order?

THE HONOURABLE MR. H. DOW: In the test order which has been given for two parachutes, the price is Rs. 575 each.

GERMANS AND ITALIANS UNDER DETENTION.

15. THE HONOURABLE RAJA YUVERAJ DATTA SINGH: Will Government state the total number of Germans and Italians under detention in India since the outbreak of war?

THE HONOURABLE MR. E. CONRAN-SMITH: The numbers of Germans (including Austrians) and Italians detained in India and now in the internment camp at Ahmednagar are 443 and 283, respectively.

THE HONOURABLE MR. HOSSAIN IMAM: Will Government state how many of these were liberated in this time?

THE HONOURABLE MR. E. CONRAN-SMITH: I do not understand the Honourable Member's point. The people mentioned are now in the internment camp.

THE HONOURABLE MR. HOSSAIN IMAM: People are detained first and then afterwards allowed to go?

THE HONOURABLE MR. E. CONRAN-SMITH: I should like to have notice of that question, Sir.

PROBATION OF I.C.S. PROBATIONERS DURING THE WAR.

16. THE HONOURABLE MR. V. V. KALIKAR: (a) Will the candidate passing the I.C.S. examination in India be given preliminary training in this country during the period of war? If so, what arrangements have been made for their training?

(b) Do Government propose to appoint a senior Indian I.C.S. officer for their training? If not, why not?

[19TH Nov. 1940.]

THE HONOURABLE MR. E. CONRAN-SMITH : (a) All I.C.S. probationers recruited this year will be trained together in India. Training will commence early in January, 1941 at a camp which it is proposed to establish at Dehra Dun and will approximate as closely as possible to that ordinarily given in England.

(b) An European I.C.S. officer of about 20 years' service has been appointed as " Supervisor " as he is the most suitable officer available.

THE HONOURABLE MR. P. N. SAPRU : Was the suggestion considered that they should be trained at one of the Indian Universities or that the co-operation of the Universities should be enlisted for training them ?

THE HONOURABLE MR. E. CONRAN-SMITH : Yes, Sir, the suggestion was considered and it has not altogether been ruled out. It might be found desirable later to send the probationers for a short time to a University to receive instruction in Indian law, etc.

THE HONOURABLE MR. HOSSAIN IMAM : Were they sent to a British University formerly ?

THE HONOURABLE MR. E. CONRAN-SMITH : Yes.

THE HONOURABLE MR. V. V. KALIKAR : Could the Government not find a suitable Indian officer for training them ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have said that the officer appointed is the most suitable officer available.

THE HONOURABLE MR. HOSSAIN IMAM : Is there only one officer ?

THE HONOURABLE MR. E. CONRAN-SMITH : Only one officer.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Does the Honourable Member mean the most suitable officer among the British officers ?

THE HONOURABLE MR. E. CONRAN-SMITH : No, I do not mean that, Sir. I said the most suitable officer available.

THE HONOURABLE MR. HOSSAIN IMAM : May we know the name of the officer appointed ?

THE HONOURABLE MR. E. CONRAN-SMITH : The name of the officer is Mr. Pinnell.

THE HONOURABLE MR. P. N. SAPRU : Sir, how many years' service has this officer got ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have already said 20 years.

INDIAN STORES DEPARTMENT.

17. THE HONOURABLE MR. V. V. KALIKAR : Has the Indian Stores Department been taken away from the control of the Commerce Member and placed under the War Supply Department ? If so, what are the reasons for the transfer of control ?

THE HONOURABLE SIR ALAN LLOYD : The answer to the first part of the question is that as a temporary measure for the duration of the war the administrative and executive control of the Indian Stores Department has been transferred from the Commerce Department to the Department of Supply, with the exception that the Industrial Research Bureau, the Industrial Research Council and the Government Test House, Alipore, have been separated from the Indian Stores Department and placed directly under the Commerce Department. It is intended that the Indian Stores Department should revert to the control of the Commerce Department on the conclusion of the war.

The change was made with the object of administrative convenience at a time when the purchase of stores required for defence purposes had become the most important of the functions of the Indian Stores Department.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But has not, Sir, the Indian Stores Department bought the things needed by the Defence Department in the past ?

THE HONOURABLE SIR ALAN LLOYD : Yes, Sir, some of them.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Why has it been then placed under the Department of Supply which is a much newer and inexperienced department ?

THE HONOURABLE SIR ALAN LLOYD : I think, Sir, every other Honourable Member of the House will see that there is a difference between the extent of the purchases that have to be made in war time on behalf of the Defence Department and those that have to be made in peace time.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Does not this show that it was a case for adding to the strength of the Indian Stores Department and not for removing it from the control of the Commerce Department ?

THE HONOURABLE SIR ALAN LLOYD : That, Sir, does not meet the point of administrative convenience. In peace time we have not got the Department of Supply, which includes, as part of its activities, other purchasing organizations. Now we have.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But why should the War Supply Department have the Indian Stores Department under its control in order to assign any duty to it ?—a duty which I venture to think it can discharge more efficiently than the War Supply Department itself.

THE HONOURABLE SIR ALAN LLOYD : I think I have already answered that, Sir. It is a matter of administrative convenience.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But has the Honourable Member any illustrations to show that what he said has any substance ? What he has said is extremely vague.

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THE HONOURABLE SIR ALAN LLOYD : I would respectfully suggest, Sir, that the Honourable Member is attempting to argue and not to ask for information.

THE HONOURABLE THE PRESIDENT : You have already answered the question and if you have nothing more to say you can say so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Well, Sir, if he has nothing more to say than to use vague words which mean nothing, the case for the Government must be very bad indeed.

EMERGENCY COMMISSIONS.

18. THE HONOURABLE MR. V. V. KALIKAR : a. Will Government state :—

- (i) the number of candidates to be selected for emergency commissions this year in the Indian Army ?
- (ii) the number that has been selected up to date ?
- (b) Are any quotas allotted to the different provinces in India ? If so, will Government state the number allotted to various provinces and the reasons for allotting the quotas ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) (i) Approximately 620 candidates are to be selected for emergency commissions in the Indian Army during the remaining months of 1940.

(ii) Up to the 1st October, 1940, the number of candidates selected is 1,997.

(b) No, quotas are not allotted to provinces. They are allotted to military districts in proportion to the number of suitable candidates which is reported to be available.

THE HONOURABLE MR. P. N. SAPRU : In which provinces are most of these military districts situated ?

THE HONOURABLE MR. A. DEC. WILLIAMS : That is an extremely difficult question to answer, Sir. The military districts cover the whole of India.

THE HONOURABLE MR. P. N. SAPRU : In which province is the largest number of military districts to be found ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I would refer the Honourable Member to the *Army List*.

THE HONOURABLE MR. HOSSAIN IMAM : Does the figure given by the Honourable Member include the I.M.S. ?

THE HONOURABLE MR. A. DEC. WILLIAMS : It does not, I think, include the I.M.S. on the civil side.

THE HONOURABLE MR. HOSSAIN IMAM : But it includes the I.M.S. on the military side ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I should require notice of any question regarding the I.M.S.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, may I ask if the figures given by the Honourable Member include Europeans and Anglo-Indians along with Indians or whether these figures relate to the number of Indians only who have obtained emergency commissions ?

THE HONOURABLE MR. A. DEC. WILLIAMS : It includes all, Sir.

NUMBER OF HINDUS, MUSLIMS, ETC., WHO APPLIED FOR THE INDIAN AUDIT AND ACCOUNTS, ETC., SERVICES EXAMINATION IN 1938, 1939 AND 1940.

19. THE HONOURABLE MR. HOSSAIN IMAM : (a) Will Government lay on the table the following information in respect of the combined Accounts and Audit, etc., Examinations held during the three years 1938, 1939 and 1940 :—

- (i) The number of Hindus, Muslims and others who applied for admission from each of the eleven Provinces and from other areas for this examination ?
- (ii) The number of candidates from each area of the three communities stated above who were permitted to sit for the examination ?
- (iii) The number of the above in each category who actually appeared at the examination ?
- (b) Will Government state the minimum educational qualification fixed by the Federal Public Service Commission for each area and community in the year 1940 for eliminating the applicants ?
- (c) Was admission this year restricted to graduates securing marks above a certain minimum at the University ? If so, what was the minimum for each area ; if not, what was the criterion ?
- (d) Will Government state how many persons with plain B.A. and B.Sc. degrees from each area and of each community were admitted and rejected for this year's examination ?
- (e) Will Government state whether it is a fact that some Universities have no divisions (1st, 2nd and 3rd) at the graduation ? If so, will Government state their names ? Will Government state the names of other Universities with the minimum marks for each of their divisions ?

(f) Will Government state whether it is a fact that at this year's examination Muslims with higher marks were rejected and Hindus with lower marks were admitted? If so, in what areas, and for what reasons? If not, what are the facts?

(g) Will Government state whether it is a fact that during the last three years the proportion of Muslims to Hindus has been less than 10 per cent. in the candidates admitted to sit for the examination? If this is not the fact will Government state the over-all and the provincial percentages separately for each year?

THE HONOURABLE MR. C. E. JONES : (a) and (c). Statements containing the information required are laid on the table.

(b) I would invite the Honourable Member's attention to rules 8 and 13 of the examination rules laid down by the Government of India and published with their Resolution No. F-15-(7)-Ex.II/40, dated the 8th May, 1940, and to the replies I gave in this House on the 16th February, 1940 to the supplementary questions asked by him and by the Honourable Mr. P. N. Sapru to question No. 3.

(c) No; the Commission have no information before them as to the marks obtained in University examinations by the candidates. The criterion is the suitability of the candidates for the Services concerned and this the Commission have to determine, as far as they can, on the information contained in the applications.

(d) Figures are being collected, and will be laid on the table as soon as available.

(f) The reply to the first part of the question is in the negative; as regards the second, I have nothing to add to the replies to parts (b) and (c).

(g) No; the proportion has been about 20 per cent. A statement giving the required information is laid on the table.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Government lay on the table the notification to which the Honourable Member has just referred, or such parts of it as appertain to this question?

THE HONOURABLE MR. C. E. JONES : The notification will be laid on the table if it is found that it is not available to Honourable Members already.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member state in reply to my part (c) how the Public Service Commission find out the suitability of candidates without any examination?

THE HONOURABLE MR. C. E. JONES : From the particulars given in the application form including their achievements in University examinations and other information available.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable Member has just stated, Sir, that the marks obtained at the University examinations are not looked into by the Public Service Commission.

THE HONOURABLE MR. C. E. JONES : That is quite true. The actual marks obtained are not available but information regarding the class and kind of degree obtained is available.

THE HONOURABLE MR. P. N. SAPRU : Are there any Universities in which there are no such divisions or classes as mentioned in part (e) of the question? Is Government aware of any such University and can Government name any such University in which there are no divisions for the B.A. or the M.A. degree examination?

THE HONOURABLE MR. C. E. JONES : I have already stated, Sir, that all the information required in part (e) will be found in a statement which I am laying on the table of the House.

(a) (i) Statement showing the number of Hindus, Muslims and others, who applied for the Indian Audit and Accounts, etc., Services Examination held in 1938, 1939 and 1940.

Province.	1938.			1939.			1940.		
	Hindus.	Muslims.	Others.	Hindus.	Muslims.	Others.	Hindus.	Muslims.	Others.
Assam	.	.	.	8	4	1	10	4	3
Bengal	.	.	.	69	11	3	90	15	5
Bihar	.	.	.	36	9	2	25	5	1
Bombay	.	.	.	27	2	5	42	10	8
Central Provinces	.	.	.	19	0	2	14	2	3
Madras	.	.	.	122	5	4	145	9	10
North-West Frontier Province	.	.	.	1	6	0	2	6	4
Orissa	.	.	.	5	2	0	4	1	0
Punjab	.	.	.	73	54	14	76	69	22
Sind	.	.	.	6	0	3	8	2	1
United Provinces	.	.	.	104	47	8	103	52	6
Other Areas	.	.	.	59	10	17	53	9	10
Total	.	529	150	59	572	184	68	446	97
Grand Total	.	738		824		605		605	

NOTE 1.—Applications, which were rejected as time barred or withdrawn before the preliminary selection have not been included.

NOTE 2.—The figures have been compiled at short notice and have not been checked. They are substantially correct.

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(a) (ii) Statement showing the number of candidates permitted to sit at the Indian Audit and Accounts, etc., Services Examination held in 1938, 1939 and 1940.

Province.	1938.			1939.			1940.		
	Hindus.	Muslims.	Others.	Hindus.	Muslims.	Others.	Hindus.	Muslims.	Others.
Assam	.	.	.	5	3	0	7	2	1
Bengal	.	.	.	35	7	3	46	5	5
Bihar	.	.	.	20	4	1	19	4	1
Bombay	.	.	.	14	0	4	11	4	5
Central Provinces	.	.	.	12	0	1	8	1	0
Madras	.	.	.	47	0	0	48	1	6
North West Frontier Province	.	.	.	1	2	0	2	3	1
Orissa	.	.	.	3	1	0	4	1	0
Punjab	.	.	.	33	11	4	29	15	5
Sind	.	.	.	1	0	2	3	0	2
United Provinces	.	.	.	30	15	0	38	16	2
Other Areas	.	.	.	29	1	5	22	2	6
Total	.	230	44	20	237	54	34	324	39
Grand Total	.	294		326		428		428	

NOTE.—The figures have been compiled at short notice and have not been checked. They are substantially correct.

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(a) (iii) Statement showing the number of candidates, who actually appeared in the Indian Audit and Accounts, etc., Services Examination held in 1938, 1939 and 1940.

Name of Province.	1938.				1939.				1940.	
	Hindus.	Muslims.	Others.		Hindus.	Muslims.	Others.		Hindus.	Others.
Assam	.	.	.	.	4	1	0	0	4	1
Bengal	.	.	.	.	25	1	1	1	23	1
Bihar	.	.	.	.	7	0	1	1	7	3
Bombay	.	.	.	.	9	0	2	2	9	2
Central Provinces	.	.	.	.	6	0	0	0	2	0
Madras	.	.	.	.	34	0	0	0	33	1
North West Frontier Provinces	.	.	.	.	0	2	0	0	1	1
Orissa	.	.	.	.	1	0	0	0	1	0
Punjab	.	.	.	.	26	8	3	23	12	4
Sind	.	.	.	.	1	0	2	2	0	0
United Provinces	.	.	.	.	11	10	0	22	11	2
Other Areas	.	.	.	.	15	1	3	10	1	0
Total	.	.	.	.	139	23	12	137	33	17
Grand Total	.	.	.	.	174			187		

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(a) Statement showing the minimum marks a candidate should obtain in the B.A. and the B.Sc. Examinations in the various Indian Universities to be declared successful.

Name of University.	Minimum marks to be secured for				Remarks.
	I Class.	II Class.	III Class.		
Agra	. . . 60 per cent. in the aggregate.	45 per cent. in the aggregate.	33 per cent. in each subject.		The examination consists of four parts and successful candidates obtaining not less than 60 per cent. in any part shall be placed in I Class in that part and those obtaining less than 60 per cent. but more than 50 per cent. in the II Class.
Aligarh Muslim	. . . 60 per cent. in the aggregate.	45 per cent. in the aggregate.	33 per cent. in each subject.		
Allahabad	. . . 60 per cent. in the aggregate.	48 per cent. in the aggregate.	33 per cent. in each subject.		
Andhra	. . . 60 per cent. in the aggregate.	50 per cent. in the aggregate.	35 per cent. in each subject.		
Annamalai	. . . 60 per cent. . . .	50 per cent. . . .	35 per cent. in each subject.		
Benares Hindu.	. . . 60 per cent. . . .	45 per cent. . . .	33 per cent.		Candidates for the B.Sc. Degree have to offer two subjects one of which shall be the "principal" and the other the "subsidiary" subject. A candidate who secures 66 per cent. in the principal subject is declared to have passed with "distinction".
Bombay	. . . B.Sc. 60 per cent. in the principal subject and 45 per cent. in the subsidiary subject; or 60 per cent. in the aggregate and 50 per cent. in the principal subject.	48 per cent. in the principal subject and 40 per cent. in the subsidiary subject; or 48 per cent. in the aggregate and 45 per cent. in the principal subject.	33 per cent. in each subject		

QUESTIONS AND ANSWERS.

(e) *Statements showing the minimum marks a candidate should obtain in the B.A. and B.Sc. Examinations in the various Indian Universities to be declared successful—contd.*

Minimum marks to be secured for

Name of University.	I Class.	II Class.	III Class.	Remarks.
Bombay— <i>contd.</i> . . . B.A.	•	•	30 per cent. in each subject	*No classes are awarded for the B.A. (Pass). In the Honours examination 60 per cent. of the aggregate in the Honours papers is required for I Class and 40 per cent. for II Class.
Calcutta	••••	••••	33-1/3 per cent. in each subject and 36 per cent. in the aggregate.	Candidates obtaining 50 per cent. in the aggregate are declared to have passed with "distinction".
Dacca B.A.	••••	••••	36 per cent. in the aggregate and 33 per cent. in any one subject.	Candidates securing 60 per cent. in the aggregate and 40 per cent. in each subject are declared to have passed with "distinction".
B.Sc.	••••	••••	36 per cent. in the aggregate.	
			33 per cent. in mathematics 40 per cent. in the practical tests, and 30 per cent. in the other subjects.	

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Delhi B.A.	65 per cent.	50 per cent.	40 per cent. in English with an Indian language.
			33 per cent. in the other subjects and 40 per cent. in the aggregate.
B.Sc.	58 per cent.	42 per cent.	33 per cent. in English, 40 per cent. in each of the science subjects and the practical tests and 40 per cent. in the aggregate.
Lucknow	60 per cent.	48 per cent.	33 per cent. in each subject and 36 per cent. in the aggregate.
Madras B.A.	60 per cent.	50 per cent.	35 per cent. in English and the second language, 30 per cent. in each optional subject and 35 per cent. in the aggregate.
B.Sc.	60 per cent.	50 per cent.	35 per cent. in Part I (English or language), 35 per cent. in the principal subject*, 30 per cent. in the subsidiary subjects and 35 per cent. in the aggregate.

*Three optional subjects are offered, out of which one is the "principal" and the other two the "subsidiary" subjects.

(e) Statement showing the minimum marks a candidate should obtain in the B.A. and the B.Sc. Examinations in the various Indian Universities to be declared successful—contd.

Minimum marks to be secured for

Name of University.	I Class.	II Class.	III Class.	Remarks.
Mysore	60 per cent. in each compartment.	50 per cent. in each compartment.	35 per cent. in each subject and 40 per cent. in the aggregate in Compartment III.	The three compartments are:— (1) Compulsory English. (2) Second language. (3) Optionals.
Nagpur	60 per cent. in the aggregate.	45 per cent. in the aggregate.	33 per cent. in each subject.	
Osmania	60 per cent.	45 per cent.	33 per cent. in each subject.	
The Punjab	B.A. 65 per cent.	50 per cent.	40 per cent. in English and in one other subject.	
			33 per cent. in the third subject and 40 per cent. in the aggregate.	
	B.Sc. 65 per cent.	50 per cent.	33 per cent. in English and 40 per cent. in each science subject and in the aggregate.	
Patna . . . . .	.....	.....	33 1/3 per cent. in each subject and 36 per cent. in the aggregate.	Candidates securing 50 per cent. in the aggregate are declared to have passed with "distinction".
Travancore	60 per cent.	50 per cent.	35 per cent. in English. 35 per cent. in second language. 30 per cent. in each optional subject and 35 per cent. in the aggregate.	

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(g) Statement showing the proportion of the Muslim to Hindu candidates, who were admitted at the preliminary selection to the Indian Audit and Accounts, etc., Services Examination held in 1938, 1939 and 1940.

Name of Province.	1938.			1939.			1940.		
	Selected at preliminary selection.	Hindus.	Muslims.	Selected at preliminary selection.	Hindus.	Muslims.	Selected at preliminary selection.	Hindus.	Muslims.
		Percentage of Muslims to Hindus.			Percentage of Muslims to Hindus.			Percentage of Muslims to Hindus.	
Assam	5	3	60	7	2	29	2	2	100
Bengal	35	7	20	46	5	11	76	5	7
Bihar	20	4	20	19	4	22	14	2	14
Bombay	14	..	..	11	4	36	18	2	11
Central Provinces	12	..	..	8	1	13	6	1	17
Madras	47	..	..	48	1	2	83	1	1
N. W. F. P.	1	2	200	2	3	150	2	1	50
Orissa	3	1	33	4	1	25	2	2	100
Punjab	33	11	33	29	15	52	36	28	78
Sind	1	..	..	3	..	..	3	..	..
United Provinces	30	15	30	38	16	42	50	13	26
Other Areas	29	1	3	22	2	9	32	8	25
Total	230	44	19	237	54	23	324	65	20

SUPPLY DEPARTMENT.

20. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Has the Supply Department been recently reorganized?

(b) What has been the increase in the gazetted staff of the Department since the 4th March, 1940?

(c) Will Government give the names of the officers appointed or promoted to higher positions in the Department since then and supply in the case of each officer the information which they supplied in reply to my question No. 25 on the 4th March, 1940, regarding the gazetted officers then serving in the Department?

THE HONOURABLE MR. H. DOW: (a) The organization of the Department of Supply is constantly under revision in whole or in part, in the light of experience and of the changing war situation. The last considerable reorganization was carried out in the beginning of July last.

(b) Forty-one.

(c) The required information is given a statement which I lay on the table. The staff taken over from the Defence Department (Army Headquarters) with their posts have not been included, and I should explain that this statement, and the figure given in reply to part (b), does not include additions to the staff of the Indian Stores Department and of the Contracts Department, nor of the Ordnance Factories which have now been taken over by the Supply Department. There is no objection to supplying these details if they are required, but it would entail some delay, and I thought the House would like to have at once the information which is available.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Can the Honourable Member tell me how many of the 41 gazetted officers recently appointed in the Supply Department are Europeans and Indians, respectively?

THE HONOURABLE MR. H. DOW: I am afraid I cannot tell you off-hand, but it will be clear from the statement which I am laying on the table.

Statement showing the names of the Gazetted Officers appointed or promoted to higher positions in the Department of Supply (excluding Indian Stores Department, Contracts Directorate, and Ordnance Factories) since 4th March, 1940 their position and total emoluments, including all allowances, before appointment or transfer to the Department of Supply and at present.

Serial No.	Name.	Designation before appointment to present post, or in case of new appointees before appointment to the Department of Supply.	Total emoluments before appointment to present post.	Designation in the Department of Supply.	Present emoluments including all allowances.	Remarks.
1	2	3	4	5	6	7
DEPARTMENT OF SUPPLY (MAIN SECRETARIAT).						
1	The Hon'ble Mr. H. Dow, C.S.I., C.I.E., I.C.S.	Director General of Supply.	5,000	Vice President, War Supply Board.	5,000	
2	Mr. E. M. Jenkins, C.I.E., I.C.S.	Chief Commissioner, Delhi.	3,000 plus £13-6-8 O. S. P.	Secretary, Department of Supply.	3,000 plus £13-6-8 O. S. P.	Present pay is the same as that sanctioned for the previous holder of the appointment.
3	Mr. Ghulam Moham-med.	Chief Controller of Stores, Indian Stores Department.	3,000	Controller General of Purchase.	3,000	
4	Mr. S. H. Y. Oulnam, C.I.E., M.C., I.C.S.	Deputy Secretary, Education, Health and Lands Department.	2,450 plus £30 O. S. P.	Joint Secretary, Department of Supply and Secretary, Eastern Group Conference.	3,000 plus £13-6-8	Pay fixed in accordance with scales applicable to officers holding similar posts in the Secretariat.

Statement showing the names of the Gazetted Officers appointed or promoted to higher positions in the Department of Supply (excluding Indian Stores Department, Contracts Directorate, and Ordnance Factories) since 4th March, 1940 their position and total emoluments, including all allowances, before appointment or transfer to the Department of Supply and at present—contd.

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Serial No.	Name.	Designation before appointment to present post, or in case of new appointees before appointment to the Department of Supply.	Total emoluments before appointment to present post.	Designation in the Department of Supply.	Present emoluments including all allowances.	Remarks.
1	2	3	4	5	6	7

Rs.

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5	Mr. H. M. Patel, I.C.S.	Deputy Indian Trade Commissioner, London.	1,500 p. m. plus £250 p. a. free of Income Tax.	Deputy Secretary, Department of Supply.	1,900	Pay fixed in accordance with scales applicable to officers holding similar posts in other Departments of the Secretariat.
6	Mr. S. R. Zaman, I.C.S.	District Magistrate, Patna.	2,050	Deputy Secretary, Department of Supply.	2,450	
7	Mr. G. Corley-Smith	Assistant Collector of Customs, Bombay.	1,400	Under Secretary, Department of Supply.	Pay not yet fixed	
8	Mr. F. H. T. Ward	Superintendent, Home Department.	800	Assistant Secretary, Department of Supply.	1,000	Appointment sanctioned on the usual scale of pay admissible to Assistant Secretaries in the Secretariat. Post attached to the Directorate General, Munitions Production at Calcutta.

9	Rai Bahadur S. K. Bannerjee.	Government Pensioner	400 (Pension).	Officer on Special Duty.	500 (plus Pension).	
10	Major E. C. Ormond	Direct from civil life	..	Director of Indents, Department of Supply.	1,530	His income as a Barrister was considerably in excess of his present emoluments.
11	Mr. S. N. Mitter	Accountant, Grade I. E. I. Railway.	450	Assistant Director of Statistics.	500 (fixed).	
12	Mr. N. K. Thadani	..	..	Technical Assistant.	250	Direct recruitment.
13	Mr. Mohd. Abdullah	Superintendent, Deputy Commissioner's Office, Gujranwala.	350	Superintendent, Department of Supply.	600	Minimum of the ordinary scale for Superintendents in the Secretariat.
14	Mr. A. R. Kapur	Assistant, Defence Department.	470	Superintendent, Department of Supply.	600	
15	Mr. Shiv Dev Singh	Cashier, Air Headquarters.	260	Superintendent, Department of Supply.	600	Was appointed as Assistant-in-Charge in first instance on Rs. 285. Since promoted Superintendent in the scale of Rs. 600—40—800.

DIRECTORATE GENERAL OF SUPPLY.

1	Brigadier E. Wood, M.C.	Secretary, Supply Department.	3,000	Director General of Supply.	3,000	
2	Mr. L. Mason, C.I.E., O.B.E., M.C., I.F.S.	Inspector General of Forests and President, Forests Research Institute, Dehra Dun.	plus £13-6-8 3,250	Deputy Director General, Supply.	plus £13-6-8 3,000	Was originally appointed as Officer on Special Duty for 3 months on Rs. 3,250. On termination of this period was appointed as Director of Timber on Rs. 2,500. Was subsequently promoted to the rank of Deputy Director General on Rs. 3,000.

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Statement showing the names of the Gazetted Officers appointed or promoted to higher positions in the Department of Supply (excluding Indian Stores Department, Contracts Directorate, and Ordnance Factories) since 4th March, 1940 their position and total emoluments, including all allowances, before appointment or transfer to the Department of Supply and at present—contd.

Serial No.	Name.	Designation before appointment to present post, or in case of new appointees before appointment to the Department of Supply.	Total emoluments before appointment to present post.	Designation in the Department of Supply.	Present emoluments including all allowances.	Remarks.
1	2	3	4	5	6	7
DIRECTORATE GENERAL OF SUPPLY—contd.						
3	Mr. D. Stewart, O.B.E., I.F.S.	Joint Timber Advisory Officer. Board.	1,527-12 plus £30 O. S. P.	Director of Timber.	1,950 plus £13-6-8 O. S. P.	Was first appointed as Deputy Director on same pay as drawn by him as Joint Timber Advisory Officer, Railway Board. Subsequently promoted as Director with increase as shown.
4	Mr. A. E. Hampson	..	..	Director. Miscellaneous Stores.	1,500	Direct recruitment. Was first appointed as Deputy Director. Indents on Rs. 1,500. Subsequently appointed as Director, Miscellaneous Stores. The pay of the appointment is under consideration.
5	Mr. C. T. G. Hooper	..	..	Director, Co-ordination.	1,500	Was first appointed as Deputy Director, Control on Rs. 1,500. Pay of present appointment is under consideration.

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6	Mr. P. R. Crenat	Technical Officer (Assistant Chemist), [P. S. O. C. (I.)], Secretariat.	1,200 in the scale Rs. 1,200—100—1,600.	Deputy Director, Chemicals.	1,500 fixed.	Was originally appointed as Technical Officer Chemist on Rs. 1,200.
7	Mr. J. Walker, I.F.S.	Divisional Forest Officer, Working Plans, Belgaum.	1,250 plus £30 O. S. P.	Deputy Director, Timber.	1,250 plus Rs. 250 Special pay, plus £30 O. S. P.	
8	Mr. V. S. Kuppuswami	Deputy Conservator of Forests, Madras.	1,100	Officer on Special Duty.	1,100 plus Special pay, Rs. 150.	
9	Mr. L. Knibb	..	..	Assistant Director, Textiles.	900	} Direct recruitment.
10	Mr. S. K. Chaudhuri	..	..	Assistant Director, Textiles.	800	
11	Mr. P. N. Suri	Belongs to Punjab Forest Service.	750	Assistant Director, Timber.	750 plus Special pay Rs. 150.	
12	Rai Sahib Bishambar Das.	Officiating Assistant Financial Adviser, Military Finance.	1,000	Assistant Director, Miscellaneous Stores.	800 plus Special pay Rs. 200.	
DIRECTORATE GENERAL, MUNITIONS PRODUCTION, CALCUTTA.						
1	Sir Guthrie Russell, K.C.I.E.	Chief Commissioner, Railways.	5,000	Director General, Munitions Production.	5,000	
2	Mr. G. S. Butler, C.I.E.	Director of Ordnance Factories, M. G. O. Branch.	2,350 plus £13-6-8 O. S. P.	Deputy Director General, Armaments Production.	2,750	
3	Mr. W. L. D. Martyn	Officiating Divisional Engineer (Electrical and Mechanical), N. W. Railway.	1,025 plus £30 O. S. P.	Officer on Special Duty.	1,025 plus £30 O. S. P.	

QUESTIONS AND ANSWERS.

Statements showing the names of the Gazetted Officers appointed or promoted to higher positions in the Department of Supply (excluding Indian Stores Department, Contracts Directorate, and Ordnance Factories) since 4th March, 1940 their position and total emoluments, including all allowances before appointment or transfer to the Department of Supply and at present—contd.

Serial No.	Name.	Designation before appointment to present post, or in case of new appointees before appointment to the Department of Supply.	Total emoluments before appointment to present post.	Designation in the Department of Supply.	Present emoluments including all allowances.	Remarks.
1	2	3	4	5	6	7
Rs.						
4	Mr. R. C. Case	Officiating Mechanical Engineer, G. I. P. Railway.	2,750 plus £13-6-8 O. S. P.	Production, CALCUTTA—contd. Director, Civil Production.	2,750 plus £13-6-8 O. S. P.	
5	Lt.-Col. M. H. Cox, O.B.E., M.C.	Assistant Ordnance Director, M. G. O. Branch.	Military rates of pay and allowances as admissible to a Lt.-Col. 3,059	Director, Factory Expansion.	Military rates of pay and allowances as admissible to a Lt.-Col. 2,750 plus £13-6-8.	Was first appointed as Controller of Supplies, Bengal and subsequently appointed as Deputy Director General, Engineering, without any increase in the emoluments.
6	Mr. F. G. S. Martin	Controller of Supplies, Bengal.		Deputy Director General, Engineering.	2,750 plus £13-6-8.	
7	Mr. J. Humphries	Director, Mechanical Engineering, Railway Board.	2,500 plus £13-6-8 O. S. P.	Director, Engineering.	2,500 plus £13-6-8.	
8	Mr. R. A. McGregor	Metallurgical Inspector, Indian Stores Department.	2,350	Director, Metals	2,350	

9	Mr. H. Sparrow	Senior Technical Assistant, Indian State Railway.	1,025 plus £30 O. S. P.	Deputy Director, Engineering (Mechanical).	1,025 plus Rs. 250 Special pay and £30 O. S. P.	Services replaced at disposal of Defence Department and Mr. S. W. White retired.
10	Major L. G. Sillar	A. O. W. (E. & M.) R. B. S. & M., Kirkee.	1,530	Deputy Director, Engineering (Electrical).	1,530	Bridge Engineer, E. I. Railway appointed in his place on fixed pay of Rs. 1,000.
11	Mr. P. C. Mukherji	Personnel Officer, E. I. Railway.	1,025	Deputy Director, Engineering (Civil).	1,025	Direct recruitment.
12	Mr. J. R. Walton			Deputy Director, Engineering (Quota), Metals.	500	
13	Mr. S. M. K. Alvi	Assistant Engineer, (Inspection) Indian Stores Department, Bombay.	375	Assistant Director, Metals.	375 plus Rs. 100 Special pay.	
14	Engineer Commander J. Beggs.	Base Engineer Officer, Cochin.	1,400 plus Rs. 12 per day allowance.	Director of Ship building.	Net yet determined.	

NOTE.—Where eligible, Officers are paid Calcutta compensatory and house rent allowance in addition, to the amount shown in Column 5.

15	Mr. N. Hackney	Metallurgist, North Western Railway.	1,375 plus £30 O. S. P.	Development Officer	1,375 plus £30 O. S. P.	
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1	Lt.-Col. J. R. Marriott	PROVINCIAL ORGANISATIONS ETC., UNDER SUPPLY DEPARTMENT. Deputy Director, Indents and Priority.	1,530	Controller of Supplies, Bengal Circle.	2,150	Was originally appointed as Deputy Director, Indents on pay applicable to a G. S. O. II, viz. Rs. 1,530. Subsequently promoted as Director on Rs. 1,700. Recently appointed as Controller of Supplies, Bengal Circle, on pay shown.
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Statement showing the names of the Gazetted Officers appointed or provided to higher positions in the Department of Supply (excluding Indian Stores Department, Contracts Directorate, and Ordnance Factories) since 1st March, 1939 their position and total emoluments, including all allowances, before appointment or transfer to the Department of Supply and at present—concl.

Serial No.	Name.	Designation before appointment to present post, or in case of new appointees before appointment to the Department of Supply.	Total emoluments before appointment to present post.	Designation in the Department of Supply.	Present emoluments including all allowances.	Remarks.
1	2	3	4	5	6	7
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PROVINCIAL ORGANISATIONS ETC., UNDER SUPPLY DEPARTMENT—concl.						
2	Mr. G. E. Bennett	Chief Engineer, Bombay Port Trust (Retired).	Pay on retirement Rs. 3,000.	Controller of Supplies, Bombay.	1,950	
3	Mr. E. M. Souter	..	..	Controller of Supplies, U.S.P.	2,500	Direct recruitment.
4	Mr. M. A. Sreenivasan	Director of Industrial Concerns, Mysore State.	1,300	Controller of Supplies, Madras.	1,600	
5	Mr. S. C. Latif	Indian Stores Department Officer.	1,150	Controller of Supplies, Sind.	1,150 plus Rs. 250 Special pay.	
6	Mr. Bashir Ahmed	P. C. S. (Judicial Branch).	540	Controller of Supplies, Punjab.	1,000	
7	Mr. W. J. U. Turnbull	..	..	Mica Examiner, Madras.	500	Part time Government servant.
8	Mr. W. J. Oakley	..	..	Deputy Director, Textiles, Cawnpore.	1,500	Direct recruitment.
9	Mr. A. Grant, M.B.E.	Technical (Engineer).	1,100	Officer-in-Charge, Timber Depot, Karachi.	1,100	
10	M. A. R. Gonsalves	Port Trust Karachi (Retired).	Pay on retirement Rs. 500.	Assistant to the Officer-in-Charge, Timber Depot, Karachi.	400	
11	Mr. E. P. Keelan	..	..	Officer-in-Charge, Timber Depot, Calcutta.	500	Direct recruitment.
12	Rao Bahadur K. G. Bellappa.	Government pensioner	..	Officer-in-Charge, Timber Depot, Cochin.	500 plus pension.*	* Not yet determined.

STATEMENTS LAID ON THE TABLE.

THE HONOURABLE MR. S. N. ROY (Communications Secretary): Sir, I lay on the table copies * of—

- (1) (a) Motor Vehicles Rules, 1940, for British Baluchistan.
- (b) Notification No. 391/M. V., dated the 24th June, 1940.
- (c) Notification No. 750/M. V., dated the 7th September, 1940. } Amending the above rules.
- (2) Motor Vehicles Rules, 1940, for Ajmer-Merwara.
- (3) (a) Motor Vehicles Rules, 1940, for Delhi Province.
- (b) Notification No. F. 12 (3)/40-General, dated the 29th May, 1940.
- (c) Notification No. F. 12 (3)/40-General, dated the 3rd October, 1940. } Amending the above rules.
- (4) (a) Motor Vehicles Rules, 1940, for Coorg.
- (b) Notification No. R. F. 14 (165) (1)—40, dated the 15th June, 1940.
- (c) Notification No. R. F. 14 (165) (3)—40, dated the 15th June, 1940. } Amending the above rules.
- (5) Motor Vehicles Rules, 1940, for Andaman and Nicobar Islands.
- (6) Notification Nos. R-111, dated the 9th April, 1940 and 9th August, 1940, amending the Motor Vehicles International Circulation Rules, 1933.

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

*THE HONOURABLE THE PRESIDENT: Honourable Members, I have a Message to deliver to you from His Excellency the Governor General. The Message is as follows:—

PANEL OF CHAIRMEN.

"In pursuance of the provisions of sub-section (2) of section 63A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Victor Alexander John, Marquess of Linlithgow, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State:—

In the first place, the Honourable Rai Bahadur Lala Ram Saran Das; in the second place, the Honourable Sir David Devadoss; in the third place, the Honourable Mr. Hossain Inam; and lastly, the Honourable Mr. R. H. Parker.

LINLITHGOW,
Viceroy and Governor General."

NEW DELHI,
The 5th November, 1940.

*Not printed in these debates. Copies placed in the Library of the House.

COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT: Honourable Members, under Standing Order 76 of the Council of State Standing Orders, I am required at the commencement of each session to constitute a Committee on Petitions consisting of a Chairman and four members. The following Members have at my request kindly consented to preside over and serve on the Committee. I accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Raja Charanjit Singh and as members, the Honourable Sir A. P. Patro, the Honourable Sir Ramunni Menon, the Honourable Mr. P. N. Sapru and the Honourable Pandit Hirday Nath Kunzru.

DEATH OF PRINCE AFSAR-UL-MULK MIRZA MUHAMMAD AKRAM HUSAIN BAHADUR AND RAJA VASUDEVA OF KOLLENGODE.

THE HONOURABLE THE PRESIDENT: Honourable Members, I have to bring to your notice the sad death—and untimely too—of one of our distinguished Members. I mean the late Prince Akram Husain. He was a nominated non-official Member of the second, third and fourth Council of State. Before that he was for some time in the old Imperial Legislative Council also. He spoke very rarely in this House but when he got up to make a speech he always spoke very pertinently to the matter and never went outside relevancy. He was much liked and respected by all the Members of the House in the past. As you are all fully aware, he was a great supporter of Hindu-Muslim unity and was loved, as I have said, by both the communities. He was respected equally and held in great esteem. As some of you are aware, he was appointed in 1919 to the high post of Sheriff of Calcutta, and in 1931 he acted as a Member of the Executive Council of the Governor of Bengal. He was a great social reformer and did a great many things to raise his own community in public estimation. I know you all regret his death and I am very sorry he has been taken away from this House. With your consent, I shall write to his family and express the sorrow of this House.

I have also to mention the death of another gentleman who, though not a sitting member, was in the Central Legislative Assembly. I mean Raja Vasudeva of Kollengode. He had also served in the past in the old Imperial Legislative Council, which was the predecessor of the Council of State, and he had a record of excellent service. As you are fully aware, he took an active part in the public affairs of this country. He was a Member of the Madras Legislative Council, where he first received his legislative experience. There too he distinguished himself. He also acted as a Member of the Madras Executive Council for some time. He was a Member of the Council of State from 1922 to 1923. He was elected to the Central Legislative Assembly in 1930 from the Madras Landholders' Constituency. Though it is not customary for the President to mention ex-Members, I have particularly taken this opportunity to mention his name to the House because during the time of his membership he was very much respected and was a *persona grata* with this House. I shall communicate to his family that Honourable Members of this House have heard the sad news with great sorrow.

GOVERNOR GENERAL'S ASSENT TO BILLS.

SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency the Governor General has been pleased to grant assent

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to the following Bills which were passed by the two Chambers of the Indian Legislature during the Budget Session, 1940, namely :—

1. The Registration (Emergency Powers) Act, 1940.
2. The Foreigners Act, 1940.
3. The Royal Indian Navy (Extension of Service) Act, 1940.
4. The Offences on Ships and Aircraft Act, 1940.
5. The Trade Marks Act, 1940.
6. The Indian Coinage (Amendment) Act, 1940.
7. The Reserve Bank of India (Closing of Annual Accounts) Act, 1940.
8. The Indian Emigration (Amendment) Act, 1940.
9. The Reserve Bank of India (Amendment) Act, 1940.
10. The Indian Arbitration Act, 1940.
11. The Coal Mines Safety (Stowing) Amendment Act, 1940.
12. The Income-Tax Law Amendment Act, 1940.
13. The Reserve Bank of India (Second Amendment) Act, 1940.
14. The Parsi Marriage and Divorce (Amendment) Act, 1940.
15. The Excess Profits Tax Act, 1940.
16. The Indian Finance Act, 1940.
17. The Factories (Amendment) Act, 1940.
18. The National Service (European British Subjects) Act, 1940.
19. The Defence of India (Amendment) Act, 1940.
20. The Insurance (Amendment) Act, 1940.
21. The Indian Tariff (Amendment) Act, 1940.
22. The Indian Tariff (Second Amendment) Act, 1940.
23. The Drugs Act, 1940.
24. The Indian Mines (Amendment) Act, 1940.
25. The Petroleum (Amendment) Act, 1940.
26. The Motor Vehicles (Amendment) Act, 1940.
27. The Agricultural Produce Cess Act, 1940.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 8th November, 1940, namely :—

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

A Bill further to amend the Indian Navy (Discipline) Act, 1934, for certain purposes.

A Bill further to amend the Indian Navy (Discipline) Act, 1934 (Second Amendment).

A Bill further to amend the Cantonments Act, 1924.

A Bill to repeal certain enactments and to amend certain other enactments.

A Bill further to amend the Indian Registration Act, 1908, for certain purposes.

A Bill further to amend the Code of Civil Procedure, 1908.

A Bill further to amend the Code of Criminal Procedure, 1898.

A Bill further to amend the Indian Companies Act, 1913.

A Bill to enable companies in British India to make donations to public funds formed, and to make investments in Government loans floated, for the purpose of assisting the prosecution of the present war.

A Bill further to amend the Reserve Bank of India Act, 1934.

A Bill further to amend the Motor Spirit (Duties) Act, 1919.

CONGRATULATIONS TO THE HONOURABLE MR. H. DOW, GOVERNOR-DESIGNATE OF SIND.

THE HONOURABLE THE PRESIDENT: Honourable Members, I am certain you would like me to refer to an interesting event. One of our sitting Members here has been elevated to a gubernatorial office in Sind. I refer to the Honourable Mr. Dow, who for many years has been a Member of this Council, and I may say that he has attained the distinction of being the official father of the Council of State. He is a Bombay Civilian, in which province he served for many years with great credit and distinction before he came to the Government of India. He has actually served for several years in Sind itself, as Financial Adviser to the Bombay Government and also Revenue Officer connected with the Sukkur Barrage Scheme, which is probably the largest scheme in India. He came later on to the Government of India and you are all aware that he served with distinction as Commerce Secretary of the Government of India in this House. I know the Council must have received his appointment as Governor of Sind with great satisfaction. You are all aware that in Sind itself we are having troublesome times and the whole province is in a disturbed condition. He used to wield at one time great influence in Sind and I have no doubt that his presence as Governor will see the end of those troubles and disturbances and that he will restore peace and tranquillity again in that province. (Applause.) We shall follow his service and work in that province with great interest and I have not the slightest doubt that he will make a very useful and successful Governor of that Province.

THE HONOURABLE MR. H. DOW: Mr. President, I can only thank you for the very kind terms in which you have referred to my impending transfer. I wish to say nothing else, Sir, except that I have also to thank not only you, but every Member of this House, for the very great courtesy and consideration with which I have always been treated as a Member of this House. (Applause.)

RESOLUTION RE MECHANIZATION OF UNITS OF THE UNIVERSITY TRAINING CORPS.

*THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I move the following Resolution :—

"This Council recommends to the Governor General in Council to take early steps for mechanizing units of the University Training Corps."

Sir, the Territorial Force Act was passed in 1920 and the U.T.C. owes its establishment to that Act of 1920. It is not necessary to go into the detailed history of the U.T.C. organization. I think they were established in 1922. The object of the U.T.C. was mainly educational. It was, in simple language, the education of youth in military discipline. It will be generally agreed that military education has a certain value in the scheme of education. The Force has been successful and various officers connected with it have testified to its efficiency; particularly I know that the United Provinces University Corps have been successful and military officers connected with our Allahabad Corps have testified to its efficiency. It was considered desirable that the young men of the country should have some opportunity of military training. Also one of the objects, I take it, of these Corps was to provide officers for the Indian Territorial Forces Provincial and Urban units. The Force was started I believe, Sir, with four battalions all over the country; Bombay, Calcutta, Madras and Allahabad had each a battalion. Now we have actually 11 battalions, the numbering is 12. The U.T.C. people have no liability for military service. But so has the Officers Training Corps no liability for military service. I believe the position is identical with the position as it obtains in England so far as the U.T.C. is concerned. Now, if you look at the organization of the O.T.C., you will find that the O.T.C. has survey, engineering and infantry units; now they have air force units as well. Here, Sir, in the U.T.C. the only units that we have is the infantry unit. Under normal conditions I find that about 18 to 20 officers recruited to the Army are taken from the O.T.C. Also a fair proportion of them are absorbed in the Territorial Force. So far as the U.T.C. is concerned no officers are taken from the U.T.C. The reason, Sir, is that our young men in the U.T.C. receive defective training. They get training only in infantry. The only arms supplied to our U.T.C. people are rifles. I think in July battalions were increased by 50 per cent. These battalions have not been supplied with drill rifles. Sir, if you look at the position in England you will find that the O.T.C. has been mechanized. There battalions have been supplied with machine guns, Bren guns, automobile tanks, anti-aircraft guns, and they are being given air training. Also they have been supplied with motorized vehicles. They receive full military training. Now, Sir, why is there difference between the position of the O.T.C. in England and the U.T.C. in India? The O.T.C., as I have already pointed out, has been mechanized, and all the arms necessary for mechanization have been supplied for them. So far as our U.T.Cs. are concerned the battalions have been increased by 50 per cent. but these battalions have been supplied with old rifles and our young men are not being trained in modern warfare. You are spending out of the civil budget a certain amount of money over these U.T.Cs. I believe it is about Rs. 20,000 a year. If you are spending a certain amount of money over these Training Corps and if you are having these Training Corps, I submit it is desirable and necessary that you should have efficient Training Corps, you

* Not corrected by the Honourable Member.

(40)

should have Training Corps which will supply our country with efficient officers, officers who will be able to render a good account of themselves in the modern war. Sir, often we hear complaints that Indians do not make good officers. I do not know if there is much substance in that complaint: I do not know whether that is only an excuse which is put forward for delaying Indianization? But I will say this that if you take no steps to educate the youths of the country in military discipline and if you give them no training and if you do everything to emasculate the country you have no right to say that Indians do not make good officers. What have you done—that is a relevant and a pertinent question which I would like to ask of the Defence Department—to train our young men in military education? Do you look upon military education as desirable education, or have you also accepted in part or in whole the doctrine of non-violence, of which my friend over here is a great votary? What encouragement are you offering to these young men? A young man who joins the U.T.C. cannot get even nomination as an Indian cadet. There are no Indian cadetships reserved for the U.T.C. officers. Modern warfare has shown that infantry training is useless. The bayonet, I believe, has hardly ever been used in this war and I think I would be right in saying that this has never been used in this war.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : It is being used by the Greeks, I believe!

THE HONOURABLE MR. P. N. SAPRU : I was correct in saying that it has hardly been used. Some years ago, I was talking to a very, very distinguished military officer—one of the highest officers in the country. He said, "You have been attaching a great deal of importance to the question of mechanization but I tell you that the next war will prove that mechanized units are no good. I am an old-fashioned officer, I still believe in the old cavalry". The Polish campaign has proved that that officer was wrong, and the other campaigns have also showed that that officer was wrong. We want an efficient army. We want our young men to take interest in military discipline. I am myself up to a point a pacifist, since I believe in international and collective security. I have the vision of super-state before me. I also know that we have somehow or other to defend ourselves against this aggressive imperialism. Therefore, I think it is of imperative importance that the youths of this country should be given military training, that these U.T.Cs. should be made into really efficient units, units which will provide good and efficient officers for the free India of the future. I therefore hope that Government will not say "No" to the Resolution. I hope my Honourable friend will accept this Resolution because if he will examine the wording of my Resolution he will find that I have used the word "early" and not "immediately". I know he has some financial difficulties. Therefore I have deliberately used the word "early". I hope he will not say, "Nothing can be done: I cannot accept the principle of the Resolution". If he will take this line then I will say that there is no desire on the part of the Government to train the youths of this country in military education. I hope, therefore, that he will view this Resolution with sympathy and that he will not come out with the direct negative, which is so characteristic of the Department of which he is unfortunately the representative—I say unfortunately because he is a very good man! (Laughter.)

THE HONOURABLE MR. H. DOW (Nominated Official) : Sir, I should like to explain that the Honourable Member is mistaken in supposing that I am concerned with his Resolution, and I intervene to prevent him going further astray. The Supply Department's function is to supply things which it is asked to supply: it is not concerned with the uses that are made of them.

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THE HONOURABLE MR. P. N. SAPRU : I see. I understand Mr. Williams is in charge of the Resolution. Anyway, I will not withdraw the compliment that I have paid to Mr. Dow. I think, Sir, he is connected with a Department which has more sanity than the Defence Department and I hope, Sir, that he will show that that Department has more sanity by accepting the principle of my Resolution.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, if my Honourable friend the Mover had really wished to make his Resolution easier of acceptance I think he might have omitted the word "early" from it. The only extent to which I can go with him in the matter of this Resolution is to state that the considerations which he has urged will never be absent from the mind of Government. But accept it I am afraid I cannot. I hope I shall be able to convince Honourable Members that this is not due to any lack of responsiveness on the part of Government but to very real practical and technical difficulties which are not at all difficult to appreciate. The object of these U.T.Cs., as stated by the Honourable Mover, is to provide a useful reserve of potential officers, possibly of non-commissioned officers.

Now, he drew an analogy between the U.T.Cs. in India and that in Britain. That analogy is not quite complete. In this country members of these Training Corps as a rule, practically all of them, have no previous military experience at all. That is not so much the case with the U.T.Cs. in Great Britain. What much more closely resembles the U.T.Cs. in India is the Public Schools Officers Training Corps in Britain. Boys who go to these schools and join these Corps have no previous military experience. It is a far closer parallel. The Honourable Member will find that no attempt has been made in Great Britain to mechanize the Public Schools Officers Training Corps.

Further, such mechanization as there has been in Great Britain of the U.T.Cs. has been in arms other than infantry and, as the Honourable Member himself has pointed out, the organization of the U.T.C. in India is confined to the infantry arm. So that there is really no parallel at all.

But the Honourable Member has said that the absence of mechanization makes this training useless, that infantry training is a back number, that it is no good. Well, now, to show the Honourable Member that he is wrong, I would point out that the very training itself which is being given at these U.T.Cs. is the training first given to officers who are intended ultimately to be mechanized. That training must be gone through at some time or other, and if there has been no previous training for the man who has joined a U.T.C., it must be gone through at the beginning. There would be no sense in trying to make him run on wheels before he can walk.

Admittedly the syllabus is of a very simple nature. It falls into three parts,—recruit training which is simply squad drill, practice with a military rifle, physical training and a certain amount of map reading. Then he goes on to the second stage, cadet training which comprises training to some extent of others in squad and platoon drill and a certain amount of elementary tactics. And the final stage, as far as they can carry it during the time available

at the University for persons, who have no previous military experience, is N. C. Os. training, which comprises more advanced tactics and leadership of men in minor tactical exercises.

That is as far as we can go with persons who have no previous military experience. Similar training is gone through in the Regular Army by those who ultimately will join mechanized units. It is not always that the regular army man gets his mechanized training in his training battalion. It may happen. But more often than not, he gets no mechanized training till he actually joins the mechanized unit which he is designed to join. In the initial stage, in the training battalion, he would get the counterpart of this syllabus which I have just outlined.

There is, of course, the further consideration which the Honourable the Mover has anticipated—or rather he has anticipated it along the lines of finance—though I would deal with it more along the lines of demand and supply. It is not merely a question of vehicles. It is difficult enough to get vehicles for the mechanization and expansion of the Regular Army in India. But it is also difficult to get technical instructors. That is difficult enough and it is clear that, even apart from the objections that I have already mentioned, the U.T.Cs. would have to be served last in this matter.

I do not at all go with my Honourable friend in the contention that the training in these U.T.Cs. ill fits their members for joining the Services. If they are not taken into the Services—and I am afraid I have no material for checking up the statement that they never seem to get commissions—it must presumably be because they have not got sufficient training and cannot satisfy the selection committees which select from amongst those who come forward. No, Sir, the Honourable Member may rest assured that, if members of these U.T.Cs. do avail themselves of the training afforded by the syllabus which is now used, they will get all the mechanized training they require later in any mechanized unit for which they qualify themselves. And they will be all the better fitted for receiving that mechanized training by having been properly grounded in preliminary essentials rather than given a smattering of knowledge of advanced technical matter without that necessary grounding.

I hope after this explanation, Sir, that the Honourable Mover will not wish to press this Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, the Honourable Mr. Williams began by humorously suggesting to the Mover of the Resolution that he could make his proposal more acceptable to Government by just making a slight change in it. The slight change which he thought would be appropriate was the omission of the word "early". It is to be left to Government to decide whether the U.T.C. is to be mechanized, and if so, when? Sir, the Shea Committee which considered the status and training of the Auxiliary and Territorial Forces submitted its report to the Government of India in 1925. The recommendations that it made 15 years ago have not yet been put into effect. When we asked that its recommendations should be enforced at an early date, we were always told that the Government of India had not at all ignored them but were unable to carry

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them out before the U.T.Cs. had reached a certain degree of efficiency, and my Honourable friend Mr. Williams has harped on the same theme today. I should like to know what is the fault with the U.T.Cs. ? Is there keenness among the University students or not ? That is the only thing, after all, which the University authorities and the undergraduates of the various Universities can supply. They cannot supply training. They cannot supply the equipment that is required. They cannot give even the additional training that is given to an infantry unit in the use of machine guns unless the Government of India are prepared to provide for it. The keenness that I have spoken of admittedly characterizes most of the battalions of the U.T.C. If, therefore, these Corps have not come up to the requisite military standard, the fault lies not with the students but with the Government of India themselves. I shall give an illustration, Sir, to prove my point. The Government of India, for a long time, refused to add to the strength of the U.T.C. A few weeks ago they at last made up their mind to yield to the demands persistently put forward during the previous 10 or 12 years for the expansion of these Corps and permitted their being expanded by about 50 per cent. But they informed the University authorities at the same time that they were not prepared to supply additional instructional staff or more uniforms. I do not know what has happened in other Universities but in the Allahabad University at least, on representations made by the Vice-Chancellor, the military authorities have agreed to provide more instructional staff. But the cadets belonging to the two additional platoons are without uniforms and in the camp that was recently held in the United Provinces they were an object of derision to their colleagues in the Corps. If the Government wish to bring the U.T.C. into contempt and to make it look like a rabble, they could not have taken a more effective step for the purpose. This illustration will show, Sir, what is the genuine interest that the Government of India have shown in the U.T.C. and to what extent their plea that they are prepared to make a better use of the U.T.C. provided they prove their efficiency is genuine.

Sir, my Honourable friend Mr. Williams, in his apology for the Government of India, stated that the cadets belonging to the U.T.C. could not receive higher training than they do because the U.T.C. is not similar to the O.T.C. in the British Universities. He rather thought that these Training Corps resembled the Cadet Corps established in public schools in England. This too was a point that was dealt with by the Shea Committee. It recommended that steps should be taken to introduce military drill into schools and to encourage the formation of Cadet Corps in them. Have the Government of India taken a single measure to implement these two recommendations of the Shea Committee ? They have done nothing of the kind. They have deliberately kept the U.T.C. on a par with the School Cadet Corps of British public schools on the admission of the Honourable Mr. Williams himself who represents the Defence Department here. He has, I think, shown more conclusively than I could have done the unfriendly—I had almost said hostile—attitude of the Government of India towards the military training of Indian youths. Nevertheless, the conclusion that he drew from the proposition that he put forward seems to me to be entirely erroneous. He seemed to say that the members of the O.T.C. in England could receive a high degree of training because of the previous training that they had received in the School Cadet Corps. It is a notorious fact that not all the members of the School Cadet Corps go up to the Universities and that very few of those who join the Universities join the U.T.C. So far as I know—and I have received information on the point from the military authorities themselves—very few of the members of the U.T.C. have previously belonged to any School Cadet Corps. Most of them are quite new. In that respect

there is no difference between the U.T.C. and the O.T.C. Apart from this, Sir, I think it is ridiculous to suggest that the training given to undergraduates could not be raised unless they had previously been members of a School Cadet Corps. This argument has never been seriously put forward before and I suppose Mr. Williams has put it forward now only for want of a better argument.

Sir, my Honourable friend said that, while at present Government could not see their way to accept the Resolution of Mr. Sapru, they were quite alive to the importance of giving military training to Indian young men. Here, too, I am reminded of a very important recommendation of the Shea Committee. The Committee suggested that the annual period of training of the I.T.F. should be raised from one to two months and that when the I.T.F. had risen in efficiency its recommendations with regard to the diversification of its training should be put into effect, and that at the same time the question of giving artillery training to the U.T.C. should be considered. Now, its recommendations with regard to the increase in the annual training period of the I.T.F. has been put into effect—the annual period of embodiment of the members of the Force is now two months—admittedly its efficiency is higher than it was 15 years ago. But I do not know that the Government of India has ever considered the establishment of new units in connection with the I.T.F. of the kind suggested by the Shea Committee or have ever considered the question of giving artillery training to the members of the U.T.C. The fact is that the U.T.Cs. have been regarded as a sop to political sentiment. They have never been taken seriously and every effort has been made by the military authorities to keep them in such a condition that its members may be absolutely useless from the military point of view.

One of the ways in which the recommendations of the Shea Committee have been ignored is the failure of the Government to consider the claims of qualified members of the U.T.C. for appointment as commissioned officers either in the I.T.F. or elsewhere. Mr. Williams, instead of frankly and honestly admitting that the recommendations have not been put into effect, cast aspersions on the U.T.C. He admitted that it was true that the U.T.C. people had not got commissions, or rather he assumed for the time being that that allegation was true, although he himself did not have the necessary figures at his disposal to be able to say whether the allegation was well-founded or not. But at the same time he said that if the allegation was true, it was in all probability due to the fact that they were not fit to be granted commissions. I do not know what is the standard of fitness that he had in view, but knowing something of one or two U.T.Cs. and of the quality of the young men examined by the Committees appointed by the Government of India to interview candidates for the six-monthly competitive examination for admission to the Indian Military Academy, I can confidently say that a good many members of the U.T.C. are in no way inferior to the candidates actually selected for admission to the I.M.A. If Government are really desirous of creating a valuable source for the recruitment of Indian commissioned officers they can easily make use of the U.T.Cs. But the fact is that they do not want to give these people higher training because they are unwilling to use them as military officers. I have on various occasions before put forward suggestions the result of which, had they been accepted, would have been the increased use of the U.T.Cs. in respect of the supply of higher officers, but the Commander-in-Chief always said to me that, while he had not forgotten my suggestions, he did not think that the time had come for putting them into effect because the opportunities that were open to British youths in England were not open to Indian youths in India. Now, what did this mean ? It only meant that the policy of the British Government was such as to shut out our youths.

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from responsible employment in the Army. This, Sir, is the main reason of the hostile policy adopted by the Government of India towards the U.T.Cs. and so long as their angle of vision does not change, so long as they want to get our help without showing their sympathy with our aims and aspirations, there can be no possibility of the present state of things being changed.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official) : Sir, in the Resolution as worded, "The Council recommends.....for mechanizing units of the University Training Corps", it should be understood first what are the aims and functions of the U.T.C. and what is the kind of training that is given in these Corps. The Government of India till now has completely neglected to utilise the U.T.C. for the purposes mentioned by the Honourable Members before, but to say that mechanization is necessary at present without having the necessary military training seems to me altogether inconsistent. First you have not got a University Corps in all Universities. In my own province two of the Universities have not got a U.T.C. Government had not the kindness or had not the foresight to sanction funds for the purpose. We fought and we have got trained military persons to assist us in training our young men in the U.T.C. But it may surprise you, Sir, to hear that sufficient equipment has not been provided. There are not even enough rifles for these young men to use. What is therefore the material on which my friend the Honourable Mr. Kunzru was emphatically insisting that these are to be prepared for the purpose of commissioned officers. It seems on the face of it very inconsistent. You have not given proper training to the people and you have no scope for the students who join the Training Corps. In spite of repeated requests the Government of India have not been able to provide for the extension of the U.T.Cs. and provide funds. Just now the Government of India have recognised and ordered the expansion of the Corps. The Government is better than any other government in the world—(An Honourable Member : Because it has given you all you wanted !) I do not want to argue the matter. All I say is that opinions differ in the matter. This Government is no doubt doing its best, but it always does things in the wrong way. It had given help to the people when people do not ask for it : it does not give help to the people when they do not want. We all want that our young men should be given military education in the Universities. The responsibility for it is with the Universities. The Allahabad University—and other Universities too—have passed resolutions for the purpose of military education and training. What have the Universities done in the matter ? Therefore I say that while we have got a genuine desire for the purpose of training our young men to be able to take up the responsibility of the military defence of this country, we should also take the responsibility of preparing them equally in the matter. Here I do not see from my own experience and knowledge of things that we have prepared the U.T.C. for them to have that responsibility at all. My Honourable friend referred to the U.T.Cs. being selected. I happen to be on some of the selection committees. I know the stuff these U.T.Cs. were made of. They were in no way superior to ordinary university graduates who came up for the purpose of competition. Therefore to say that these U.T.Cs. had superior equipment and superior training to that of the ordinary graduate of the University is not at all correct. What I do say is this that if we want that military education should be given to our young men then you must provide them with the necessary training not in the University Corps but when they come out of the selection. You have got the Indian Military Academy : there they have to undergo two years training before

they could be selected as officers. That is the course of training now adopted. The selection is made by the selection committee and after that selection they are given training where they prove themselves as efficient officers and given the responsibility. As it is, some members of the U.T.C. and some of the professors and teachers have told me that some of these U.T.C. members did not have an opportunity of handling even ordinary rifles because they are not provided with rifles. And how could you expect young men who simply underwent a sort of military drill and ordinary military exercises to be able to take up the responsibility of officers and what right have the U.T.C. to be put in the officers' responsibility. Therefore it seems to me that this Resolution while it may be useful perhaps in the case of the Allahabad University, but considering the general condition of things, and the knowledge and experience which we have of the U.T.Cs., mechanization of the Corps is not a thing that will improve the situation. In the first place you have not got the necessary material and you do not supply them with weapons. How could you work the mechanization when you have not got the material. That is my difficulty in regard to this Resolution.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I give my wholehearted support to the Resolution. I do so for the simple reason that the training now imparted to the U.T.Cs. is far from satisfactory. Even my Honourable friend Sir A. P. Patro, who just now opposed the Resolution, had to admit that the deficiency in the training received by the U.T.C. boys was due not to any fault or want of interest on the part of the students but on account of the insufficiency of the equipment supplied to them. When such is the case it is quite obvious that there is a necessity, an imperative and immediate necessity for improving things in this direction. If the U.T.C. has been started what was the object in starting this Corps ? The object in having the U.T.C. was to make the U.T.C. one of the main selection grounds for selecting candidates for the Army. If the lines on which the U.T.C. is being run is not suited to the requirements and to the ultimate object which we have in view then it is better to do away with the U.T.C. altogether. If you want to give military training to the students in the Universities and if you want to keep this institution at all then you should take it seriously and run it efficiently. I can speak from my own personal knowledge. I have seen some of the students who belonged to the U.T.C. in the Madras University who had failed to secure Commissions in the Army. They said if they had failed it was not due to any fault on their part because they had done their best during the training course and the military officers who imparted training had certified them to be the best of the lot but in spite of that they failed to secure Commissions. Therefore it is quite plain that the fault was either of the University or of the Government. This defect should be removed at the earliest possible moment. Indeed, whether it would be possible to mechanize the Corps is a question which can be decided only when we find that the equipment and the opportunity given to these students is adequate and can be turned to best account by the young men during the period that he receives training in the U.T.C. to cover the period required for such a training. The Honourable Mr. Williams said that the O.T.C. people in England were far superior to those of the U.T.C. in India. That was because those people had previous training. Even in India it should be possible for the U.T.C. to be made quite as efficient as the people of the O.T.C. because as I understand the period for which students get training in India is four years ; two years in the Intermediate and two years in the B. A. For giving such military training it should be possible for a University after the boys had finished their first two years of training to make a selection of the candidates suitable for such military training. Only such candidates

[Saiyed Mohamed Padahah.]

should be given military training as have during the first two years of their U.T.C. course given proof of their aptitude for the military profession. Therefore, Sir, I see no reason why the Government should look askance at this Resolution. The Honourable Mover does not want the Government to start this thing immediately. He does not want that Government should take steps here and now. All that he wants is that they may have this object in view and bring the system of training in the U.T.C. to a standard which would fit the University Training people for the military profession and having this in view when they find that the system has worked satisfactorily they could take steps to mechanize these units as has been suggested by my Honourable friend who moved this Resolution.

*THE HONOURABLE MR. P. N. SAPRU : Sir, I must confess that when I moved this Resolution I was not prepared for a direct negative. In framing the Resolution I had been careful to use the word "early" because I realized that there might be some difficulties in mechanizing the units immediately. I drew a distinction between the word "early" and the word "immediate". If Mr. Williams had asked me to drop the word "early" and then indicated his desire or his willingness to accept the Resolution, I for my part would have been prepared to do so. But he has come forward with a direct negative and I can find no word of real sympathy with the principle underlying my Resolution. The Honourable Mr. Kunzru has dealt with the arguments of Mr. Williams at some length and he has referred to the recommendations of the Shea Committee in 1925. The Shea Committee reported in 1925; we are in 1940. We are in the middle of a great war and yet what has been the progress achieved within these 15 years? Have the recommendations of the Shea Committee in any shape or form, in any effective manner, been put into force? The Honourable Mr. Kunzru raised a pertinent question. Is there keenness among the University students to join the U.T.C. or not? I can say from my experience, as I am connected in my own province with some Universities—very intimately with one University—I can say from my own experience that there is desire and keenness on the part of young men to enter these Training Corps. The question may be asked, "Are these young men fit to receive military training or not?" I can say as a father and as one who comes into touch with young men, that they are fit to receive military training; that, if they are given an opportunity, they will render as good an account of themselves as students of any other race in the world. I do not suffer from a racial inferiority complex. Sir, I cannot help feeling that for the present state of affairs the fault lies with the Government. Mr. Williams said there is no analogy between the U.T.Cs. and the O.T.Cs. The U.T.C. performs many of the functions which are performed by the Public Schools Officers Training Corps in England. Now, Sir, I should like to ask this question? There was a recommendation to this effect by the Shea Committee, but I would like to ask this question: What has the Government done to encourage military training in our schools? Has Government taken any steps to encourage military training in our schools? If not, why not? You must remember, Sir, that our students spend nearly four years in the Universities. In the Allahabad University and the Lucknow University, we have a separation between Intermediate education and University education. The student joins the University at the B.A. stage and a number of them take the M.A. and LL.B. degrees. Some of them spend four years, some six years. Well, assuming that in the first year they are not fit to receive instruction in mechanized training, they can be fit to receive instruction in mechanized training in the second year, or in the third year, or the fourth year or the fifth year or

* Not corrected by the Honourable Member.

the sixth year. I have had complaints from men who are serving as officers in the U.T.C. that the training they have received is very defective. I was talking to a gentleman who holds a commission in the army. He said, "Well, I have had military training but I have been given no such experience as really would make me an efficient military officer"; and he has a great desire to be an efficient military officer. Well, Sir, a Government which denies to its citizens the opportunity to acquire military knowledge does not really deserve the support of the people. I think, Sir, with me today it was a test Resolution. I wanted to know whether the events of the last 15 or 16 months have had any effect upon the minds of our British friends in India. And I find, Sir, I have regretfully come to the conclusion that the bureaucratic mind runs in the old, old way, that the bureaucratic mind cannot see that the world is now in the throes of a great revolution, of a revolution in men's minds, and it cannot move with the times. A time like this, when you want the support of the people of the country, is hardly the time to come forward with a direct negative. It is admitted that there are certain difficulties, that there are certain preliminary conditions that have to be fulfilled before you can mechanize this army. You can take this line that we are going to fulfil those preliminary conditions; we are going to introduce cavalry and survey and engineering units in the army. Mechanization will come a little later. You can take that line. But you have not even taken that line. You say, "Well, we have expanded the U.T.Cs. by 50 per cent. and we have supplied good rifles to the 50 per cent. which we have increased. We are not interested in these U.T.Cs. We are not interested in the military education of the youth of this country. We do not know really what we are interested in and we can only say "No" to your Resolution. It means a little money. We can get money for other purposes, for increasing the salaries of the British officers of the Supply Department, or of the Publicity Department, but we cannot get money for the more useful objects on which rests the well-being of this country.

THE HONOURABLE MR. A. DEC. WILLIAMS : On a point of explanation, Sir. Money was not mentioned in this connection.

THE HONOURABLE MR. P. N. SAPRU : Well, there was a reference to the financial question also involved in the Honourable Mr. Williams' speech and therefore I was justified in making these observations. Therefore, Sir, I cannot feel happy over the attitude that Government have adopted towards this Resolution. In the last War, the O.T.Cs. produced 25,000 officers. I am not sure. It was either 25,000 or 35,000. My recollection is that it was 25,000. I would like to know what is the number of officers that our U.T.Cs. have produced? I feel that the young men who are joining our U.T.Cs. are not intellectually inferior, or not physically inferior, to young men of other countries. But there is no encouragement. They get no support from the State. Therefore, you cannot blame the public men, you cannot blame the Universities if they think that your attitude towards these U.T.Cs. is step-motherly. The other day we had a discussion in the Allahabad University on this question of the U.T.Cs. A member had raised this question and we passed a resolution unanimously asking that we should be supplied with better equipment and that there should be more rapid expansion of these U.T.Cs. I understand that the Benares Hindu University is also taking similar action. I believe that Aligarh will not lag behind. But I know what the answer of the Government to all these various educational institutions and Universities will be. It will be a direct negative, and after giving this direct negative, they will come forward and say, "We cannot get a proper supply of officers in India; so we must get the Australian or we must get the New Zealander or the South African or the

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British to keep the peace between the two communities in this country and to lead the dark forces or the brown forces of India. That is not the way to enlist the co-operation of this country. As one who desires earnestly the co-operation of this country, as one who wants a new atmosphere in this country—I think we do need a new atmosphere in this country. I say that the attitude of the Honourable Mr. Williams as representative, not of the Defence Department but of the Supply Department, is to be regretted.

Sir, in view of the attitude which the Government have adopted on this Resolution there is only one course open to me and that is to press this Resolution to a division.

THE HONOURABLE MR. A. DEC. WILLIAMS: Sir, I must decline to be tempted into the by-paths to which the Honourable Mr. Kunzru has invited me. I think we are entitled to hold the Mover of this Motion to its strict terms. They are very limited. The proposition is mechanization and it is to be early—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I say, Sir, that I entered into the wider aspect of the question because the Honourable Member himself dealt with it in his previous speech? He did not confine himself strictly to the terms of the Resolution.

THE HONOURABLE MR. A. DEC. WILLIAMS: I was not conscious that anything that I said logically or otherwise led to three-fourths of the observations of the Honourable Mr. Kunzru. As I say, the issue is a very specific one, and it is limited to the near future.

THE HONOURABLE MR. P. N. SAPRU: I did not say near future. It is limited to the future.

THE HONOURABLE MR. A. DEC. WILLIAMS: The Honourable Mover has told us that he has selected this limited proposal as a test case. On that I can only say that it is rather unfortunate that the Honourable Mover should have chosen a stark impossibility as a test case for the goodwill of Government. I have endeavoured to explain that this mechanization is not desirable, that it does not form part of the early training of recruits for the Regular Army, that is, men who are known to be going to mechanized units. I have also endeavoured to show that it is, as I have said, completely impossible to produce the necessary vehicles and staff. I may say in passing that the question of money was not mentioned from this side of the House. It is a question of the availability of material. But there is one general consideration which was introduced on which I cannot remain completely silent. If the Honourable Member Sir A. P. Patro is the Honourable Member to whom I refer—it is very distressing to think that the standard of candidate for the army who comes from these U.T.C. is in no sense superior to the ordinary graduate who has not had the advantage of the training given in these Corps. Now, the Honourable Mr. Kunzru suggested that tacitly perhaps I had accepted a hypothesis unflattering to the gentlemen who joined these Corps. That, I can assure him, was certainly not intended. But I can state one positive fact and that is that no Indian candidate who was considered by the Central Selection Board likely to make a good officer has not been sent on for training. Not a single one.

Well, the inference is that if ex-members of these Corps offered themselves, and were not sent on, they were not found suitable. That may be so. What is the inference? It is possible to infer—I do not myself infer it—that they have not properly availed themselves of the training given to them.

THE HONOURABLE SIR A. P. PATRO: No proper training is given.

THE HONOURABLE MR. A. DEC. WILLIAMS: It is possible to infer that the training itself is not suitable. A Resolution might have been put on that point. It was not. It is possible to infer that the training, though suitable, is not given suitably. I might attempt to answer a Resolution on that point. But Honourable Members opposite cannot have it both ways. If the elementary training is useless, what is the use of going on to more advanced training?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Who has ever said that the elementary training was useless? The complaint is that you give nothing more than elementary training. That is the complaint.

THE HONOURABLE MR. A. DEC. WILLIAMS: The assertion has been made that ex-members or members of these Corps do not get into the army. I have endeavoured to cover the whole ground. It is either their fault or the fault of the training—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: It is the fault of the training.

THE HONOURABLE MR. A. DEC. WILLIAMS: There is no further alternative in the matter. It is impossible, as I have already said, on this limited Resolution, to go into the suitability of the comparatively elementary training which they are receiving, and I do not think it is fair of Honourable Members opposite to expect me to come prepared with materials about the Shea Committee and other Committees. This is a strictly specific point and as I have endeavoured to show it asks for an impossibility at an impossible time.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"This Council recommends to the Governor General in Council to take early steps for mechanizing units of the University Training Corps."

Question put and Motion negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): Mr. President, with your permission I would like to make a statement regarding the business of the House. Thursday has already been allotted for the discussion of non-official Resolutions and with your permission, Sir, and with the concurrence of the House, it is our intention to take up next Friday, that is to say, on November the 22nd, the official Bills which have been laid on the table today.

The Council then adjourned till Eleven of the Clock on Thursday, the 21st November, 1940.

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COUNCIL OF STATE.

Wednesday, 20th November, 1940.

ADDRESS BY HIS EXCELLENCY THE VICEROY TO THE MEMBERS OF THE CENTRAL LEGISLATURE.

HIS EXCELLENCY THE VICEROY: Gentlemen,—I am very glad to meet you all again today.

The fourteen months that have elapsed since I last addressed you has been a period of great events, events of profound significance both in their immediate effect and in their ultimate reaction on the fortunes of civilization and the history of the world. I warned you in September 1939 that we should be ill-advised if we thought that victory was easily achieved or that the course of the conflict would be free from reverses to our arms. I expressed at the same time complete and entire confidence in the outcome of the war. I emphasized how vitally important it was to India, the Empire, and to the world's civilization that that outcome should be satisfactory, and I added that I felt certain beyond any question that the response which India would make in a conflict for ideals so dear to her would be one of the utmost value and importance, and one worthy of her traditions and her ancient name.

When I spoke to you we could none of us have foreseen that fourteen months later the Empire would be bearing single-handed a burden so heavy as it bears today; that of its allies at the beginning of the war Poland and France would have been overrun and conquered; that unprovoked Nazi aggression would have added to its victims Norway, Denmark, Holland and Belgium; and that Italy would have made an equally unprovoked attack on the gallant people of Greece, whose superb resistance commands our admiration today. But we should have been well content fourteen months ago had we, with any foreknowledge of the events which have happened, of the vastly increased burden placed upon the Empire, of the intensification of the most ruthless and unprincipled forms of attack on human life and human property by air and sea, of the singular disregard with which our enemies have continued to treat international obligations and treaties so long as they could derive a temporary advantage in doing so, had we, I say, been enabled to foresee, too, the valour and the success of the resistance offered. The work of the armed forces of the Crown by sea, by land, in the air, in every theatre of war; whether they are drawn from India, from the Dominions and Colonies, or from the Home country, is such as to fill us with pride, with thankfulness, and with confidence for the future.

While the war lasts, its implications, its consequences, are such that it can never for a moment be out of our minds, that in everything that we do it must always be present to us. But I do not propose today, nor would this be the place, to enlarge in this speech on the detail of India's war effort, on the splendid work which Indian troops have done and are doing in the fighting line, or on the magnificent achievements of India, whether British India or the Indian States, in the provision of men, of money, of materials. No praise could be too warm for that achievement. It is one that has struck the imagination of the world, one for which the whole Empire is I know deeply grateful. And, substantial as that achievement already is, no pains are being spared to enable India to give still further effect, in all the ways I have mentioned,

[H. E. the Viceroy.]

and with as little delay as may be, to the universal desire in this country to help the Allies and to see the triumph of the ideals for which they are fighting. The confident hope that I expressed a year ago that India would live up to her highest traditions have been fulfilled in the highest degree. You may be confident, Gentlemen, that in this vital matter I and my Government are fully alive to the importance not only of responding to India's desire to help, but of making her in the matter of defence as self-sufficient as possible; and to the necessity of bringing her defensive equipment to the highest practicable pitch of adequacy and efficiency.

I said, Gentlemen, that the war must be continually in our thoughts and must be related to everything we do. Of the matters on which I shall touch in the remainder of my speech, the great bulk arise out of, or have some connection with, war activities or the war situation. There are one or two which I shall also mention, which are not so directly connected. But in their case the interest taken in them by the general public is sufficiently great to justify me in making a reference which I should not otherwise have made.

It was with much regret that I learned of the refusal of the Legislative Assembly to take into consideration the Finance Bill designed to facilitate the financing of India's war effort. It will, I think, be very generally appreciated that it would be impossible for me to acquiesce in the decision of the Assembly, and I have made a recommendation which will be placed before the Assembly this afternoon.

The work of the Department of Supply, which as you will remember was established shortly before the outbreak of the war, has been of great value in connection with India's war effort; and I should like to pay a tribute to the importance of this work, and to the work of the Ordnance factories (which were not until recently brought under the Department). I should like to associate with that tribute the business community in this country, whether Indian or British. At a time of considerable strain the Department has had the most valuable assistance from business firms, and I am glad to think that that friendly collaboration and patriotic assistance, so readily given, has led to some remarkable results. In the field of munitions, the Ordnance factories since the beginning of the war have been able to export to His Majesty's Government about one hundred million rounds of small arms ammunition and nearly four hundred thousand rounds of gun ammunition. On the stores side, Indian industry has made contributions on the largest scale to the war effort in the shape of engineering stores, jute goods, and many other manufactured products. I and my Government have been at pains to endeavour to secure that such changes should be made in the organisation of the Department as practical working showed likely to produce still better results. You may be confident that the lessons of experience will not be lost upon us, and that such further modification of the supply organisation as experience may dictate will be made without hesitation or delay. As I speak today, indeed, further changes in the Supply Department are in view, designed further to speed up work, and to ensure that the organisation as a whole is as compact, and as economically run, as is consistent with the magnitude and the character of the operations which fall to be performed.

It was with the greatest satisfaction that I recently welcomed to India the Members of the Eastern Group Conference, and the Mission from the Ministry of Supply headed by Sir Alexander Roger. Much as may have been done, much still remains to be done if India is to make her full contribution to the war effort; and the importance, whether to India or to the Empire as a whole, of the labours of the bodies to which I have just referred cannot be

over-estimated. I should like to take the opportunity to express our deep gratitude to the non-official Advisers from India who have, with such public spirit, placed their services at the disposal of these bodies.

The need for harnessing India's economic resources to the task of making her a great centre for supplying the requirements of the military forces engaged in the war must take first place in our attention. But the Government of India are in no way blind to the pressing problems that war conditions have brought to Indian trade and industry. The dislocation of our export trade by the cutting off of nearly all European markets has been receiving the closest attention not only of my Government but of the Export Advisory Council, in the hope of dealing with the problem of surplus production and of reducing the size of any surplus by finding new outlets for our products and manufactures. This last attempt is being pursued in various ways, of which mention may be made, in particular, of the exploratory mission of Dr. Gregory and Sir David Meek to America, and of the decision to increase the number of our Trade Commissioners in continents other than Europe, beginning with Australia. On the other side of the picture, the cutting off of many supplies which normally came from abroad has created many gaps, not only in India itself, but also in neighbouring countries, which Indian industry can hope to fill. I am glad to note that business and industrial interests in the country have not been slow to undertake enterprises designed to fill these gaps, while my Government have done their best to mobilise technical skill for their assistance by setting up the Board of Industrial and Scientific Research, which, through its numerous Sub-Committees and in collaboration with the Director of Research, has already produced valuable results.

The war has thrown a considerably increased burden upon the Provincial police forces, for, apart from their normal responsibility for law and order, they now are under obligation to undertake the safeguarding of places of vital importance to the internal defence of the country, such as power plants, major installations, and a number of protected places, in addition to affording an enhanced degree of protection to railways, and to watch and ward against sabotage. That burden has been materially eased by the establishment in all Provinces of the Civic Guard, and by the assistance given by that body in maintaining internal security. The response to the call for volunteers has been most encouraging. The Civic Guard has on many occasions already given practical proof of its usefulness and efficiency, and I am confident that it will, as its training progresses, play a most valuable and important part in India's war effort.

Though immediate danger to India from enemy air raids may not be apparent at the moment, he would be a wise man who could accurately foretell the development of the war, and we must be prepared for all eventualities. For this reason Air Raid Precautions in India have been initiated in a manner designed to form a solid basis on which further expansion can take place. Close liaison exists on this most important matter between the Central Government and the Provinces; and its expert advice, and substantial grants-in-aid, have been placed at their disposal. Good progress has been achieved in the past year, a progress made possible by the willing co-operation and voluntary effort of the people of India. There is however still much to be done, and I need not remind you, Gentlemen, of the value of the help which you can individually give to stimulate interest and co-operation on the part of the public and of local bodies in the areas from which you come.

Since the last meeting of the Legislature, compulsory national service has been introduced in India for European British subjects. For the smooth

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working of the machinery for enrolment I gratefully acknowledge the work of the National Service Advisory Committees—all of it voluntary; and the spirit of willing service has been evident on every hand. The European community in India have yielded to none in the enthusiasm and self-sacrifice which they have shown in the common cause.

In the treatment of enemy aliens the policy of my Government has been guided by the desire not to disorganise the good work of missionary institutions, and to avoid imposing unnecessary hardship on innocent and harmless people. Although, as a result of events in Europe last summer, reinternment, or restriction to parole control, was necessary for most of those who had earlier been released on the recommendation of a special Committee, the case of some priests and missionaries, of certain Jews of enemy nationality, and of other enemy aliens who can show that they have consistently and publicly opposed the Nazi or Fascist régime, is receiving special consideration.

The outbreak of war found many Indian students in the United Kingdom. Arrangements were promptly made through the High Commissioner in London to repatriate those desiring to return to India, and to maintain a register of those who preferred to continue their studies overseas. To both categories the High Commissioner was authorised to make financial advances where necessary. In the case of students returning to India the Universities have all, I am glad to say, agreed that the period already spent at a British University should be recognised for the purpose of enabling them to complete their degree courses in India. Special arrangements have also been made, under the general control of the Chief Justice of India, for holding Bar Examinations in this country.

Realising as I do the importance attached by the Muslim community to the performance of the sacred duty of pilgrimage to Mecca, I am happy that, in spite of war-time difficulties, it has been possible to arrange shipping facilities,—at Calcutta, this year, as well as at Bombay and Karachi,—and, with the collaboration of His Majesty's Government, to prevent fares for the sea passage soaring beyond the reach of the classes from whom the pilgrims are mainly drawn. Indeed, I understand that, thanks to a substantial reduction in charges announced by the Saudi Arabian Government, and to our being prepared, even in war time, to permit the taking of gold sovereigns out of India by the pilgrims, to enable them to overcome exchange difficulties in the Hedjaz, the minimum cost to the pilgrim will be substantially lower than it would otherwise have been. In fact it will be lower this year than last.

The greatly increased burden which has fallen on the Government of India in connection with war preparation and war work has inevitably necessitated some expansion of staff and some additional expenditure. It would clearly be a shortsighted policy to reject expenditure which, on a broad view, would assist in the mobilization of the economic resources of the country and further the successful prosecution of the war. But I would take this opportunity to say that I am fully alive to the vital importance of economy in the civil administration, and of eliminating all forms of avoidable expenditure at a time when we have no choice but to spend large sums of money on defence and to augment the revenues of the Government by additional taxation.

In spite of their immediate pre-occupation with questions arising out of the war my Government continue to keep a vigilant watch on the interests of Indians overseas. In the Union of South Africa, the Broome Commission, which was appointed in May last to enquire into alleged penetration of Indians into predominantly European areas in Natal and Transvaal, commenced its labours last month. The ban on the assisted emigration of unskilled labour

to Malaya continues while questions of the wages of Indian labourers and of the status of the Indian community are still under discussion with the Malayan Governments. In regard to Burma, my Government are awaiting the results of Mr. Baxter's enquiry into the facts concerning Indian immigration into that country, and they are also watching with close attention the course of certain recent legislation which may directly affect the Indian community. An experienced officer was sent to Mauritius to ascertain recent developments in that Colony, so far as they affect Indians. I regret that the recent conversations between my Government and the representatives of the Government of Ceylon should not have had more satisfactory results.

In the field of foreign affairs, my Government's relations with Nepal continue to be most cordial. The friendly attitude of His Highness the Prime Minister of Nepal and of his Government is evident from His Highness' offer of two Brigades of Nepalese troops for the defence of India and from the generous donations of money made by His Highness and the members of his family. This attitude of ready and friendly co-operation is greatly appreciated by the Government of India.

His Holiness the thirteenth Dalai Lama died in 1933, and his incarnation was discovered towards the end of 1939. The installation ceremony of His Holiness the new Dalai Lama took place in February last. A mission headed by Mr. B. J. Gould, who is responsible for the Government of India's relations with our friendly neighbour, Tibet, was deputed to Lhasa to attend the ceremony on behalf of His Majesty's Government and the Government of India.

In October I and my Government had the pleasure of welcoming to India a Mission of Goodwill from Thailand. The Mission were the guests of the Government of India. During their visit they were able to make wide contacts and to cover much ground. On their return to Thailand they took with them precious Buddhist relics from Taxila presented to the Thai Government by the Government of India, who also arranged, at the request of the Mission, for earth from certain sacred Buddhist places in India to be placed on the aeroplane on which they returned to Bangkok. I am confident that the visit of this Mission will help to cement still further the bonds which already exist between India and Thailand.

From China we are glad to welcome Dr. Tai Chi Tao, an eminent Buddhist scholar, and Chairman of the China Public Service Commission.

His Excellency the Governor of the French Establishments in India issued an announcement in September last identifying French India with the cause of free France.

It gives me great satisfaction to be able to inform the House that the relations between India and Afghanistan continue to rest on a firm and friendly basis, and that there are signs that the bonds between our two countries are being drawn even closer in the cultural and commercial fields. I am glad, too, to say that in spite of the disturbance of men's minds by a period of war and intensive rumour the Frontier tribes have on the whole remained remarkably steady. The whole tribal belt from Chitral to the sea has been entirely quiet save in Waziristan, and there are many signs that the tribesmen are in sympathy with the democratic front. And in Waziristan, largely as the result of measures undertaken to control portions of tribal territory which had served as harbourage for the collection of gangs, a better spirit prevails, and the peace of the Districts of the North-West Frontier has recently been less disturbed than at any time during the last few years.

Since I last addressed you Labour in India has not been without its problems; but I am happy to say that owing to the good sense of all concerned there has been no major dislocation of work since the war began, and I believe

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that Indian labour will continue its substantial contribution to the war effort. When disputes have arisen, the influence of my Government has always been thrown in favour of adjustment and conciliation rather than dictation. Complaints of inadequate wages in the circumstances of the war situation have always received careful and anxious consideration: an examination has already been made of the cost of living in the coal-fields and an enquiry has also been instituted into the claim of railway labour for a dearness allowance.

My Government has taken steps to obtain skilled labour for those industries which are engaged on war production, ensuring at the same time that the interests of the artisan are safeguarded. Under the Technical Training Scheme, in the operation of which I have to acknowledge the willing assistance of Provincial Governments, we have planned not only to meet the immediate needs of the war effort, but by providing well-equipped and competently staffed institutions for training thousands of our young men to be skilled technicians, we have kept in view the needs, when peace is at last restored, of India's expanding industries.

Let me turn now to the constitutional field. I will not detain you with any detailed recapitulation of the discussions with political parties that have taken place since the outbreak of war. As you know I have had discussions at various times with all the leading political figures in this country, and with representatives of all major parties and communities; and I can, I think, claim to have spared no effort to bring the parties together, and to reach an accommodation in the constitutional field which would be generally acceptable. It is a matter of profound disappointment to me that those endeavours should not have been more successful than they have been, and that the differences which have stood in the way of that constitutional advance which His Majesty's Government have been so anxious to see should still persist. The latest and the most important of the endeavours made by His Majesty's Government is represented by the statement which I was authorised to issue three months ago.

On August the 8th I published a statement on behalf of His Majesty's Government. That statement reaffirmed the attainment by India of free and equal partnership in the British Commonwealth as the proclaimed and accepted goal of the Imperial Crown and of the British Parliament. In order to remove all doubt as to the intentions of His Majesty's Government as to the method and time of progress towards that goal, it declared the sympathy of His Majesty's Government with the desire that the responsibility for framing the future constitutional scheme of Indian self-Government should—subject to due fulfilment of the obligations which Great Britain's long connection with India has imposed on her—be primarily the responsibility of Indians themselves, and should originate from Indian conceptions of the social, economic and political structure of Indian life. At the same time it emphasised the concern of His Majesty's Government that full weight should be given to the views of the minorities in the framing of that scheme, and it made it clear that His Majesty's Government could not contemplate the transfer of their present responsibilities for the peace and welfare of India to any system of government whose authority was directly denied by large and powerful elements in India's national life. The method by which these two indispensably linked objects were to be secured was the setting up, on the basis of friendly agreement, of a body representative of all the principal elements in India's national life to devise the framework of the new constitution. This body was to be set up immediately after the war, but His Majesty's Government expressed their desire to welcome and promote in the meantime every sincere and practical

step taken by Indians themselves that could prepare the way for agreement upon its form and procedure, as well as upon the principles and outlines of the constitution itself. Meanwhile, in order to associate Indian public opinion more closely with the Government of India at the Centre, and in the hope of promoting the unity of India by the creation of new bonds of understanding through practical and responsible co-operation in the task of governing India and directing the Indian war effort, I was authorised to invite Indian political leaders to join my Executive Council, as well as to establish a War Advisory Council containing representatives of the Indian States and of other interests in the national life of India as a whole.

Outside India these proposals, both in their immediate and in their larger ultimate aspects, have been welcomed as liberal in conception, and as representing the best practical solution of existing differences. In India itself, too, they have met with the support of a large body of opinion: in their more immediate aspect, however, namely, the expansion of my Executive Council, I have not secured the response that was hoped from political leaders in India. The reasons for which they have been unable to accept the proposals of His Majesty's Government are conflicting, and, indeed, in some ways mutually destructive. However that may be, the effect is that the major political parties concerned are not in present circumstances prepared to take advantage of the opportunity offered to them.

His Majesty's Government note this conclusion with sincere regret. The proposals in question would place real power and real responsibility in Indian hands. Their acceptance would afford the most hopeful contribution which Indian political leaders could make at this critical time towards the preservation of Indian unity, and towards an agreed constitutional settlement for the future. His Majesty's Government do not propose to withdraw them, and are still prepared to give effect to them as soon as they are convinced that a sufficient degree of representative support is forthcoming. But as that degree of support has evidently not yet manifested itself, His Majesty's Government have decided that I should not be justified in proceeding with the expansion of my Executive Council, or the establishment of the War Advisory Council, at the present moment.

Gentlemen, I do not wish to conceal from you the deep disappointment which I feel at this failure to secure, within the frame-work of the constitution, due expression of that ultimate and essential unity in which the hopes and the labours of so many of us have been founded, and upon which must depend the future position and influence of India in time to come. Nevertheless I would counsel you not to be cast down by the immediate difficulties that beset the path of political advance in this great country. For, indeed, stress of war may well in the end come to strengthen and extend that very process of unification, and to hasten the achievement of those constitutional changes implicit in self-government with unity, which at this moment it appears to obstruct. Meanwhile in the circumstances of the world today the duty of my Government is clear. It is to press forward with all speed and in every field of activity those preparations upon which rests the capacity of this country to wage war with ever-growing strength and successfully to overcome the hazards that confront her. Many things may happen before I address you again; but whatever the trials and anxieties that lie before us, however sharp the tests to which we may be subjected, we may have faith in the capacity of India to continue to play a glorious part in this righteous war against the forces of darkness and oppression. With all faith and confidence in your resolution and affection, I invite you and all men and women of goodwill throughout this land to support in this critical hour, with all strength of body and spirit, the cause of India and the Empire.

COUNCIL OF STATE.

Thursday, 21st November, 1940.

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

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT : I have to deliver to you two Messages from His Excellency the Governor General. The first Message runs thus :—

“ WHEREAS the Legislative Assembly has by its vote of the 20th November, 1940, refused leave to introduce a Bill entitled a Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies ;

NOW, THEREFORE, I, Victor Alexander John, Marquess of Linlithgow, in pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, do hereby certify that the said Bill is essential for the interests of British India.”

LINLITHGOW,

NEW DELHI ;

Viceroy and Governor General.

The 21st November, 1940.

The second Message runs thus :—

“ In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Victor Alexander John, Marquess of Linlithgow, do recommend to the Council of State that it do pass the Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies, in the form hereto annexed.”

LINLITHGOW,

NEW DELHI ;

Viceroy and Governor General.

The 21st November, 1940.

INDIAN FINANCE (No. 2) BILL.

SECRETARY OF THE COUNCIL : Sir, in pursuance of the provisions of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I lay on the table a copy of the Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies, leave to introduce which in the form recommended by the Governor General was refused by the Legislative Assembly at its meeting of the 20th November, 1940 : the said Bill having been certified under the provisions of the same section by the Governor General as essential for the interests of British India.

THE HONOURABLE MR. P. N. SAPRU : On which day are we taking up this Bill ?

THE HONOURABLE THE PRESIDENT : The Honourable the Leader of the House will inform you presently.

(The Honourable Mr. Hossain Imam was not present to move his Resolution.)

INDIAN LIMITATION (AMENDMENT) BILL.

THE HONOURABLE MR. CHIDAMBARAM CHETTIYAR (Madras : Non-Muhammadan) : Sir, I beg for leave to introduce :

" A Bill to amend the Indian Limitation Act, IX of 1908 "

The Motion was adopted.

THE HONOURABLE MR. CHIDAMBARAM CHETTIYAR : Sir, I beg to introduce the Bill.

RESOLUTION *RE* CONSTRUCTION OF AIRCRAFT AND AUTOMOBILES.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, I beg to move :

" That this Council recommends to the Governor-General in Council to take immediate steps to provide for the construction of aircraft and automobiles in India."

Sir, the importance of the subject that I am venturing to discuss today need not be dilated upon. The manufacture of aircraft and automobiles in this country has been necessary both from the military and commercial point of view for a long time ; but the present war has shown to us that the problem is an urgent one. We must deal with it as early as possible if India is expected either to defend herself or to help in the defence of the Empire. The experience of the last twelve months has shown us that modern armies are totally unable to perform their duties unless supplied with weapons with which first class armies are armed, and one of the things that is urgently needed by all armies is the air arm. The countries that were weak in this respect have had to pay dearly for their neglect in this matter. I am aware, Sir, that even if Government accept my Resolution it will be some time before India is able to manufacture aeroplanes. But we must make a beginning immediately. There will then be some hope that we shall in the course of a few years be able to produce what is required for our defence and for the help of those who are associated with us ; but if the present state of things continues India will forever remain in an absolutely helpless condition and a prey to the first invader who could reach its shores.

Sir, I am emboldened to suggest the manufacture of aeroplanes even at this time because of the progress that has been made by Canada and Australia during the last twelve months. Neither of these countries was known for the manufacture of aircraft before the war, but both of them are playing an important part in respect of it, because of the help extended to them by His Majesty's Government. An R. A. F. mission composed of senior officers and officers belonging to the Air Ministry went to Australia, I believe, towards the end of last year in order to discuss plans with the Australian Government for

the manufacture of the latest types of military aircraft in the Australian factories. The Federal Government two or three years earlier had established a company under a scheme devised by them to create an aircraft industry which would render the Dominion independent of outside supplies. Apart from this, Sir, I understand from the organ of the Royal Institute of International Affairs that in 1939 His Majesty's Government entered into an agreement with the Australian Government whereby a capital of £10 million was provided for the manufacture of aircraft required of course principally for the needs of Great Britain. In Canada, too, His Majesty's Government made systematic efforts immediately after the outbreak of the war to arrange for the manufacture of aeroplanes. Canada was in a more advanced position in this respect than Australia, but I think I am right in saying that even so but for the assistance given by His Majesty's Government Canada would not have been able to make the progress that it has done during the last twelve months. Now these two examples should suffice to show what can be done in this country provided His Majesty's Government are prepared to render us the necessary help.

Sir, the question of constructing aircraft in this country was, I believe, submitted to the Government in October, 1939. I am not fully aware of the course of the negotiations that took place then, but I understand that the scheme that was put forward then was rejected by the authorities. Since then further negotiations have taken place between the Government of India and the representative Indian capitalists. The question which requires consideration, I understand, is that the requirements of the factories that are set up should be supplied from England as early as possible, and that the despatch of the machinery and other things that are needed should be regarded as a part of the war effort. If this is done, then, I understand, it would be possible to manufacture aircraft here within eight or nine months of the receipt of the machinery. This is a matter, Sir, in which I know the Government of India are interested. I have good reasons for believing that His Excellency the Viceroy is himself keenly interested in it. The Finance Member has recently assured us that the proposal to which I have already referred has not been abandoned and that it was the Government's intention to proceed with it as soon as the necessary plant and material became available. This announcement, Sir, has proved useful in so far as it has shown to the country that the feeling generally entertained that the Government of India were hostile to the proposal for setting up an aeroplane factory in this country is not well founded. The question as to the speed with which action will be taken in order to make the construction of aeroplanes possible nevertheless remains. I know that in this matter the Government of India are entirely dependent on His Majesty's Government. I believe, as I have already said, that left to themselves they would be prepared to help the capitalists in this country to set up an efficient factory ; but it is obvious that they can secure both the necessary machinery and the skilled assistance that the factory would require only with the support of the British Government. That support, it is believed in this country, has not been forthcoming. Lord Beaverbrook, frankly speaking, is not friendly to the project that has been put forward. He naturally thinks of the demands of England. Considering the position with which England is faced in Europe, Lord Beaverbrook's solicitude for Britain's need is perfectly intelligible and natural, but the British authorities, who see clearly the importance of India as a base of supply in the East, may, I venture to think, be expected to take longer views than they have done up to the present time. I speak with considerable hesitation on this point but, if India which is being appealed to daily by the British Government for help is to be able to play an effective part in the prosecution of the war, it is obvious that she should be prepared both for self-defence and for the defence of the Empire. I make no

[Pandit Hirday Nath Kunzru.]

apology for referring to her own defence, for so long as India is associated with the British Empire its defence must necessarily form a vital part of British interests. Now, this purpose can be achieved only when we have a national army—that is an army consisting of Indian soldiers and Indian officers and supplied with munitions and weapons of all kinds manufactured in this country. Till recently the production of the necessary war material was regarded as a question primarily of Indian interest—that is, one that interested the Indian nationalists. But the war has made it clear that it is no longer a political question. It has shown that it is a question of great urgency which England and India must combine together to solve at the earliest possible moment. Sir, lest I should be accused of putting forward a view which ignores the difficulties of Great Britain, I will venture, contrary to my habit, to read an extract from an article that appeared—

THE HONOURABLE THE PRESIDENT : Was it in a paper ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Yes, Sir.

THE HONOURABLE THE PRESIDENT : I am sorry I cannot allow it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It expresses its own view.

THE HONOURABLE THE PRESIDENT : You can express that view but don't read it out.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It doesn't quote any facts at all. I was going, Sir, to read an extract from an article written by a British paper on this subject but in view of what you have said, Sir, I shall merely paraphrase what this paper has written. The paper that I am referring to is the *Statesman*. The support that it has given to us on the question of the nationalization of the Indian forces is known to the whole country. It is the only British newspaper in India that has looked at the question from a national point of view and has consistently urged on the British Government the need for taking a long view by securing the co-operation of the Indian people and making India strong both from her own and from the British point of view. Now, this paper states that it is believed that the Ministry of Aircraft Production was a stubborn obstacle to the manufacture of aircraft in India. This fully bears out the suspicion entertained in this country. I only venture to hope, Sir, in view of the danger in which we are involved and the danger which increases daily as new developments occur in the south-east of Europe that His Majesty's Government will look at the question from a new point of view and allow India to manufacture the aircraft required by her both for her own purposes and for those of the British Government.

Sir, the position today is this. We are exceedingly weak from the point of view of defence and, should Britain fail to defeat the totalitarian powers, we shall be left absolutely defenceless. We have been asked to be grateful to England for the Pax Britannica so long, but the manner in which law and order have been maintained in this country has reduced us to a position of absolute helplessness. The situation is such that, if the British Government were to get out of this country, we would have to accept the domination of the first powerful nation that can reach our shores. Is this situation compatible with the good

name and self-respect of England or compatible with the security and self-respect of India ? We have purchased law and order too dearly. The time has come when we must be more energetic and the British Government must take a more dynamic view of their responsibilities than they have done up to the present time. If they do so, they will certainly get that enthusiastic help from the Indian people which they have been unable to get so far notwithstanding all their propaganda.

Before I pass on, Sir, from this subject, I should like to ask what has been the result of the deputation of Mr. Tymms to the United States of America. Mr. Tymms, I believe, has come back to this country but I do not know to what extent his mission, which was supposed to be in connection with the purchase of aircraft in the U. S. A., has been successful. Has he been able to obtain the co-operation of the U. S. A. or has Lord Beaverbrook's Ministry stood in our way even there ? I hope that the spokesman of the Government today will give us information on this question and be able to assure us that with the support of the U. S. A. we shall soon be in a position to set up a factory for the manufacture of aircraft.

Sir, I may well be asked before I leave this question as to what would happen to the aircraft factory after the war when it would not be possible to employ it to the full extent of its capacity. I can only say, Sir, that it could be used as, for instance, motor car factories in France are used, for the manufacture of armaments and munitions in general. But apart from this fact, I think the assurances given by the Honourable the Commerce Member in regard to industries started in connection with the fulfilment of war needs will apply to the aeroplane factory also. He made the announcement in the Assembly on the 12th March last that—

"in case we in any form encouraged the development of industries for our war needs, we shall make it clear that at the end of the war, those entrepreneurs who had come to the assistance of the State and had developed such industries would not be left high and dry to take care of themselves."

and I naturally hope that this assurance would be put into effect by Government in regard to aircraft manufacture also. What is the time still at my disposal, Sir ?

THE HONOURABLE THE PRESIDENT : Five minutes.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It is difficult, Sir, to deal with the question of the construction of automobiles in five minutes, but I know that I am myself to blame for the short time that I have at my disposal.

Sir, the question of the construction of automobiles in this country was first mooted in 1936, but I gather from a pamphlet published by Sir M. Viswesvarayya of which I hold a copy in my hands that the Government of India declined to extend any help in this connection on two grounds. They were not prepared to depart from the recommendations of the Fiscal Commission which, among other things, laid down that help was to be given only to an infant industry. As the motor industry had not been started, it could not be regarded as an infant industry and the Government of India, therefore, I understand, declined to help it. This illustration shows, Sir, how defective the recommendations of the Fiscal Commission have proved to be and how necessary it is in the altered circumstances of the world and this country to revise them suitably as early as possible. The Government of India also declined to commit themselves beforehand, that is, before the factory was

[Pandit Hirday Nath Kunzru.]

actually established, to purchase from it a part of its products for Government use. Government were asked for assistance in two forms, namely, in respect of tariff duties and the purchase of the automobiles constructed by the company that was formed. But the Government of India replied in the negative to both these requests. The Bombay Government, however, proved more helpful, and the Honourable Mr. B. G. Kher, Prime Minister to the late Government, wrote a letter to Sir M. Viswesvarayya offering provisionally, and subject to certain stated conditions, a guarantee of 3 to 8½ per cent. interest on a capital issue of Rs. 150 lakhs for a period of ten years. The scheme could not be completed before the Congress Government went out of office. But the project has again been placed before the Government of India and their help has been requested. What their attitude at the present time is I do not know. But I hope at least now, because my Honourable friend Sir Ramaswami Mudaliar is Commerce Member, their attitude will be more favourable than it was four years ago. The people who are behind the proposal for the construction of motor vehicles have been able to secure the assistance of two first class companies, the Chrysler Corporation of the U. S. A. and the British Motor Car Company of England. It will thus be seen that they will be in a position to manufacture both low power and medium power cars efficiently in this country. The question, therefore, which arises is this. Can the Government of India legitimately afford the promoters of the project that I have dealt with the assistance that they asked for four years ago? In view of the fact that they have been able to secure the help of well established motor manufacturers, there need be no fear that the vehicles produced in this country will not be of a thoroughly up-to-date pattern. The war moreover has shown the necessity of enabling this country to manufacture motor cars. Every country today is making use of tariffs in order to help its motor industry. The U. S. A. and England appear to be an exception to the rule. But then, the U. S. A. industry has established itself. Before it had established itself it was helped to a considerable extent by the State. In England no direct assistance is given by Government. But apart from the ordinary revenue import duties, the local taxation that is levied on cars registered in England is such as to promote the manufacture of low power cars which are produced on a large scale in that country. Besides this, Sir, Italy, France, and Germany, all help their motor car industry. Canada too, I understand, imposes a heavy duty on foreign cars. I do not know what the situation at the present time is. But, about 15 years ago, the tariff duty together with all the imposts that had to be paid on the importation of cars amounted to about 59 per cent. of the original value of the car. Italy, I understand from Sir M. Viswesvarayya and from some other sources too, imposes a duty of 80 per cent. on foreign cars. I see no reason, therefore, why the Government of India should not be willing to help the construction of motor vehicles in this country, especially as the question is one of national interest. The question of the purchase of motor vehicles from the company concerned is not free from difficulty, and the military authorities may, at this time, well hesitate to buy a vehicle of a new kind. But, in view of the fact that the Indian company has been able to obtain expert assistance, I think that the military authorities may feel reasonably sure that their requirements will be properly met by the vehicles manufactured in this country.

Sir, I have tried to obtain correct and up-to-date information on this question as far as I could. I have not depended entirely on the information that I have received from the promoters of the project that I have dealt with.

I have in this matter obtained the assistance of the Commerce Department of the Government of India also, and have had to consult books which bear on the subject. I find, roughly speaking, that the information that is available independently of that supplied in the pamphlet to which I referred a little while ago bears out the accuracy of the statements made in it. I do not know what exactly the position of the Government of India is in respect of it, but I shall be surprised if my Honourable friend Sir Ramaswami Mudaliar, who has taken a very keen and persistent interest in the development of Indian industries, is unable to give us a hopeful answer to-day.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I wish to move an amendment to this Resolution.

THE HONOURABLE THE PRESIDENT : I have no objection although you have not given proper notice.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I move :

"That at the end of this Resolution the words 'in national workshops' be added."

Mr. President, the Honourable Mr. Kunzru has stated the case for the establishment of this industry in a very lucid and forceful manner. I think even the Government will agree that the establishment of these industries is essential for the safety and preservation of the integrity of the Indian Empire. The only difference between me and my Honourable friend is that he leaves the matter free as to whether it should be by private enterprise or by State management. I on the other hand insist on having State control. When it is considered that the purchaser of the aircraft will be only the State, it can very well be realized that it would be a better economic proposition to manufacture it ourselves rather than leave it to others—

THE HONOURABLE MR. R. H. PARKER : Not necessarily.

THE HONOURABLE THE PRESIDENT : Are the national workshops ready?

THE HONOURABLE MR. HOSSAIN IMAM : Neither is the company workshop ready. They are all in the same boat.

THE HONOURABLE THE PRESIDENT : Pandit Kunzru's Resolution is to start this work immediately.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What I have said is "to provide for the construction", that is, to take such steps as might result in the manufacture both of planes and motor cars at the earliest practicable time.

THE HONOURABLE THE PRESIDENT : Your wording is "to take immediate steps".

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : "To provide for the construction". It is obvious that the construction of factories will take some time.

THE HONOURABLE MR. HOSSAIN IMAM: After all is said and done, no manufacture can be started in India without the active support and co-operation of the Government today, because you cannot get shipping space, you cannot get foreign exchange for the purchase of machinery without the co-operation and support of the Government. My point was that, as long ago as 1921 the League of Nations decided that armaments should be manufactured only in State factories. All the signatories to the League Conventions have not honoured that Resolution, but still one of the members, France, decided to have national factories for the manufacture of armaments. Aircraft no doubt are required for civil purposes as well, but at the moment our concern is more with the military aircraft, fighters and bombers than for civil purposes. The reason why this Resolution is being moved today is that we need to be self-sufficient in the matter of air protection.

As regards automobiles, in the ordinary course of business it was really a legitimate field for private enterprise, because here the civil demand far exceeds the possible military demand, but at the moment the tables have been turned, it is the military demand which predominates. I think very few people are aware that our Defence Department have spent something like Rs. 12 crores on the purchase of automobiles. If this money had been spent in India it would have given a fillip to the industry which would have now been on its legs with a great deal of ability to face dangers. And the programme of expansion as has been envisaged contemplates the purchase of a further Rs. 15 crores worth of motor vehicles. If all this amount of money is to be spent on the purchase of a commodity, I suggest that it is a better proposition to manufacture it ourselves. The invariable reply that we receive from the Government whenever we ask them for action is that inaction is the better policy because it allows the thing to be done quickly. But when we ask them to do the things early enough, they face us with the fact, where is the market? This suggestion that we should manufacture our own automobiles and aircraft was made by me as far back as April last, when we had the honour of listening to General Molesworth. Then the British Government was not in the difficulties in which it is at present. The Red Sea and the Mediterranean were then open; Italy had not then gone over to the Axis and France had not fallen; Norway, Belgium, Holland and Denmark were still independent countries. Then it was time for the British Government for inaction; and now when they are purchasing all these things, these automobiles, they say they are in a hurry to buy. I venture to differ from them. The military authorities, if they want motor buses and trucks, can requisition from the Indian people. There are enough motor buses and trucks in the country which could be utilized in case of war if it is started. God forbid, in the immediate future.

THE HONOURABLE SIR RAMASWAMI MUDALIAR: Am I to understand from the Honourable Member that he has no objection to requisitioning civil motor cars and buses if required for military purposes?

THE HONOURABLE MR. HOSSAIN IMAM: If immediately required, Sir.

THE HONOURABLE SIR RAMASWAMI MUDALIAR: I do not know what the Honourable Member means by 'immediately required'. After the requisitioning there is a certain time which must be spent necessarily in fitting them out for the particular military need. You cannot simply take a bus off the road and make use of it for the particular military purpose.

THE HONOURABLE MR. HOSSAIN IMAM: Sir Ramaswami has made a very pertinent question that there will be some time lag between its acquisition and its usefulness, but my reply to that is that we were carrying on business with 5,000 motor vehicles before the war started. At the moment we have got 32,000 motor vehicles. We have purchased 27,000 motor vehicles since the war started, and the programme at the moment is that we will buy a further batch of 28,000 motor vehicles. I was asking that the purchase of 28,000 motor vehicles might be postponed till we have started a factory of our own and that the 32,000 motor vehicles that we have at the moment should be sufficient automobiles to deal with any immediate danger. The number of troops that you have got is not more than that would be conveyed with 32,000 motor vehicles. Finally you will reach the figure—the minimum requirement—of 60,000 motor vehicles, which is the original estimate of the Defence Department. But sometimes I am afraid you place the cart before the horse. Before having the army you are anxious to have the motor vehicles fearing that the sea route to America might become dangerous as the Mediterranean route has become dangerous. Therefore you wish to put in all the motor vehicles on your soil before the danger arises. I appreciate that point, but I would venture to suggest that it is not likely to happen. If that happens, i.e., there is danger in the Pacific, then your point of having aircraft produced entirely in Australia will also go. You cannot have it both ways. If you cannot get motor cars from abroad then you have to establish an aircraft factory here. You must choose between the two. Either you say that you are able to maintain it free or you must come out and decide that you cannot maintain it. Therefore you must start an aircraft factory in India. There is no escape from it.

Now as regards aircraft, I have been strengthened in my demand by the statement made by the Honourable the Commerce Member which Pandit Kunzru read out, in which the Commerce Member has given the Assembly to understand that the Government will come to the rescue of those who develop war industries. Ultimately it is we the taxpayers who are to foot the bill; but when the question of profit comes it is the capitalist who must pocket it. That is indeed very strange that the loss be borne by the taxpayer and the profit is to go to the pockets of the capitalists. Profit and loss are the two inevitable things on which life is based. If you are not prepared to bear loss, why should I guarantee profit? It is of utmost importance that we must have aircraft factories in India because no one knows what will happen to the communications. In addition to that the space in ships required for the transport of the aircraft is a big item. For instance, in one ship you can bring 50 aircraft but that one ship might bring all the machinery for starting the manufactory and we might manufacture our own aircraft by starting our factory here. There can be no two opinions on the advisability of making India self-sufficient in the matter of aircraft production. As Pandit Kunzru has suggested, this factory will not be an absolute loss. It can be utilised for other purposes. If you consider a small amount of capital which is required in order to start a factory you will consider that it is a good investment. We have the instance of the locomotive industries. The Committee which reported to us said that a crore was required for machinery, buildings and everything whereby we could manufacture locomotives of the amount of Rs. 4 crores per annum. That was about the requirements of the Indian Railways. Government must have figures about the cost and I hope they will enlighten us on the issue as to what will be the cost of establishing an aircraft factory for giving a reasonable supply. But I venture to suggest that it will not be excessive or very high; it will not be an amount which cannot be found by the Government of India. The position is this that we are all agreed, at least the Government pays lip service, regarding the necessity of establishing an aircraft manufactory in India. If a

[Mr. Hossain Imam.]

small beginning is made to manufacture light armoured cars on imported chassis, as Mr. Dow pointed, I would ask them to go a step further to make chassis themselves. The automobile industry, if it is started in the Government workshops, will not be at a loss as, after the war, you can hand over your plant to private people even at a loss. It will not be a loss because by giving the plant at a cheaper price to the capitalists you will have lesser overhead charges, and in that way you will be helping the establishment of an automobile industry in India on a sound foundation.

Sir, I beg to move.

THE HONOURABLE THE PRESIDENT: Amendment to the Resolution moved:

"That at the end of the Resolution the words 'in national workshops' be added."

Debate will now proceed both on the Resolution and amendment simultaneously.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay: Non-Muhammadan): Sir, it is not necessary to make a lengthy speech in support of the Resolution moved by my Honourable friend Pandit Kunzru. The need for the construction of aircraft and automobiles in India must be a self-evident proposition to everyone, especially in war time. How these problems are viewed in a self-governing dominion would be obvious from a reference to Australia. The Australian Premier, Mr. Menzies, described his defence policy in the following terms on the eve of the last election:

"We are determined to do everything that we can to keep Australia safe from attack, invasion or conquest by the maximum development of sea, air and land power. Australia should not commit the mistake of France in depending on allies and friends for that 'cloud of aeroplanes' the lack of which was responsible for her collapse."

He wisely advocated a balanced organization depending for its supplies and equipment entirely on Australia's industry and her resources of raw materials. The Australian Premier, in describing the war burden laid on the people as one undreamed of before, put forward the following plea which I commend to the notice of the Government of India:

"In the very carrying of this burden", declared the Premier, "we are laying industrial foundations, opening up new resources, acquiring new skill and experience; and these things will, when the war is over, provide the essential conditions of a great era of Australian development. Our war needs are likely enough in many ways to provide our peace opportunity."

Sir, I make no apologies for drawing the attention of the House to the point of view of the head of a self-governing dominion. Can we honestly say in India that our Government is taking the same active interest in sponsoring a scheme for the production of aircraft in this country? Sir, there have lately appeared disquieting reports that Lord Beaverbrook and the Ministry of Aircraft Production in Britain are creating difficulties in the way of an Indian aircraft factory coming into existence. If this report is correct, I can only say that it is not only detrimental to India's interest but short-sighted even from Britain's own point of view. I can only hope that the Government of India will not allow foreign vested interests to hold up the progress of a scheme essential for our national safety.

Sir, I have heard ingenious arguments being put forward against India establishing an aircraft factory of her own. It has been suggested, for instance, that after the war the production of aircraft in more advanced countries will be on such a scale as to kill new factories such as the one under contemplation in

India. If there is any validity in this argument, Sir, I am confident that the Government of India will see to it that nothing comes in the way of the progress of so essential an industry after the war is over. There are many ways in which a Government can help: it can guarantee the purchase of a minimum number of planes, it can give bounties or subsidies until the factory is able to stand on its own legs. I earnestly hope, Sir, that the Government will be able to go beyond the negative statement of the Finance Member that proposals for the establishment of an aircraft factory have not been abandoned. Surely, Sir, this is not good enough. We want a positive assurance that the Government will do everything to expedite the plan so that India may be able to produce her own aircraft at the earliest moment.

The same considerations apply, Sir, to the production of automobiles in India. Here again may I cite the example of Australia? The Australian Government entered into an agreement with a local company, immediately after the outbreak of war; the agreement provided not only for the payment of bounties on the first 60,000 cars manufactured by the company, but also for substantial purchases by the Government, tariff concessions and measures intended to prevent unfair competition from foreign producers. We have already had details of a plan for the establishment of a factory to produce motor vehicles in this country. With the rapid mechanization of the Army in India I cannot believe that for many years to come there will be any difficulty in the way of the Government of India guaranteeing the purchase of large number of vehicles for the needs of the Defence Department.

I will only add, Sir, that both civil aviation and road transport are still in their infancy in this country. Even apart, therefore, from the paramount necessities of the war, India can well afford to have not one but many factories for the production of aircraft and automobiles to serve the needs of the civil population in peace time. I give my hearty support to this Resolution.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar: Non-Muhammadan): Mr. President, I give my wholehearted support to the Resolution brought forward by the Honourable Pandit Hriday Nath Kunzru. It is absurd that so late in the day, after so much experience about the war by different countries, one should have to make out a case for such a thing here in this House. The air arm is an essential part of modern defence forces, the deficiency of which is mainly responsible for the present predicament of Britain. The Indian Air Force of one squadron, to which three more squadrons are proposed to be added, will still remain a ludicrous force. India cannot look on this with equanimity, nor can she with comfort remain content with the hope that she will be able to buy planes when she needs them. India has no colonies that she can sell to buy them, nor is any other country in a position to execute orders when the crisis comes. There are two things that are principally required for the manufacture of aeroplanes or automobiles, viz., equipment and trained mechanics. These two difficulties can certainly be overcome if the help of Indians and Indian industrialists is sought in the right spirit. If, with the co-operation of Britain, Australia and Canada can manufacture these things, why cannot India? England wants India's help in the war, but truly speaking, Sir, we cannot follow what help she wants? Does she want only men and money and raw material, or does she want India to take her due share in the manufacture of war requirements? Does she or does she not want that India should start the manufacture of the principal arms of warfare and the vehicles of transport? If the attitude of Government on questions like these remain doubtful, India's co-operation cannot be wholehearted.

[Rai Bahadur Sri Narain Mahtha.]

The word "immediate" that appears in the Resolution seems to cause a scare. But, Sir, the most natural and necessary condition precedent to executing a work is to start it. If you never make a start, how can you ever expect to do it? We shall have to import the necessary trained staff from elsewhere to begin with but these must train Indian technicians to take their places.

How many years has Japan taken to become a world power? Certainly a lesser number of years than we have been under the British yoke. But time here and time in Japan has been used for different purposes. It is the outlook that counts; it is the attitude that counts. The attitude of the Government of India has been damnable—

THE HONOURABLE THE PRESIDENT: The word is not a parliamentary expression. Will you please withdraw it?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: Very well, Sir, I will replace it by the word "contemptible". The attitude of the Government of India has been contemptible in respect of defence and equipping the country and making it self-sufficient as far as possible in the matter of defence, and the consequences of not making India self-sufficient and war-minded is now going to be shared both by England and India together.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadian): Sir, loyal as he is to the British Empire, I am quite sure that the Honourable Mr. Dow will view this Resolution with sympathy, because its underlying object is to enable India to defend herself properly and to help actively in the prosecution of the war. Therefore, I do not see how he can take the line that Government used to take before. Sir, about two or three months ago, there were articles in some of the papers in England—I think one of them appeared in the *New Statesman* and I happen to have read it—I have not a copy of the *New Statesman* with me and even if I had I could not have quoted from it. So, I will just say what I remember of those articles. There appeared articles in the *New Statesman* and the purport of those articles was this. The old National Government—not the National Government which is now presided over by Mr. Churchill—was unwilling to utilise the Dominions for increased industrial effort because it was thinking of what will happen to British industry after the war. It was not placing the interests of the country first. It was placing the interests of a particular class first. Well, the present National Government has been more vigorous in the prosecution of the war and I think one of the directions in which it can show its vigour in the prosecution of the war is to make India self-sufficient. We, Indians, have to face the situation boldly and squarely. We have not only to think of the defence of the British Commonwealth; we have also to think of the defence of India. I wish, Sir, to pay a tribute to that great newspaper to which reference was made by Pandit Kunzru, the *Statesman*. Mr. Arthur Moore and the *Statesman* have been rendering a great service by drawing attention to the urgency of the question of Indian defence. I always read the leading articles of that paper with respect and admiration. Sir, we do not wish to remain in an absolutely helpless condition. Canada and Australia were not producing aircraft before the war. Australia, I believe, had no automobile industry before the war. I find that it was on 19th December, 1939, that the Commonwealth Government entered into an agreement with a local company, the Australian Consolidated Industries Ltd., for the manufacture of motor vehicles, and, Sir, I find that an Act

was passed by the Australian Parliament, called the Motor Vehicle Engines Bounty Act, providing for the payment of a bounty of £1,500,000 for the first 60,000 motor vehicle engines manufactured by the company. I should like to contrast this attitude of the Australian Government with that of the Government of India. The Commonwealth is not merely interested in the defence of the Empire. It is also thinking in terms of the defence of Australia. The Australian Labour Leader, has been emphasising that Australians must keep their reserves for Australia. Here we are anxious to help; we are eager to help; we are desirous of helping you in this struggle. But you really have shown no desire to utilise that co-operation. We, therefore, cannot feel the enthusiasm which we otherwise would have felt for the war effort.

Sir, in a pamphlet which I have before me, Sir M. Viswesvarayya has tried to show that the establishment of an automobile industry is possible in this country. He has been trying to have this industry established since 1934. He has been pleading for some help from the Government for the establishment of this industry. The Congress Government, which went out of office, was helpful, as I understand from this pamphlet. But the Government have been sitting tight over that proposal. The recommendations of the Fiscal Commission that the raw material must be found in this country and so many other conditions must be fulfilled before you can get protection has always stood in the way of the establishment of an automobile industry. If the conditions laid down by the Fiscal Commission had been followed by European countries, they would not be industrial countries today at all. They depend for raw materials on colonies, on other countries. One great disadvantage which the Axis Powers have as compared with the Democratic powers is that they are deficient in raw materials. England would not have been a great industrial country if she had depended upon her own raw materials for the expansion of her industry. France would not have been a great industrial country if she had depended upon her own raw materials for the expansion of her industry. The fact has got to be faced boldly and we must be frank about this. The fact has got to be faced boldly that British capitalism has thought too much in terms of British interests so far as Indian interests are concerned. Therefore there has been no inclination to support legitimate industrial activity in this country. Well, you must get rid of this mentality. If you want to win this great war, you must place not your particular class interests or your race interests first; you must place the interests of honour, the interest of the defence of freedom, the interest of the defence of democracy first, and when you can show that you are placing those interests first and if you take energetic steps to give India a place on the industrial map of the world only then India's co-operation can be valuable. Canada and Australia were not preparing aircraft when the war started. The schemes put forward in September were rejected; but they are preparing aircraft now, and Britain is relying to a great extent upon Canadian aircraft production and supply. Well, schemes were put forward by our industrialists in September and nothing has materialized so far. Why should there have been this delay? Why is there this difference between the treatment meted out to Canada and the treatment meted out to India? I think the reason is obvious. Canada is fortunate in possessing a Government responsible to the people of Canada and we in this country are unfortunate in possessing a Government dominated by class and bureaucratic interests, which will not allow the Government to move with the times even in the midst of a great war, which, if lost, might mean disaster for all—the dark, the brown and the white races of mankind. Therefore, I think this question has got to

[Mr. P. N. Saprū.]

be viewed from a broad angle, and the ordinary difficulties put forward—we cannot get machinery, etc.—ought not to be put forward. Effort must be made. The Indian public must be convinced that effort is being made to do all that is humanly possible to promote these industries or this particular industry. We know what the value of the air arm is. Mr. Churchill I think was right in emphasising that England in her preparations was not paying sufficient attention to the air arm. The old vested interests of the army were thinking in the old, old way. They did not attach any importance to the air arm, with disastrous results in the French adventure and in the Polish adventure. Well, we do not want to suffer the fate of Poland, or the fate of France or the fate of Belgium or the fate of Holland.

THE HONOURABLE THE PRESIDENT: Your time is up.

THE HONOURABLE MR. P. N. SAPRŪ: Yes, Sir, and I am also up.

AN HONOURABLE MEMBER: Uppish!

THE HONOURABLE MR. P. N. SAPRŪ: The bureaucrats are uppish; I am not uppish. I leave that to the bureaucrats or those who sit on the Treasury Benches.

THE HONOURABLE THE PRESIDENT: You are not very complimentary to your Indian Members.

THE HONOURABLE MR. P. N. SAPRŪ: There is no question of Indian or European. It is only a question of the Treasury composition and their uppishness.

And, Sir, with these words, I support this Resolution.

THE HONOURABLE MR. H. DOW (Nominated Official): I must again explain to the Honourable Member who spoke last that I am not the Member in charge of this Resolution; he seems to be rather unfortunate in his guesses.

Sir, I was not very surprised to learn late last evening that the Honourable Mr. Hossain Imam had decided not to move part (d) in the Resolution which was put down for his name this morning.

THE HONOURABLE THE PRESIDENT: He wanted to move it but he told me that he was engaged elsewhere.

THE HONOURABLE MR. H. DOW: I am not referring to the fact that he did not move the Resolution. I am referring to the fact that last evening he had expressed his intention, when he moved the Resolution, not to move clause (d), which provides for the opening of national workshops for the manufacture of tanks and aircraft. It seemed to me that that was due to a sudden realization on his part that that meant the immediate expenditure of money, and that it would come rather ill from a member of a Party that was not prepared to vote money.

THE HONOURABLE THE PRESIDENT: May I tell you, it means something more. It would have barred the Resolution of the Honourable Pandit Kunzru and I could not allow it under Standing Order 69.

THE HONOURABLE MR. H. DOW: I was going to explain that that was my feeling, but I was going on to apologize for having done the Honourable Member an injustice, because I saw after all that he intended to produce the same effect by moving an amendment to this Resolution. I only now wish to refer to the fact that these are entirely new industries which he wishes to set upon a national basis. I could understand that if he were merely pleading for the nationalization of existing industries, he might so arrange his finance that no immediate contribution would be necessary. But I am pleased to see (although this is an amendment which I am afraid Government will not be able to accept) that at any rate it indicates the realization by the Honourable Mr. Hossain Imam that immediate additional expenditure for the purpose of stimulating—I am now quoting from his former Resolution—"to stimulate the war efforts and to get the maximum results from the slender resources of India"—is necessary. And I am welcoming this because this is an indication that when the Honourable Member has the opportunity to vote additional funds he will I presume do so.

He referred to national workshops. I take it that he would include in national workshops our ordnance factories and our railway workshops. In speaking to the main Resolution I shall only deal to a very small extent with the question of armoured fighting vehicles for the production of which the Supply Department is responsible, and with aircraft. The Honourable Member in charge of the Commerce Department will deal with the broader aspects of the manufacture of automobiles. As regards the production of armoured fighting vehicles, the armoured fighting vehicle consists of a specially constructed vehicle on a chassis which has been hitherto, and indeed at present is, imported. Before the war our armoured fighting vehicles were all imported in a complete state from the United Kingdom. Before the war broke out, the question of a suitable chassis which could be imported from America and on which we could build up our own armoured bodies was being investigated. A very great deal of progress has been made on that and a suitable chassis is now being produced. You are aware that the building of armoured vehicles in India has to be dependant on the production of satisfactory armoured plate in India. This was not made before the war. The difficulty has been successfully overcome and Messrs. Tata are now producing armoured plate. The general programme for the mechanization of the army, combined with a great expansion in the size of the army has given us a very large problem; but to the extent that the necessary armoured plate can be produced we shall now be building armoured fighting vehicles—I am not of course referring to chassis in India. And for the most part these would be made in what the Honourable Mr. Hossain Imam has admitted are national workshops.

To come to the question of Aircraft. I should like to acknowledge the extremely moderate and cogent way in which the Honourable Pandit Hirday Nath Kunzru has put forward his arguments. He has said quite rightly that he has not had a very great deal of material, and I should like to acknowledge that is perhaps my fault and the fault of the Government that his material is so scanty. We do not make a great deal of material public on such matters for very obvious reasons, and I must apologize if even now, in speaking to this Resolution, I do not give away a great deal of new information.

I should like to read from a Renter's telegram which reached me this morning, and which possibly the majority of the Honourable Members have not yet seen. The Secretary of State speaking on this very subject in the House of Commons, referring to the expansion of the Indian Air Force, used these words:

"Nothing, indeed, except the imperious limitation imposed by the more urgent demand for machines here and in the Middle East stands in the way of a far greater response to India's eagerness to develop an air force comparable to her army. That same

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inevitable limitation has hitherto prevented immediate realization of India's widespread demand for the starting of an aircraft industry of her own".

I would like to make it clear that the difficulties in starting immediately an aircraft industry in this country are purely practical. Government, no less than anyone else, are fully alive to the necessity of getting an aircraft industry started in this country at the earliest possible time. (Hear, hear.) Within my recollection there has never been a case of such importance arising in the Government of India that has been dealt with so quickly and with such vigour as soon as it was taken up, and it will continue to be dealt with on these lines.

THE HONOURABLE MR. HOSSAIN IMAM : When was it first taken up ?

THE HONOURABLE MR. H. DOW : The first practical proposition was brought before me, I think, on the 1st of July. It was brought to me personally by a gentleman whom you all know—Mr. Walchand Hirachand. I have had controversies with Mr. Walchand Hirachand on other matters, but I feel quite sure that Mr. Walchand Hirachand himself in this matter would agree that there is no practical step which he would have taken himself had he been in my place, that has not been taken in the Supply Department, and he himself would agree that as soon as his project had been brought before the department it has been pushed with all the vigour and all the celerity possible.

Now there are two possible ways in which an aircraft industry could be started in this country. One might start with an assembly plant in which imported parts of aeroplanes would be put together, and side by side with that one would try to develop the making of the individual parts so that eventually there would be a complete factory independent of imported materials. The other possible method would be to bring from somewhere else a complete factory, lock stock and barrel, and erect it in this country. The second method has very recently been advocated in the Press, but was thought of by the Rip van Winkles of the Supply Department many months before and has been under investigation.

If you are to have a purely assembly plant you are faced with very great difficulties in getting not only the machinery for the erection of these but in obtaining the actual parts themselves. You all know generally what the situation in Europe and America is. It is all very well for us to sit here in an atmosphere of great security and to suggest that we ought to have a prior claim in getting material required for the erection or starting of a new industry in this country. You are aware of the very great shortage of aircraft at home. You are also perfectly well aware that, since we took this matter up, the situation in America, or rather perhaps I should say America's realisation of her own situation, has progressed. America will not so readily spare material as she might have done a year ago. She wants more of it herself. And we sitting here are in no position to estimate the enormous responsibility which lies upon the shoulders of the men at home who are responsible for equipping and maintaining our own air force in that country at this time.

If you are going to get a whole factory erected here, you have got very much the same considerations to think of. There is a great shortage of production at Home, and the possibility of existing factories being suddenly bombed and wiped out. Which of us would say that he would be willing to take the responsibility at this moment of decreasing rather than increasing the facilities that are available in England ?

As regards the manufacture of the various parts of aeroplanes, at the beginning of this year a regular survey of the possibilities was made by the Chief Inspector of Aircraft. There was at that time no suitable steel being made in this country. That is a thing that we think can be overcome. Tatas are confident that they could with sufficient demand make a steel which would be suitable for the purpose : it requires, of course, the importation of certain alloys. But there is no plant in India which could be used for its manufacture. Tatas themselves would be unable to roll or draw materials into the required form for fabrication, and there is no plant in India for the manufacture of various essential parts of the aeroplane such as steel tubing, streamline wires, copper pipes, steel flexible wires. The real difficulty is in getting machinery, materials, spare parts, at such a time as this. But the Government of India are fully alive to the necessity of doing what can be done in the earliest possible time.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Kunzru. In view of what Pandit Kunzru and Mr. Shantidas Askuran have said, there is very little left for me to say. But my Honourable friend Mr. Hossain Imam observed that such like undertakings should be done by national workshops. I would say that even the Government of England buys and have been buying these armaments from private firms. Here the Government is trying to raise as much money as it can for the war and therefore if a private company comes forward and undertakes the work, Government ought to welcome and patronize it. I gather from what the Honourable Mr. Dow has observed that the Government is prepared to undertake the work as soon as possible.

Sir, my own view is that the Government in the last few years did not think it proper to patronize or to establish this industry which, according to my information, has been under consideration of the company since 1936. If they had done this and patronized the company set up, India would not have now to face the difficulty in finding chassis and other stores for the Supply Department. The future is still dark and I think India ought to play a great part in carrying out such schemes and in establishing important industries in connection with the manufacture of armaments and other war supplies in India. I see, Sir, that a company is being started in Australia for the manufacture of aircraft. No one expected some time back that the Mediterranean route would be practically stopped to the British. It looks now, Sir, that in case Japan falls in with the Axis powers, there may be difficulty in getting plant and armaments from Australia too, as the water route will be in danger in a similar manner as the Mediterranean. Therefore, Sir, if the Government is eager to start the work as soon as they can, they ought to start it forthwith. Now, the best way for Government would be to give every encouragement to the company which has been lately started, and in which connection Mr. Walchand Hirachand had an interview with the Honourable Mr. Dow. It would be in the fitness of things that the extent of protection that this company deserves should be given to it.

With these words, Sir, I support the Resolution and hope that whatever Mr. Dow has said will materialize as soon as possible.

THE HONOURABLE THE PRESIDENT : Honourable Mr. Kunzru, in view of the statement made in the speech of the Honourable Mr. Dow, do you wish to press this Resolution to the Motion ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I want to know, Sir, what the Honourable Member of the Department has got to say. Is he not going to reply to the Resolution ? I am entitled to know who is in charge of the Resolution.

THE HONOURABLE THE PRESIDENT : You may take it that Mr. Dow is in charge.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But he said he was not in charge of the Resolution. He was only dealing with certain aspects of the question.

THE HONOURABLE SIR ALAN LLOYD : I think, Sir, I should say that I am in charge of the Resolution.

THE HONOURABLE THE PRESIDENT : Do you wish to speak ?

THE HONOURABLE SIR ALAN LLOYD : I would prefer to let the Commerce Member speak.

THE HONOURABLE SIR RAMASWAMI MUDALIAR (Commerce Member) : Mr. President, the Honourable Mr. Dow has dealt with the question of aircraft production fairly fully and I trust that after the statement that he has made the Government of India at least will not be charged either with being that which I cannot describe in this House but which was mentioned by the Honourable Member opposite, or even that other thing which I personally think no gentleman of this House should mention but which fell from my Honourable friend as being a characteristic of the Government of India.

I should like to turn my attention to the question of the motor industry and deal with it from the Commerce Department point of view. I am glad that both my Honourable friends Pandit Kunzru and Mr. Sapru have recognized that occasionally the Commerce Department may be as interested in the development of Indian industries as any of the Honourable Members opposite. This case of the motor car industry has been engaging our serious attention for some months and if I make any remarks at all on the nature of this industry, on the peculiar difficulties which are attendant on the development of the industry, I should like it clearly to be understood that I do not want to throw cold water on any venture whatsoever, but that I feel it is fair in the interests of the public that all aspects of this question should be clearly stated. I am especially anxious to take the House into confidence to some extent as regards the problems that face any entrepreneurs who want to start a motor car industry because of the volume of agitation that has appeared in the press recently during the last few months regarding the automobile industry. If one were to read the articles in the newspapers and one were to form conclusions therefrom, one would think that it was the simplest thing in the world to start a motor car industry and that a pugnacious and altogether unreasonable Government is in the way of starting that industry. Now, Sir, it is not really so. My Honourable friend Mr. Askuran suggested in a very breezy fashion—and coming from him, a business man, I was taken aback at the suggestion—that in India several factories may be established for the production of motor cars. The total import of all kinds of motor cars, trucks and every other kind of motor vehicle, into India annually is somewhere between 20,000 and 25,000—

THE HONOURABLE MR. SHANTIDAS ASKURAN : Including army requirements ?

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Not including the army requirements. My Honourable friend knows quite well that till recently the army requirements were not of a very large size or order, and an industry cannot surely be built up on the precarious and somewhat unexpected developments that may take place in army requirements at times like the present.

Now, something has been said of British interests standing in the way of the development of the motor car industry, and some Honourable Members seemed to be under the impression that it was some British venture or some British industry that is hampering the progress or the starting of this particular venture. Out of these 20,000 or 25,000 cars and trucks of every kind, 16,000 come from America including Canada. That leaves between 4,000 to 8,000 or 9,000 cars and trucks which come from the rest of the world. I am sure Honourable Members know what a wide variety of cars are used in this country—Italian Fiats, French cars, German cars and British cars, so that, in this industry at any rate, British interests are not dominant. In fact, it is a diminishing market with the British manufacturer so far as automobiles are concerned in this country. To suggest, therefore, that it is British interests that stand in the way of the development of this industry is, to put it very mildly, to draw an inaccurate picture of the situation.

THE HONOURABLE MR. SHANTIDAS ASKURAN : I did not mean about the automobile industry. I only meant about the aircraft industry.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Several factories to be started for the manufacture of aircraft ?

THE HONOURABLE MR. SHANTIDAS ASKURAN : Only one. That is what I meant.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Now, Sir, reference has also been made to the fact that in Australia, concessions have been given, a bonus or subsidy has been paid and £1,500,000 has been given. The Honourable Member may take it from me, if it is already not known to him, that the whole of the Australian venture has been put into cold storage, that there is no manufacture of motor cars in Australia at all, that the scheme approved by a Minister has been scrapped, that the entire Cabinet is against that venture at the present time and that, therefore, there is to no greater extent the manufacture of automobiles in Australia than there is in this country. There are assembly plants and, as I shall show, in India also there are three assembly plants—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I interrupt the Honourable Member ? What he said is perfectly true. But I hope he will at the same time admit that the Act allowing of the payment of a bounty on the construction of motor cars in the country has been passed. The principle, therefore, of helping the indigenous industry has been accepted by the Australian Government and the Act embodying it is on the Statute-book. When it will be given effect to is a different matter altogether, I admit that help has not been given to it as yet.

THE HONOURABLE SIR RAMASWAMI MUDALIAR : The principle has been accepted by both the Houses of the Central Legislature and by the

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Government of India as far back as 1923 when the Legislature had an opportunity of considering the Fiscal Commission's recommendations, that a subsidy or bonus can be given, that sufficient protection by way of a high tariff wall can be built up for the encouragement of any such industry—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : To an infant industry. What about an industry that had not been started ?

THE HONOURABLE SIR RAMASWAMI MUDALIAR : Well, Sir, I do not know whether the Honourable Member requires an Act to be passed which the Government may not act upon as in Australia and whether that will satisfy those who are concerned with the starting of an automobile industry. I was only mentioning the difficulties in the way.

Now, Sir, the problem before Government has been how to assist this automobile industry if it is started. Let me say that the question of raw material is not a serious problem so far as this industry is concerned, particularly at present when, as my Honourable friend Mr. Dow has pointed out, the production of all kinds of alloys for steel has become more and more a practical proposition in this country, thanks to the efforts and the adventurous spirit of Tatas. If that is so, what is really required with reference to this industry ? Certain propositions have been put before Government. They were put some time at the end of last year, i.e., 1939. Persons who are interested in promoting this industry desired that Government should guarantee for the next ten years that the present level of duties should not be lowered. Government are considering that question and while they cannot commit future Governments to the level at which any particular tariff can be kept up, I personally think that they may not find it very difficult to suggest that they have no intention themselves of lowering the present rates of duty. That is one help which may be immediately available to encourage the starting of this industry.

Then, the question of giving a rebate on all those parts which are imported into this country for the manufacture of these automobiles has also been put before Government. Here we are under two difficulties. As Honourable Members are aware, there are certain plants called assembly plants—fairly extensive. I have myself visited some of them to find out at first hand how they work and what kind of machinery and parts they import. If parts are to be given a rebate, well, every such assembly plant will have the benefit of that rebate. But, apart from that, if the Government are to give a rebate on any parts that are to be imported, they must satisfy themselves that what is really intended is the manufacture of automobiles and not a repetition of that which is going on in the country, the starting of a mere assembly plant. I am certain Honourable Members will agree with me that there is no case made out at all for an automobile industry in name, but an assembly plant in practice, to get any kind of assistance from the Government. For one reason, there are now three different assembly plants in India, all of them run by powerful organizations, with no assistance from Government and requiring no assistance from the Government, doing their work efficiently and at the present time helping the Government a great deal in producing those cars that are required for the army, building all their bodies and doing this assembly work. Therefore one has to scrutinize very carefully the second demand, so as to see that that demand is not really for helping an assembly plant but for helping the manufacture of automobiles. It is in this connection that certain correspondence has been proceeding between the Commerce Department and the persons

promoting this industry and I have not yet seen the end of that correspondence, not because interminable questions are being put by the Commerce Department, believe me, but because proper replies have to be forthcoming from the parties to whom those questions have been addressed by the Government of India. We want to know what parts are to be imported, what is the scheme according to which manufacture will be undertaken ; what parts will be manufactured in this country from year to year ? We recognize that all the parts required for an automobile cannot be manufactured at once. It must be a progressive building up of the motor car industry. But we must satisfy ourselves what the programme is, at what stage the manufacture of essential parts will begin, what is the ratio of the parts manufactured to the parts that are imported, and how far we can truthfully say that an automobile manufacturing industry is being organized and will be proceeded with in India. That has been the difficulty in coming to immediate conclusions on this subject.

Then, Sir, the third request was put forward that the Army should purchase a number of cars and trucks for its own purposes. At the present time the figures that have been given out by the Defence Department of the possible purchases that they have to make have only wetted the interests and the curiosity of those who want these cars to be purchased, but I believe that my Honourable friend Pandit Kunzru himself saw the difficulty in the way of accepting this suggestion. It is not for me to sit in judgment on those who are responsible for purchasing cars for the army. They know best what type of cars are required ; they know best what type of cars can be used ; they know best what at this particular time and in this emergency they could take on in the way of new cars with reference to the working of which their staff have special knowledge. They know also their difficulties about spare parts, the difficulty of having these spare parts stocked from the base line right up to the front—they know best how far they can go into the purchase of new models and new cars. I believe my Honourable friend Pandit Kunzru has seen something of the difficulty that faces them. As I said, it is not for me to judge how far those difficulties cannot be overcome. It is possible that within a short period they may be able to overcome some of those difficulties. It is possible that when they have judged these cars under the conditions under which they have to be used in this country for military purposes, they may come to the conclusion that they can purchase some of these cars. An attempt in this direction has not yet been made because I understand the model has not yet arrived which could be tested in the North West Frontier and other places where these cars have to be used. Under these circumstances it is not possible for the Government of India to give a guarantee as regards the number of cars that might have to be purchased. All that I can say is that there is no desire on the part of the Government at all to impede the progress of this industry or to do anything which will stultify the objects which the promoters have got. But we have to look into these matters rather cautiously and carefully. An individual or even a company can take risks certainly, but when we are asked to give these guarantees, and particularly when we are asked to give a guarantee that a certain rate of interest on a certain amount of capital to be floated should be given, we have to look into these circumstances a little more closely. I do not want to refer to documents which have been received by us in confidence, and therefore it is not possible for me to go into the merits of the agreement arrived at between the promoters and the Chrysler Corporation. Honourable Members have referred to it, but I venture to think that not one of them knows what the terms of that agreement are. It will be for the shareholders to judge of the terms of the agreement, and to come forward to invest in such shares. You must give them the opportunity of judging for themselves

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the merits of those terms and not to be induced merely by prospect of guaranteed interest to invest in them. Therefore, any question of a guarantee of interest on the shares is further complicated by the consideration that we have no idea what sort of response will be forthcoming from the shareholders as a result of the judgment that they come to on the merits of the agreement. I say nothing more on that. But if this idea of guaranteed interest is based purely on the fact that during the war period and for war necessities this factory should be established, then I am bound to a great extent by the judgment of the military authorities. That judgment may not be final at this stage because they have not yet experimented on the type of car which the promoters have in view for production.

These are the facts with reference to the automobile industry. I have mentioned them very shortly but I can tell you that in the Commerce Department the history is at least as large as the history that has been built up in the newspapers of this country and in pamphlets over this question. I suggest therefore to my Honourable friend that, having heard what the Honourable Mr. Dow had to say with reference to aircraft and having heard what I have had to say with reference to automobiles, he may consider the desirability of accepting the suggestion that the Resolution may be a recommendation to the Government that they may take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date. The Resolution would then run :

" This Council recommends to the Governor General in Council to take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date. "

THE HONOURABLE MR. SHANTIDAS ASKURAN : I would like to know whether you mean we should make all parts here or whether we can also import ?

THE HONOURABLE SIR RAMASWAMI MUDALIAR : My speech must be my commentary on that.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will you allow me, Sir, to make a suggestion ? Instead of the word " lead ", in the Honourable Member's amendment, the word " result " be substituted.

THE HONOURABLE THE PRESIDENT : I should like to explain that at this stage there will be some difficulty in my allowing this Resolution which has been dictated by the Honourable the Commerce Member to be accepted by the Honourable Pandit Hirday Nath Kunzru. It can only be accepted as a substitute Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : He wants me to accept it so that my Resolution might be amended in the way suggested by him and then to be put forward as my own Resolution.

THE HONOURABLE THE PRESIDENT : You cannot amend it in that way.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable Member may withdraw his own Resolution and then move this Resolution.

THE HONOURABLE THE PRESIDENT : You withdraw your own Resolution and accept it as a substitute.

***THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Sir, I accept the wording suggested by the Honourable the Commerce Member. My Resolution will therefore assume the following form :

" This Council recommends to the Governor General in Council to take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date. "

This is of course the object which I have in view. I do not know what meaning the Government read into my Resolution, but I can say for myself that I was not at all suffering from the delusion that the construction of motor cars and aeroplanes in India would be undertaken immediately. It is obvious that there will be a little time required for getting the necessary plant for setting up the factories required. I therefore accept this suggestion and move my Resolution in the new form it has assumed because of the acceptance of the suggestion. In view of this it is not necessary for me to make any remarks, but I do hope that the spokesmen of the Government who have dwelt on some of the difficulties that confront us will take a sympathetic view of our needs. Difficulties there are and will always be in the establishment of any new enterprise, but these difficulties must be overcome at a time like this and I venture to think that not even the difficulties of England, not even her requirements at the present time should completely prevent her from extending to us the helping hand that she has already extended to Australia and Canada. If, in spite of the war and the requirements for her own safety she has thought it desirable, nay, necessary, to enable Australia and Canada both to become self-supporting and to produce aircraft for her own needs it is up to her to show, by following the same policy towards India that she is prepared to treat India already as a dominion. The needs of India have been disregarded. Is it conceivable that any dominion would have allowed the requirements for its own defence to come after the requirements of England ? We know the difference of view that there are between the Australian Government and the Opposition on this question. The Opposition lay stress on the Government first to defend Australia. In the case of India I believe that any help that England may give will actually be far more useful to it than the help that it has given to Australia and Canada. India is naturally more a base for the supply both of material and officers and men than any other part of the Empire. I wish to lay stress therefore on the right of India to ask His Majesty's Government not to subordinate the requirements of this country completely to her own requirements even at this stage.

THE HONOURABLE THE PRESIDENT : Original Resolution withdrawn and a substitute Resolution moved :

" This Council recommends to the Governor-General in Council to take immediately such steps as will lead to the construction of aircraft and automobiles in India at the earliest possible date. "

Question put and Motion adopted.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

RESOLUTION RE PRIVATE VOLUNTEER ORGANIZATIONS.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, the Resolution that stands in my name runs thus :

"This Council recommends to the Governor General in Council that the ban imposed on private volunteer organizations by the Government of India be withdrawn immediately."

Sir, the Government of India by passing general orders under rules 58 and 59 of the Defence of India Rules have banned all private volunteer organizations in India, thereby interfering with their normal activities. According to the order, the Central Government have prohibited the performance within British India of any exercise, movement, evolution or drill of a military nature with or without arms or articles capable of being used as arms. Then, under rule 59, Sir, they have prohibited the wearing of a dress which is similar to that worn by a member of His Majesty's forces or by a member of any official police force or of any force constituted under any law for the time being in force which they think is likely to prejudice the public safety, the maintenance of public order and the defence of British India.

So their case is, Sir, that, if these private volunteer organizations are allowed to continue their normal activities, there is a danger of the public peace being threatened and that therefore they thought it necessary to issue these general orders under the Defence of India Rules. My submission is, that the imposition of a wholesale order on all private volunteer organizations without regard to their merits has created irritation and evoked protest from those organizations and I believe the protest is just. I submit I fully agree with the Government of India that, if public safety is threatened or if any private volunteer organization interferes with law and order, action has to be taken against that organization, but to impose a ban of a sweeping nature on all volunteer organizations in India who are doing very useful social and cultural service to the community is a thing which must be resented by everyone who is interested in the national solidarity of India as a whole. Sir, they have passed three unjust orders—I say unjust because when they fear that there is a serious danger owing to the activities of these organizations I think they assume things for which there is no reason whatsoever. As I said just now, Sir, if any political or volunteer organization has threatened public peace, the Government can take action against that organization by issuing a general or a special order so far as that particular organization is concerned. But if they want to stop all private volunteer organizations, saying that they expect danger from the existence of these organizations, I think, Sir, they fail in their duty of not only not encouraging private volunteer organizations which are doing good social and cultural work but they stifle the enthusiasm of young boys who want to take part in the defence of their country by entering the newly-formed Civic Guards or the Indian Territorial Force or by entering the expanded army of the Government. This ban, Sir, according to the Government of India in the communique issued by them, is to affect about 200 private volunteer organizations and according to their own estimate the membership of these 200 private volunteer organizations is nearly two lakhs. I can cite the instances of two important volunteer organizations in my Province which have been effected by this ban. Sir, there is an organization in Berar by name Shri Hanuman Vyayam Prasarak Mandal, which caters to the needs of the young men, trains them in physical activity as well as gives them intellectual training, and also sends students to foreign

countries to learn and undergo training in different systems of physical culture. It also deputed men to foreign countries to propagate the cause of India's national games and exercises and it also prepares boys for entering the Indian Defence Force or for going to Dehra Dun or for obtaining emergency commissions. The organization is not wedded to any political body and is not communal in character. The organization has been praised by the various Government officials in my Province of which I will read only a certificate given to the organization by an ex-Governor of my Province. This is what the Private Secretary to Sir Montagu Butler, Governor of the Central Provinces and Berar, said :

"His Excellency thought the institution worthy of all praise and was glad to make a donation to its funds. He was much pleased to see so many young men hard at work improving their physique and keeping themselves fit."

Sir Francis Wylie, ex-Governor of the Central Provinces and Berar, said :

"I visited the Hanuman Vyayam Prasarak Mandal during my recent visit to Amraoti and was very much impressed with all I saw there. The whole organization of the place is on a voluntary basis and the precision with which the boys and girls carry out the various—some of them complicated—exercises is a great credit to their honor ary instructors. Nowadays when so much emphasis is being laid in almost every country in the world on the need for physical fitness among the young, I consider that the Hanuman Vyayam Prasarak Mandal is carrying on a work which deserves every encouragement."

My object in reading these extracts is to show to the House that this organization has been praised and its work has been appreciated not only by non-officials but by the highest officials in the Province.

Sir, there is another organization in my Province which has been affected by this ban, and that is the Rashtriya Swanyasovak Sangh. This institution has got about 500 branches throughout the whole of India and its membership is about a lakh. The object of the institution is to provide a non-political platform for all Hindus, from a child of five years to adults and old men of all castes and creeds and to promote feelings of equality and brotherhood amongst them. They want to create feelings of cultural and religious affinity between all classes of Hindus and create feelings of toleration for other religions and cultures. They are not wedded to any political body. They are non-political in character and their object is to promote unity amongst all classes and creeds in this country. They impart physical training so as to equip its members for discharging the onerous duties of bearing the civic responsibilities of a true citizen. The institution is purely a social and cultural organization and its programmes are also shaped in consonance with this object. They have got their branches throughout the whole of India, and in the programmes of their branches, men of status, leading citizens belonging to various political parties, take an active interest and have been giving encouragement to this institution in their activities.

Sir, the Government of India themselves admit that there are certain organizations, which are doing useful social work, but they say these are exceptional cases. They say that in certain exceptional cases, volunteer organizations are maintained for useful and innocent purposes especially in connection with the education of the young. I do not understand how they say that the vast majority of volunteer organizations do not exist for a useful purpose and therefore they were constrained to issue this ban. Sir, unless and until the Government of India are in possession of facts which clearly prove that all private volunteer organizations throughout the whole of India are threatening the public peace or interfering with law and order, they ought not to have issued this ban which is of a very sweeping nature. It is a well known fact that the Government have not taken a keen interest up till now in training the youths of the country for taking their proper share in the defence of their country.

[21st Nov. 1940.]

[Mr. V. V. Kalikar.]

Spokesmen of the Government of India have told us so many times in this House that they were not getting proper and suitable candidates for officering the ranks of the Indian Army. We have been told so many times that if they get suitable candidates, they would make attempts to Indianize the officer rank of the Army. This particular organization, the Rashtriya Swamysavak Sangh when it came to know about the statement made by Sir Philip Chetwode here, on the floor of this House, in 1933-34, that suitable candidates were not coming forward, began to train their boys in order to equip them for entering the Dehra Dun Military Academy. I am glad to state that many members from this organization did appear for the Dehra Dun Military Academy and some of them have now got emergency commissions and some have entered the Indian Territorial Force and the Civic Guards. Of course, Government will say that if this or the other organization to which I have referred in my speech are very useful organizations, the Provincial Governments have got power to exempt them from the ban imposed, under the general order. I may state, Sir, that the Provincial Government was very fair and just in dealing with these organizations. But, as the orders were issued by the Government of India and as these organizations have got branches throughout the whole of India, and not confined to one province, they could not do anything.

My Honourable friends from the United Provinces would be able to speak with authority, but, so far as my information goes, the Congress Seva Dal, United Provinces, was nipped in the bud by this ban. The Congress Seva Dal in the United Provinces was an organization which had as its creed non-violence, and their activities were merely confined to spinning and the use of *charkhas*. I do not know whether the Government apprehended any danger from spinning and the use of *charkhas*. From the reports in the press I find that they did not in any way interfere with the public safety and create trouble for the Provincial or the Central Government. I am at a loss to understand why these organizations, which are doing very useful social service, should be banned under the general orders of the Government of India, and the enthusiasm of the youth should thereby be stifled.

Sir, I hope the Government of India will consider the position of the various organizations in India and will withdraw the ban that has been imposed, and take action only against those particular organizations which have in the past threatened the public peace or which are likely to do so in the future.

With these words, Sir, I commend my Resolution for the acceptance of the House.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, the Honourable Mr. Kalikar has put his case with extreme moderation. He appreciates just as much as the Honourable the Home Secretary the difficulties of Government in war time and it is not his object to embarrass them or to encourage lawless activities. What he has emphasized is that the orders passed by Government are of too sweeping a character. What he says is, "Do not have a general rule. If you find an organization indulging in violent activities, if you find an organization indulging in unlawful activities, then deal with that organization individually and proclaim it as an unlawful association". If you have a general rule then that general rule hits organizations which are doing useful economic work ought not to be put down even in war time. After all it is a

3-5 P. M.

democracy which is fighting totalitarian States, and such a democracy must not become a totalitarian State itself. Democracy must fight totalitarianism with clean hands. I do not say that restrictions in war time on individual liberty or on liberty of association are not at times inevitable. That is not my proposition. But there is a reasonable method of doing things and there is an unreasonable method of doing things, and I hope the Government of India have no desire to be unreasonable. But the effect of this proclamation is that it has hit not only the organizations which were engaged in unlawful activity, but also the organizations which were engaged in useful social work. The drilling and wearing of military uniform is not necessarily wrong. I know there was a Bill passed in Parliament some years ago, but conditions in England are different. Here we need our young men to have some physical training and to become militarily-minded, and there are social and educational organizations which have been doing useful work in this direction and their efforts should not be hampered. That is the main object of this Resolution and I think that, having regard to the moderate nature of the speech of the Honourable Mover and having regard to the very reasonable request embodied in this Resolution, the Government will see its way to accept this Resolution.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official) : Sir, I concede that the Honourable Mover of the Resolution has spoken very moderately. He said in cases where there are dangerous institutions you can deal with them individually and separately ; but he forgot that prevention is better than cure. There are organizations all over India with a military uniform, then dummy weapons are used. They drill and go about with a military band in villages and towns proclaiming that they are the army of the people to defend them. Such organizations necessarily must be prohibited. The notification issued on the subject says that the Central Government would prohibit the performance within British India of any exercise, movement, evolution or drill of a military nature, with or without arms or articles capable of being used as arms ; and then certain exceptions are provided for. Then, in exercise of the powers of the Defence of India Rules the Central Government would prohibit the wearing in public of any such dress by any person who is not a member of the said Forces of His Majesty or a member of an association which has been authorized by the Central Government as respects the whole of British India or the Provincial Government as respects the province, to wear a specified uniform. The Provincial Governments were delegated with powers of exemption. Thus it can be seen that the prohibition is not against all persons and all associations or organizations, only such associations which use military drill and pose as part of the military forces of the country. The fact is there were these organizations wearing a military uniform, with badges and buttons and equipped with swords, etc. What impression will be created upon ignorant people seeing such bands marching about in the villages and towns ? The impression is very different from what the Honourable Member has just now said, namely, that they are intended to carry on cultural discipline and to create unity among different people, the Hindus, and I suppose, also Muhammadans. But if that is the object, why all this paraphernalia, of military dress and drill and a military band parading the streets of town and in the villages ? The object therefore is not as innocent and as laudable as the Honourable Mover of the Resolution has made out and that may be the intention sometimes, but in practice that is not the effect. They tend towards a very dangerous delusion in that they are part of a national army. That is the real object of these organizations. We have organizations like the Seva Dal, the U. T. Cs. and the Territorial Forces. All these young men can enter if they have a military bent. For the rest, men in ordinary

[Sir A. P. Patro.]

dhotis and *kurtas* can render more effectively all the social service they wish to. Why then this imitation and adoption of military forms, which might lead naturally to dangerous consequences. Therefore Government is justified in suppressing all such indications of incipient national army organizations. I do not mean only the present bureaucratic Government. Any Government would be justified, even the Government of my friend C. Rajagopalachariar who as Premier issued similar orders in the case of a movement in Southern India. When volunteer organizations were formed on a military basis he rightly prohibited them.

THE HONOURABLE MR. HOSSAIN IMAM : He did right for once !

THE HONOURABLE SIR A. P. PATRO : I agree. In his political life as a Minister this is only one right step taken by him. He prohibited that movement because he, equally with every reasonable citizen, believed that such a thing ought not to be encouraged or permitted because it is contagious. If the Hindu community starts a particular volunteer organization there is a danger of several other castes and communities taking it up in that way, and the whole country will adopt this organization, which will ultimately lead to unrest. It is therefore necessary that this should be prevented instead of allowing these organizations to grow to endanger the peace and tranquillity of the country, instead of allowing these young men to parade themselves and stating these are the soldiers of the country, the soldiers of the nation undisciplined and untrained by any qualified person, instead of allowing these youngsters to pose that they would defend the country when the danger arises, undisciplined as they are to allow them to be in that condition. Therefore, it seems to me, it is necessary that these organizations should be nipped in the bud. These young men could join some Boy Scout organization, which was a very useful organization, and very useful work could be done as boy scouts. In the case of the U.T.C., they could enter into these organizations from colleges. These organizations are of the most sinister in their aims, with their military uniforms, military drill and military band and the whole appearance of being soldiers undisciplined, untrained and uncontrolled people.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : Disguised soldiers !

THE HONOURABLE SIR A. P. PATRO : My Honourable friend says "disguised soldiers". These young men if left to themselves without any control or check will lead to very extreme consequences. It is not too late and the Government have issued this notification and said :

"within any Province by members in their capacity as such of any organization specified in an order in writing by the Provincial Government of that province".

Sufficient margin has been left in this notification to cover the cases which my friend referred to. In such cases an exception has been provided. There is absolutely no danger in their case. The other organizations have an indirect object of becoming really the people's or national army. I therefore do not sympathise with the Resolution, I have said exceptions were provided as has been done in the Order.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution. The Honourable Member who moved the Resolution has distinctly stated that he does not desire

that exemption should be given to those organizations which have political motives behind or whose activities have resulted in the breach of the peace and order. As far as the Punjab is concerned I might mention that the Mahavir Dal has been in existence for the last so many years and in the Kurukshetra *mela* and several other social or religious functions irrespective of community or creed they have rendered yeoman service, and high officers of the Punjab have given them high testimonials on various occasions recognizing their services. My friend Sir A. P. Patro has observed that irrespective of their having proved useful organizations rendering public service, he wants to ban such organizations which have done well in the past, which have been in existence for a good many years. Those organizations have proved quite worthy and therefore this ban ought not to apply to them. As far as the United Provinces are concerned the Hindustan Scouts Association, of which we have branches in the Punjab, also were the victim of this ban for some time. I am one of those who always advocate that there should be no breach of the peace and we should help the authorities in the preservation of law and order. Those institutions which have done well in the past and for so many years proved their worth ought not to be banned. As the Honourable Mover has clearly stated his object in moving his Resolution I give my strong support and I hope that Government will also accept the Resolution.

THE HONOURABLE SIR MUHAMMAD YAQUB (Nominated Non-Official) : Mr. President, on reading the notification just now I find that the Honourable Mover of the Resolution has got no cause for complaint. His only complaint is that in this country there are certain peaceful organizations which want to create unity between the communities and they come within the purview of the notification issued by the Government ; but if he will read sub-section 3 of the notification issued by the Government of India he will find :

"Within any Province by members in their capacity as such of any organization specified in an order in writing by the Provincial Government of that Province".

So according to this sub-section Provincial Governments have got the power to exclude certain organizations from the purview of the notification, and if there are any such organizations as are described by my Honourable friend the Mover of the Resolution which have come under the provisions of the notification I think they can move the Provincial Governments and the Provincial Governments can exempt such organizations. Therefore my friend cannot have any complaint against the notification issued by the Government of India. Mr. President, I sympathise with the motive which has prompted the Honourable Mover of the Resolution, to move his Resolution. It is very well to say that there are certain peaceful and non-violent organizations and that there are certain organizations which have got non-violence as their creed, but the difficulty is, Mr. President, that nowadays we find that our politicians are dragging everything into the thick and thin of politics. We find our politicians drag the students and youth movements into the field of practical politics. They go to the colleges and schools, deliver inflammatory speeches asking young students to suspend their studies and take an active part in the political agitation going on in the country. Therefore, any organizations which are formed by the students are turned into political bodies and become a menace to the country. It is said that there are certain organizations which have got non-violence as their creed. Our experience however shows that those very devotees of non-violence have been the greatest aggressors and have committed great violence in the country. Was it not, Sir, these devotees of non-violence who enacted the tragedy of Chauri-Chaura as well as other places ? And, therefore, to say that those who have got non-violence as their creed, also practise that creed and when they are carrying on their work of non-violence

[Sir Muhammad Yaqub.]

actually remain non-violent, is not true. More often than not, I have seen that these non-violent volunteers have become a menace to the country and a menace to the peaceful life of the people. Mr. President, it is no use hiding the fact that communal feelings are running very high in the country today. Every day, on the occasion of festivals and gatherings, we find that every now and then a spark of communal fire spreads and we have riots and breaches of the peace, and if private organizations of young men, wearing military uniforms, and practising military drill, are allowed to go on in the country uncontrolled, at such a serious time as the present one, when the war is going on, I think it would be a great danger for the country and Government would be failing in their duty if they did not take precautionary measures as they have done in issuing a notification like this.

Mr. President, democracy is always mentioned in making speeches. It is always said that because we have got a democratic Government in India, we ought not to do this and ought not to do that. But Mr. President, does democracy mean mobocracy? Does democracy mean that there should be no laws or that there should be no action taken in order to avoid chaos in the country? I think democracy is misused by our speakers very often. What are they doing themselves? Has not the Congress itself discarded democracy and become a totalitarian body by appointing Mr. Gandhi as its dictator and dispensing with its constitutional aspect? So how can you say that these people are working the democracy? There is no democracy in the world now and to use the word "democracy" is merely futile.

Sir, under the conditions in which we are living in the country—and we are living in very grave and serious conditions—and we do not know when a spark of fire from outside may come to India and set the country in a blaze, and on an occasion like this it is very right on the part of the Government to take this Precautionary measure. I am sorry I cannot support the Resolution moved by my Honourable friend.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, after listening to what Sir A. P. Patro had to say on this Resolution I felt the Government had committed a mistake in taking action under the Defence of India Rules. What Sir A. P. Patro implied was that it was a standing danger and it should be exterminated for all time; therefore the proper course for the Government would have been to bring forward legislation for that purpose rather than take action under the Defence of India Act which is a temporary measure. Others may say that it is a danger only for the duration of the war, but in the opinion of Sir A. P. Patro this is such an important matter that even if performed by C. Rajagopalachariar it can be a correct thing, although C. R. has never done anything right in his life, barring this.

Mr. President, the Resolution which the Honourable Mr. Kalikar has moved asks for a return to the normal. The provision before the war was that you allowed these volunteer organizations to exist as such and whenever there was any organization which was found to be defective or subservient, it was served with a notice or dealt with in other ways. But now you take a general action indiscriminately against all organizations. The only two organizations which are mentioned by name in the Gazette of India Extraordinary of the 5th August are the Boy Scouts Association in India and the Girl Guides Association. The Hindustan Scouts, of which the Honourable Pandit Kunzru is the head, has been specifically exempted afterwards.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I may correct this. It is not the Government of India that have exempted it. I had to apply to every Provincial Government under whose jurisdiction we had a branch of our association in order to get permission to carry on our association. The Government are very well acquainted, I have good reason to believe, with our activities, but they did not have the fairness to exempt us in the same way as they exempted the Scouts Association in which they are interested.

THE HONOURABLE MR. HOSSAIN IMAM : Then I have given them credit for action in which I find they have been as negative as before; and it is the Provincial Governments who should receive the credit for having exempted the Association.

THE HONOURABLE SIR A. P. PATRO : The notification allows Provincial Governments to do so.

THE HONOURABLE MR. HOSSAIN IMAM : Yes, Sir, but by name it exempted only two associations. Now, the question is why should these two associations alone be exempted and the sister association, which was formed on the same basis and which was really a part of the same organization but which has seceded, not be mentioned by name; so that Pandit Kunzru had to apply to eleven Provinces and perhaps to the Chief Commissioners as well.

Now, Sir, the question is whether activity of this nature is one to be condemned and finished or is it to be encouraged? The general complaint has been that India is not military-minded, that we have got martial classes and non-martial classes—the distinction even exists of listed classes for even in the martial classes there is an internal exclusive circle of the listed classes. You might belong to a martial class but if you are not included in the listed classes you are ineligible for the army. And always it has been stated to us that we are not military-minded. Now, how are you going to make us military-minded? Simply by preaching or by giving us some form of drill and action so that we may also get into the habit of becoming military-minded. I cannot understand the reason why the Government was so anxious to get off all the uniforms which these volunteer organizations put on.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR : There is the U. T. C.

THE HONOURABLE MR. HOSSAIN IMAM : The U.T.C. is a closed preserve so far as the general public is concerned; I expect the Colonel knows better, it is only open to University students and at the University centres.

Mr. President, I was saying that the ban on uniforms even if it were to be imposed should have been of a different nature. It should have prohibited any imitation of the actual uniforms worn by the armies. That would have been understandable. But to ban all military types of uniform is, I think, going rather too far. "Any dress resembling a uniform"—that is the expression. Why not be just as you have got in the Trade Marks Act—if you copy a trade mark, you are liable for damages. It does not mean that you cannot have any trade mark at all. Here they say, "You have no trade mark at all". No uniform can be had. That is rather going too far. When there is any Government notification or law passed by the Government, I feel, Sir, that it does not distinguish between Hindus and Muslims. It falls alike, be it the income-tax or any other tax. It does not concern itself whether a man is a Muhammadan or a Hindu. All organizations are banned. The instances

[Mr. Hossain Imam.]

given are about Hindu organizations. I do not wish to give any instances. I wish to approach the Government on the basic principle whether volunteer organizations should be encouraged or should be discouraged, especially during a time of war. I take it, Sir, that Government are not going as far as Sir A. P. Patro would wish them to go? At the moment we are in the midst of the war and Civic Guards are being formed. Pointedly it has been said to me by a friend of mine on my left that there are Civic Guards. Perhaps it is not well known to the House how small it is and in how few places it has been started. It cannot cater for the 36 crores of the people and the restrictions in the admission to the Civic Guards in places where it has been started are also such that it does not allow many people to come in. With regard to these volunteer organizations as I do not hold any brief for them; I am not going to say that all these organizations were correct and Government were wrong in banning them. There might be organizations—I do not deny it—which ought to be, and have been, correctly banned. But that should be by individual action by the Provinces, banning organizations giving specific reasons for the banning, and saying it will remain banned for such-and-such time. Whereas the Government of India, by a sweeping action, has banned all the organizations, whether good, bad or indifferent. I think it is rather too high-handed and Government should modify their action, if they cannot take it back.

Sir, I support the Resolution.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, in the fairly general chorus of approval with which the Government's notification was received, I have noticed a tendency to limit the approval to the extent that the order in question was believed to be aimed at an organization which was different from the one to which the speaker or writer himself belonged. It is not uncommon for people to believe in the merit of a law so long as it is applied against somebody else and that observation, I think with all respect, is relevant to the arguments of the Honourable Mover of this Resolution. I would like however to acknowledge the obvious sincerity of his intentions, and I feel confident that he is himself convinced of the real usefulness of the organizations which he is championing. But I would remind him that champions of other organizations which may be affected by Governments' order are likely to take a similar line. I might also,—if I may make a general and rather platitudinous observation,—say that all laws affect both the good and the bad. They affect those who are law-abiding and those who are inclined to contravene the laws. In other words, laws are apt to be irksome even to the former. When I come to deal with the actual terms of the Resolution I think I can show that the Resolution itself is really based on a misconception and that if the Honourable Member had studied the Government notification somewhat more closely, he would have realized that it is not open to the interpretation which he has put upon it.

I would like, first of all, to say something generally about Government's policy in this regard. I notice that the Honourable Mr. Hossain Imam, in spite of the fact that the contents of the order had just been read out by another Honourable Member, still referred to the ban on private organizations and then went on to talk about the desirability of allowing these organizations to exist. I would like to ask the Honourable Member whether he is in fact inviting Government to permit the existence of private armies? His argument, if I understood it rightly, was that because the U.T.C. is limited in numbers and because it is not possible to train all the youth of India in the use of arms, therefore, private armies should be allowed. If that was his

line. I would suggest that he is following a very dangerous line. The attitude of Government, as I said to start with, towards these private armies has I think, met with general approval. But in case any doubt exists, I would like to read the House a sentence from the *Harijan* from an issue of last April. That sentence reads as follows:

"No Government can allow private military organizations to function without endangering the public peace".

That is exactly Government's view and it was because of the danger inherent in the existence of these organizations which tend to become private armies that it was necessary to issue the order under the Defence of India Rules.

I come now to the actual terms of the Resolution. They are, as I have indicated already, based on a misconception. The Government order under the Defence of India Rules does not ban any organization. What it does is this. It prohibits certain military movements and drilling with or without arms and the wearing of certain types of uniform. There has, in fact, been no interference—and no interference was intended—with the free right of association for harmless and legitimate purposes. The whole case which the Honourable Member has attempted to build up is really vitiated by the assumption in his Resolution that Government are banning all organizations irrespective of their activities. That is not the case. The activities which are prohibited are, as I have explained, military drilling and the wearing of military uniforms; in other words, imitations of military methods, and in fact, the practices which the Honourable Mr. Hossain Imam would, I understand, encourage. Military methods as practised by the Army and the Police are designed for a particular object, namely, the use or display of disciplined force, and those who seek to adopt similar methods must raise a presumption that they have got similar objects in view. No organization which is formed for legitimate and harmless objects has any reason to fear the operation of the Government order. If their object is beneficial activity then they can claim that the order does not apply to them. That really is the answer to the point made by the Honourable the Mover of this Resolution. He has quoted the tributes paid by His Excellency the Governor to certain organizations in his Province and those tributes are evidence that some of the activities anyhow of those particular organizations are beneficent and therefore do not come within the scope of the order. I think we may fairly presume that the sympathetic attitude of the Provincial Government to which he has also referred will continue, and in so far as the activities of the associations which the Honourable Mover has mentioned are legitimate and harmless the Provincial Government will continue to be sympathetic.

I must make it clear that it would not be possible for Government to accept this Resolution as it stands. It is as I have said largely based on a misconception, and in so far as it asks Government to revise their policy I think there will be general agreement that such a suggestion is unacceptable.

There are one or two minor criticisms which I would like to meet. One is that only two organizations were exempted by the Government of India, and the rest were left to the discretion of Provincial Governments. It was quite impossible for the Government of India to put all the organizations that might merit exemption into their own order, and the fact that Provincial Governments have immediately responded to the request of my Honourable friend Pandit Kunzru to exempt under the power given them the Hindustan Scouts Association is I think clear evidence that Provincial Governments are working the order with sympathy and understanding.

I think, Sir, that is all I have to say on this Resolution, I would like in closing to recognize once more the sincere intentions of the Mover. I

[Mr. E. Conran-Smith.]

know that he feels very strongly about certain particular organizations, but I would ask him to go away and think the matter over in the light of what I have said and to believe me when I tell him that Government has no wish to penalize or thwart the legitimate activities of such bodies. Some remarks were made about the Civic Guard. Government hoped that the opportunity given by the Civic Guard would help to meet the urge to wear uniform and more particularly the urge to help India in this time of international stress and trouble; and although some disparaging remarks have been made about the numbers, enlisted, I believe that the Civic Guard, as His Excellency the Viceroy told Honourable Members the other day, is going ahead and is rendering very useful service, and that it is a means by which this urge to do something to help can be canalized into useful channels.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, the speech of the Home Secretary showed that he did less than justice to my Honourable friend the Mover of the Resolution. I do not think Mr. Kalikar at all made the mistake of supposing that the notifications issued by the Government of India made it impossible for any volunteer organization as such to function. He was aware equally with the Home Secretary that the Government of India had not banned any association. It had only prescribed the conditions under which no association should be allowed to function.

THE HONOURABLE MR. E. CONRAN-SMITH : Then I take it the Resolution is not correctly worded? It implies that a ban was imposed on private organizations.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I will just deal with it. I was saying that the Government of India only prescribed the conditions under which no association should be allowed to function but left it to the Provincial Governments to determine whether those conditions were satisfied or not. The complaint of Mr. Kalikar is not that the Government of India have dealt with the associations that constitute a threat to the maintenance of the public peace; his complaint is that the notifications are too wide in their scope. This is all that he has submitted. He has put forward no plea on behalf of any association engaged, or attempting to engage, in unlawful activities. The speech delivered by the Home Secretary and the speeches delivered by the two nominated non-official Members show not merely a misunderstanding of the position of the Mover but also complete want of acquaintance with the bodies engaged in purely social work. It has been said that if there was no desire on the part of these bodies to imitate military movements and thus to mislead the public, there was no reason why they should wear a dress resembling the military dress or should permit any movements which might be taken to be of a military character. I should like my Honourable friends and particularly the Home Secretary to realize what the position is. Take a body which has to carry on work say at big *melas*, as a body with which I am connected has to do. The body which I have particularly in mind is the All-India Seva Samiti. Now, if it has to carry on its work it is obvious that it must have a certain number of volunteers to discharge the duties that must be performed on such occasions. Now, are these volunteers to be brought into some kind of order or are they to function as a rabble? If they are to be an orderly body, what is the training that is to be given? It is obvious that they must be divided into sections, that each

section must have an officer of its own and that it must be drilled in order to introduce the minimum uniformity that any body of volunteers must have. How are they to carry on their duties unless these minimum activities are allowed, but in order to carry them out the association concerned would have to get the permission of the Provincial Government. If I may so put it these bodies will function under a kind of martial law. No association knows what its position is and it depends entirely on the Provincial Government concerned whether it would allow the association to function or not. Without banning its activities it can reduce it to a position of impotence by simply not giving it the permission to work on special occasions. Now, I have mentioned an association of one character only, but the Home Secretary can easily imagine the need for discipline in all social service associations whose activities require the maintenance of a certain number of volunteers. These volunteers are not maintained in order to come into conflict with the police or the military. They are maintained for the performance of certain duties. They are maintained because without them the association concerned cannot properly function.

I have spoken so far of the movements of the volunteers. Let me say a word about their dress. One of the speakers objected to the khaki dress worn by the volunteers. Now, let us exercise a little imagination and think of the various coloured uniforms that the volunteers can wear—red, blue, green, yellow. Does he mean seriously that these volunteers should wear such coloured uniforms; they will look ridiculous if they do so. The khaki uniform is worn because it is sober and because it does not require constant washing. That is the reason why the khaki dress is so popular. The speech of Mr. Conran-Smith tended to show that the wearing of the khaki dress or making the volunteers go through a certain amount of drill would be sufficient in the mind of the Government of India to raise a suspicion that the volunteers concerned are trying to come into conflict with the authorities. I ask him whether such a position is fair? Is it necessary at the present time in the interests of the country that the Government of India should have issued such a sweeping notification of the kind to which Mr. Kalikar has drawn our attention? I felt when I read it that their sweep was unduly wide and that the Government of India had been able to issue it simply because it was not responsible to the people. When one considers the changes of policy that have had to be made in England, when one remembers the changes of policy that have had to be made by the Cabinet because of public dissatisfaction with those Ministers who took themselves a little too seriously one will have no doubt that the Government of India have unnecessarily tried to control the activities of bodies which are legitimately engaged in purely social work, and that they can do so only because their power cannot be constitutionally questioned.

THE HONOURABLE MR. V. V. KALIKAR : Sir, my Honourable friend Pandit Kunzru has met the case of the Government completely, I do not therefore think I need say more now. In the very beginning of my speech I think I have made it quite clear that I cannot appreciate the unlawful activities of those volunteer organizations and I made it quite clear that the Government would be perfectly right in taking any action against those volunteer organizations which have indulged in unlawful activities or which have come into conflict with the Government. I am quite clear in my mind about the implications of the Resolution. My Honourable friend the Home Secretary does not agree with the word "ban" but I may explain that I used that word "ban" in the sense in which it is ordinarily used. The Government have curtailed certain activities of certain volunteer organizations and

[Mr. V. V. Kalikar.]

therefore I state that they have banned the activities. My Honourable friend Pandit Kunzru has already told us just now about their dress and drill. Sir, it has been said by my Honourable friend the Home Secretary that "all laws affect good and bad"; but he must know that laws are made only for the offenders and the offenders are only to be punished and not those who follow the law. The Government must know—and Government fail in their duty if they do not know—who are the offenders and who are not offenders. My submission is that it is the duty of the Government to know which private volunteer organizations have acted against the law and I shall be one with them in taking action in imposing certain restrictions upon certain volunteer organizations which have come into conflict with the Government, and which have indulged in unlawful activities. But I cannot agree with the Honourable the Home Secretary that the Government of India having some imaginary fears without any reason should pass such orders of a sweeping nature.

THE HONOURABLE MR. E. CONRAN-SMITH: If you do not offend against the law, there is no reason to be afraid of the law.

THE HONOURABLE MR. V. V. KALIKAR: Certainly. Those orders which you have passed affect all the private volunteer organizations. You have not mentioned that these organizations are indulging in unlawful activities, or are offending against the law. You have made these orders for all. I may tell a certain story to the House—I am not habituated to tell stories to the House. About three hundred years ago there was a ruler in our Province who said if people made use of a particular type of clothes they would be punished. My Honourable friend Pandit Kunzru has already said about the necessity of wearing of khaki dress. It is not only one or two organizations but so many organizations who wear khaki dress, coat and pant. When this order appeared in the Government of India Gazette some friends of mine were

4.5 P.M. ridiculing the order that they were barred now after the issue of this order to wear khaki coats and khaki pants because of the wording of the notification. They are not imitating the military authorities, they are not imitating the military drill, but in order to create discipline among them they are having those activities. Sir, I have nothing to say against my friend Sir A. P. Patro, because the Congress is always on his brains. I am very glad to learn that he could support the order of C. Rajagopalachariar the late Prime Minister of Madras. I have only to say in reply to his statement that the Provincial Government could exempt these organizations from the operation of these rules, but as these organizations have got branches throughout the whole of India, it is only the Government of India who can set the matter right. It is just possible that some of the Provincial Governments would exempt them and some would not. I wanted to attack the sweeping nature of the order and therefore I came to the Government of India. I am very sorry, Sir, that the Government of India do not see their way to accept this Resolution in these critical days. They ought to appreciate the activities of these organizations. They ought to encourage them but if they cannot encourage at least they ought to appreciate these activities and they ought not to stifle them. I therefore, Sir, move the Resolution.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask for information, Sir, whether the wearing of khaki uniforms by the tramway people is banned or not?

THE HONOURABLE MR. E. CONRAN-SMITH: Sir, that question hardly needs an answer.

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council that the ban imposed on private volunteer organizations by the Government of India be withdrawn immediately."

Question put: the Council divided:

AYES—8.

Chettiyar, Hon. Mr. Chidambaram.
Hossain Imam, Hon. Mr.
Kalikar, Hon. Mr. V. V.
Kunzru, Hon. Pandit Hirday Nath.

Mahtha, Hon. Rai Bahadur Sri Narain.
Ram Saran Das, Hon. Rai Bahadur Lala.
Sapru, Hon. Mr. P. H.
Sinha, Hon. Kumar Nripendra Narayan.

NOES—20.

Bajpai, Hon. Sir Girja Shankar.
Charanjit Singh, Hon. Raja.
Conran-Smith, Hon. Mr. E.
Dow, Hon. Mr. H.
Ghosal, Hon. Sir Josna.
Govindachari, Hon. Rao Bahadur K.
Haidar, Hon. Khan Bahadur Shams-ud-Din.
Hissamuddin Bahadur, Hon. Lt.-Col. Sir.
Jones, Hon. Mr. C. E.
Khurshid Ali Khan, Hon. Nawabzada.

Lal, Hon. Mr. Shavax A.
Lloyd, Hon. Sir Alan.
Menon, Hon. Sir Ramunni.
Muhammad Yakub, Hon. Sir.
Mukherjee, Hon. Sir Satya Charan.
Parker, Hon. Mr. R. H.
Patro, Hon. Sir A. P.
Richardson, Hon. Mr. J. H. S.
Roy, Hon. Mr. S. N.
Williams, Hon. Mr. A. deC.

The Motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): Sir, I regret that I was unavoidably detained this morning and unable to answer a question which was asked by Honourable Members as to when the Finance Bill which was laid on the table of the House would come up for discussion. I am in a position to state now that it is our intention to take up the Bill on Monday next, the 25th November, at 11 A.M.

The Council then adjourned till Eleven of the Clock on Friday, the 22nd November, 1940.

COUNCIL OF STATE.

Friday, 22nd November, 1940.

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

QUESTIONS AND ANSWERS.

THAILAND GOOD-WILL MISSION.

21. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (on behalf of the Honourable Raja Yuveraj Datta Singh): Did the official Goodwill Mission from Thailand visit India recently? If so, has it resulted in the conclusion of any economic or political agreement between the two countries in furtherance of common interests?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: The answer to the first part of the question is "Yes" and to the second part "No".

UNIVERSITY TRAINING CORPS.

22. THE HONOURABLE MR. P. N. SAPRU: Will Government state—
(a) the number of University Training Corps Battalions in the country; and
(b) whether Government has received any representations from various Universities for the expansion of their U.T.C. and for their better equipment?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a) There are 10 U.T.C. battalions in the country.

(b) Yes.

THE HONOURABLE MR. HOSSAIN IMAM: With reference to (b), Sir, from which Universities have Government received representations?

THE HONOURABLE MR. A. DEC. WILLIAMS: A University in the United Provinces.

THE HONOURABLE MR. HOSSAIN IMAM: Which University, Sir?

THE HONOURABLE MR. A. DEC. WILLIAMS: Lucknow University.

THE HONOURABLE MR. P. N. SAPRU: Have the Government received any representation from the Allahabad University also?

THE HONOURABLE MR. A. DEC. WILLIAMS: I have no information as to that, Sir. But there has been a 50 per cent. increase in the establishment of these units in June last.

THE HONOURABLE MR. HOSSAIN IMAM: Was the Aligarh University U.T.C. increased?

THE HONOURABLE MR. A. DEC. WILLIAMS: To the best of my information, they were all increased by 50 per cent.

THE HONOURABLE MR. HOSSAIN IMAM: Have they been given permission to increase the cavalry platoon?

THE HONOURABLE MR. A. DEC. WILLIAMS: The Honourable Member must give notice of that.

THE HONOURABLE SIR RAMUNNI MENON: May I know whether it is a part of the scheme of expansion to create University Corps in Universities where they do not exist now?

THE HONOURABLE THE PRESIDENT: How does that question arise from the answer given by the Honourable Member?

THE HONOURABLE SIR RAMUNNI MENON: My question relates to the expansion of University Corps which is within the scope of the original question.

THE HONOURABLE MR. HOSSAIN IMAM: It arises from (a) of the question, the number of U.T.C. battalions in the country.

THE HONOURABLE THE PRESIDENT: It does not. It is a new question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I inquire whether it is the intention of Government to reduce the two platoons recently allowed to be added to each company to one?

THE HONOURABLE MR. A. DEC. WILLIAMS: The question relates to increase and not to reduction, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: My question is, whether it is the intention of Government to decrease the number of platoons added to a company from two to one.

THE HONOURABLE MR. A. DEC. WILLIAMS: For any question which relates to decrease I should require notice.

THE HONOURABLE MR. HOSSAIN IMAM: May I know, Sir,—

THE HONOURABLE THE PRESIDENT: The Honourable Member (the Honourable Mr. Williams) has stated that he requires notice.

THE HONOURABLE MR. HOSSAIN IMAM: I am asking another question, Sir.

THE HONOURABLE THE PRESIDENT: You cannot pursue the question further.

THE HONOURABLE MR. HOSSAIN IMAM: Perhaps he might be able to give the answer from the file.

THE HONOURABLE THE PRESIDENT: No, he wants notice.

THE HONOURABLE MR. HOSSAIN IMAM: I have not stated my question yet, Sir.

THE HONOURABLE THE PRESIDENT: You are not entitled to put any question after the Member wants notice.

THE HONOURABLE MR. HOSSAIN IMAM: He wanted notice on Pandit Kunzru's question, Sir.

THE HONOURABLE THE PRESIDENT: You want to pursue it further?

THE HONOURABLE MR. HOSSAIN IMAM: I want a specific statement, Sir, whether the Annamalai and the Andhra Universities have University Training Corps or not?

THE HONOURABLE MR. A. DEC. WILLIAMS: I have a list here and they do not appear on that list.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member lay the list on the table?

THE HONOURABLE MR. A. DEC. WILLIAMS: Yes, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I put another question, Sir? Is it the intention of Government to allow the two platoons added per company of the U.T.C. to continue?

THE HONOURABLE MR. A. DEC. WILLIAMS: I have already answered that question, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The question not having been put, the Honourable Member could not have answered that.

THE HONOURABLE THE PRESIDENT: Was it involved in your previous reply?

THE HONOURABLE MR. A. DEC. WILLIAMS: It was involved in his previous question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: That question was an entirely different one.

THE HONOURABLE SIR ALAN LLOYD: That question was about decrease, and he won't answer that question. He wants notice.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: This is a different question.

THE HONOURABLE SIR ALAN LLOYD: Decrease and discontinuance are the same.

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THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Honourable Member might himself be allowed to reply. He is not dumb.

THE HONOURABLE MR. A. DEC. WILLIAMS: My point is that there is very little difference between asking whether a unit is going to be done away with and whether it is going to be allowed to continue to exist.

Information promised in reply to the Honourable Mr. Hossain Imam's supplementary question.

- 1st (Bombay) Battalion, U. T. C.
- 2nd (Calcutta) Battalion, U. T. C.
- 3rd (United Provinces) Battalion, U. T. C.
- 4th (Lahore) Battalion, U. T. C.
- 5th (Madras) Battalion, U. T. C.
- 7th (Patna) Company, U. T. C.
- 9th (Delhi) Battalion, U. T. C.
- 10th (Nagpur) Battalion, U. T. C.
- 11th (Karachi) Company, U. T. C.
- 12th (Dacca) Company, U. T. C.

SUPPLY DEPARTMENT.

23. THE HONOURABLE MR. P. N. SAPRU: Will Government state (a) the number of officers in the War Supply Department; (b) their names and nationality; and (c) the salaries and emoluments paid to each of them?

THE HONOURABLE MR. H. DOW: I place on the table a statement giving the required information.

As in the case of the statement which I laid on the table on the 19th instant, and for the same reason, details of appointments to the Indian Stores Department and to the Contracts Directorate are not included. I can however give certain totals for these departments.

At the outbreak of war there were in the Indian Stores Department 13 European officers and 47 Indian officers. There are now only 11 European officers and 84 Indian officers.

The Contracts Directorate was, and remains, a military organization. At the outbreak of war it had five European and one Indian officer. It now has 16 European and 11 Indian officers.

Statement showing the names, nationality and emoluments of the officers employed in the Supply Department (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts.

Serial No.	Name and designation.	Nationality.	Emoluments. (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
<i>Main Secretariat.</i>				
1	The Honourable Mr. H. Dow, C.S.I., C.I.E., I.C.S., Vice-President, War Supply Board.	European	Rs. 5,000	N.B.—S. P. for Special Pay.
2	Mr. E. M. Jenkins, C.I.E., I.C.S., Secretary.	Do.	3,000 £13-6-8	O. P. for Overseas Pay. C. A. for Car Allowance. C. L. A. for Compensatory Local Allowance.
3	Mr. Ghulam Mohammed, Controller General of Purchase.	Indian	3,000	H. R. A. for House Rent Allowance.
4	Mr. S. H. Y. Oulsnam, C.I.E., M.C., I.C.S., Joint Secretary.	European	3,000 £13-6-8	
5	Mr. J. A. Mackeown, I.C.S., Deputy Secretary.	Do.	S. P. 1,800 O. P. 400 £30	
6	Mr. M. Ikramullah, I.C.S., Deputy Secretary.	Indian	S. P. 1,600 O. P. 400	
7	Mr. H. M. Patel, I.C.S., Deputy Secretary.	Do.	S. P. 1,600 O. P. 400	
8	Mr. S. R. Zaman, I.C.S., Deputy Secretary.	Do.	S. P. 2,150 O. P. 400	
	Mr. S. Bhoothalingam, I.C.S., Under Secretary.	Do.	S. P. 1,300 O. P. 150	

Statements showing the names, nationality and emoluments of the officers employed in the Supply Departments (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Departments (Army Headquarters) with their posts—contd.

Serial No.	Name and designation.	Nationality.	Emoluments (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
<i>Main Secretarial—contd.</i>				
10	Rai Sahib Dip Chand, Under Secretary	Indian	1,200	
11	Mr. G. Corley-Smith, M.B.E., Under Secretary	European	Pay not yet fixed.	
12	Mr. J. Byrne, Assistant Secretary	Do.	1,050	
13	Mr. F. H. T. Ward, Assistant Secretary	Do.	1,000	
14	Rai Bahadur S. K. Bannerjee, Officer on Special Duty	Indian	500	
15	Lt.-Col. T. H. Batty, Director, Statistics	European	1,325	
16	Major E. C. Ormond, Director, Indents	Do.	1,530	
17	Mr. S. N. Mitter, Assistant Director, Statistics	Indian	500	
18	Mr. S. S. Venkatakrishnan, Technical Assistant	Do.	250	
<i>Directorate General of Supply.</i>				
19	Brigadier E. Wood, M.C., Director General, Supply	European	3,000 O. P. £13-6-8	
20	Mr. R. W. Targett, Deputy Director General, Supply	Do.	3,500	
21	Mr. L. Mason, C.I.E., O.B.E., M.C., I.F.S., Deputy Director General, Supply.	Do.	3,000	
22	Mr. D. M. Pasmore, Director, Textiles	Do.	2,250	
23	Mr. D. Stewart, O.B.E., I.F.S., Director, Timber	Do.	1,950 O. P. £13-6-8	
24	Mr. A. E. Hampson, Director, Miscellaneous Stores	Do.	1,500	
25	Mr. C. T. G. Hooper, Director, Co-ordination	Do.	1,500	
26	Mr. W. E. Flewett, I.F.S., Deputy Director, Timber	Do.	1,750 300 S. P.	
27	Mr. P. R. Cregar, Deputy Director, Chemicals	Do.	1,500	
28	Mr. J. Walker, I.F.S., Deputy Director, Timber	Do.	1,250 250 O. P. £30	
29	Mr. V. S. Kuppaswamy, Officer on Special Duty	Indian	1,100 150 S. P.	
30	Mr. M. V. Laurie, I.F.S., Deputy Director, Timber	European	Pay not yet fixed.	
31	Mr. Lloyd Knibb, Assistant Director, Textiles	Do.	900	
32	Mr. W. J. Oakley, Deputy Director, Textiles, Cawnpore.	Do.	1,500	
33	Mr. S. K. Chaudhuri, Assistant Director, Textiles	Indian	800	
34	Mr. P. N. Suri, Assistant Director, Timber	Do.	750 150 S. P.	
35	Rai Sahib Bishamber Das, Assistant Director, Miscellaneous Stores.	Do.	800 200 S. P.	
	Mr. N. K. Thadani, Technical Assistant, Miscellaneous Stores.	Do.	250	

Statement showing the names, nationality and emoluments of the officers employed in the Supply Department (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts—contd.

Serial No.	Name and designation.	Nationality.	Emoluments. (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
<i>Directorate General, Munitions Production.</i>				
37	Sir Guthrie Russell, K.C.I.E., Director General, Munitions Production.	European	5,000	Officers of the Munitions Production Directorate located at Calcutta are entitled to compensatory and house rent allowance at the scale admissible to them in their parent Department. Amount admissible in individual cases not yet determined.
38	Mr. G. S. Butler, C.I.E., Deputy Director General, Armaments Production.	Do.	2,750	
39	Mr. F. G. S. Martin, Deputy Director General, Engineering.	Do.	2,750 O. P. £13-6-8	
40	Lt.-Col. M. H. Cox, O.B.E., M.C., Director, Factory Expansion.	Do.	Military rates of pay and allowances as admissible to a Lt. Col.	
41	Mr. R. C. Case, Director, Civil Production	Do.	2,750 O. P. £13-6-8	
42	Mr. W. L. D. Martyn, Officer on Special Duty	Do.	1,025 £30 O. P.	
43	Mr. J. Humphries, Director, Engineering	Do.	2,500 £13-6-8 O. P.	
44	Mr. R. A. McGregor, Director, Metals	Do.	2,350	
45	Mr. H. Sparrow, Deputy Director, Engineering (Mech.)	Do.	1,025 250 £30 S. P. O. P.	
46	Mr. S. W. White, Deputy Director, Engineering (Elect.)	Do.	1,000	
47	Mr. P. C. Mukherji, Deputy Director, Engineering (Civil).	Indian	1,025	
48	Mr. J. R. Walton, Deputy Director, Engineering (Quota)	European	500	
49	Mr. S. M. K. Alvi, Assistant Director, Metals	Indian	375 100 S. P.	
50	Engineer Commander J. Beggs	European	Pay not yet determined.	
51	Mr. N. Hackney	Do.	1,375 £30 O. P.	
<i>Timber Depots.</i>				
52	Mr. A. G. Grant, M.B.E., Officer-in-Charge, Timber Depot, Karachi.	Do.	1,100	
53	Mr. A. R. Gonsalves, Assistant to the Officer-in-Charge, Timber Depot, Karachi.	Do.	400	
54	Mr. E. P. Keelan, Officer-in-Charge, Timber Depot, Calcutta.	Do.	500	
55	Rao Bahadur K. G. Belliappa, Officer-in-Charge, Timber Depot, Cochin.	Indian	500	
<i>Controller of Supplies.</i>				
56	Lt.-Col. J. R. Marriott, Controller of Supplies, Bengal, Calcutta.	European	2,150 150 C. A. H. R. A. * C. L. A.	* H. R. Allowance to cover payment made in excess of 10 per cent. of pay subject to certain restrictions.

Statement showing the names, nationality and emoluments of the officers employed in the Supply Department (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts—concl.)

Serial No.	Name and designation.	Nationality.	Emoluments. (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
	<i>Controller of Supplies—contd.</i>			
57	Mr. G. E. Bennett, Controller of Supplies, Bombay	European	Rs. C. A. 1,950 H. R. A. 125 C. L. A. 100	*H. R. Allowance to cover payment made in excess of 10 per cent. of pay subject to certain restrictions.
58	Mr. E. M. Souter, Controller of Supplies, United Provinces, Cawnpore.	Do.	2,500	
59	Mr. M. A. Srinivasan, Controller of Supplies, Madras	Indian	1,600 125 C. A.	
60	Ch. Bashir Ahmad, Controller of Supplies, Punjab, Lahore.	Do.	1,000	
61	Mr. S. C. Latif, Controller of Supplies, Sind, Karachi	Do.	1,150 (in the scale of Rs. 1,000—1,200). S. P. 250 C. A. 100	
62	Mr. E. C. Forbes, Deputy Adviser to Government, Woollen Industry, Cawnpore.	European	2,000	
63	Mr. J. A. Stuart Williams, Assistant to the Adviser on Engineering Supplies, Calcutta.	Do.	1,200	
64	Mr. S. M. Homair, Personal Assistant to the Controller of Supplies, Bengal.	Indian	450 (in the scale of Rs. 400—500).	
65	Mr. P. A. Davies, Personal Assistant to the Controller of Supplies, Bombay.	European	500	
66	Mr. C. V. Kinsville, Personal Assistant to the Controller of Supplies, United Provinces.	Do.	..	Working in an Honorary capacity upto 27th November, 1940, thereafter he will draw Rs. 400 a month plus his pension from United Provinces Government.
	<i>Mica Organizations.</i>			
67	Mr. J. Podger, Mica Inspector	Do.	1,500	
68	Mr. W. J. U. Turnbull, Mica Examiner	Do.	550	

VALUE OF ORDERS PLACED BY THE INDIAN STORES DEPARTMENT AND
CONTRACTS DIRECTORATE.

24. THE HONOURABLE MR. P. N. SAPRU: Will Government state the value and number of orders placed in India for war supply requirements with (a) British owned concerns; (b) British controlled concerns; (c) Indian owned concerns; and (d) Indian controlled concerns?

THE HONOURABLE MR. H. DOW: The value of orders placed by the Indian Stores Department and Contracts Directorate from the 1st September, 1939 to 30th September, 1940, amounts to over Rs. 56 crores. The number of individual orders comes to about 1,20,000 and these have been distributed over some 3,000 different firms. No distinction or discrimination is made when placing orders between Indian and European firms, and no record is maintained of orders placed with firms of different nationalities. There is therefore no way in which the information given above can be readily classified in the manner required by the Honourable Member, who will also doubtless realize that the classifications he suggests are neither complete nor mutually exclusive.

THE HONOURABLE MR. HOSSAIN IMAM: Is there any record of British firms in name and of Indian firms in name to which contracts have been given?

THE HONOURABLE MR. H. DOW: No, Sir, there is no record at all, and it would be quite impossible to tell from the names of many firms whether they are European or Indian. A firm which calls itself "All-India Corporation" may quite easily be an entirely British concern. A concern which appears under the name of "Mr. Mukherjee" may be owned by a European, and *vice versa*. Again, firms are owned partly by Indians and partly by Europeans. They are managed partly by Indians and partly by Europeans. There are Indian firms that are managed by Europeans; there are European firms that are managed by Indians. It is, therefore, I think, quite impossible for me to fit the information which I have given into any such classification as that suggested in the question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Could the Honourable Member lay on the table a list of all the firms with which orders have been placed, giving against the name of each firm the total amount of the orders placed with it?

THE HONOURABLE MR. H. DOW: Sir, doubtless that could be done, but as I have pointed out there are over 3,000 firms and there are 1,20,000 contracts, and this is constantly being added to; and it is quite clear that when that information was given it would be of no assistance whatever in enabling conclusions to be drawn on the lines which are suggested by the Honourable Member's question. I therefore think that I am justified in saying that the collection of this material which is now asked for by Mr. Kunzru, the cost and labour of making that collection, would be entirely out of proportion in a hard-worked Department to the use which could possibly be made of it.

THE HONOURABLE MR. P. N. SAPRU: Will the Honourable Member be pleased to lay on the table of the House a statement showing the names of the Directors of the firms to which contracts have been given and the names of the managing agents and their nationality?

THE HONOURABLE MR. H. DOW: That would involve much more labour and waste of time.

THE HONOURABLE MR. P. N. SAPRU: That would enable us to find out exactly how matters stand.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: In view of the desirability of giving information on the subject will not the Honourable Member be prepared to give the information I have asked for even though it might involve a certain amount of labour?

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Dow, could you not allow Mr. Kunzru to collect the information himself in your office?

THE HONOURABLE MR. H. DOW: No, Sir. I am afraid the Honourable Mr. Kunzru would have a full-time job which would take him a year. It would also interfere very considerably with the work which officers of the Department have to do.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Does the Honourable Member seriously suggest that it would take his Department a year?

THE HONOURABLE MR. H. DOW: No, Sir. I said it would take the Honourable Pandit a year.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: He need not have any compassion on me. Let him give me all that I ask for and I will make use of it.

THE HONOURABLE MR. P. N. SAPRU: Is it a fact that the post of the Vice-President of the Supply Board will not be filled up after the present incumbent goes?

THE HONOURABLE THE PRESIDENT: No discussions are allowed. Only questions are to be put.

DESTRUCTION OF HORSES BY THE MILITARY AUTHORITIES.

25. THE HONOURABLE MR. P. N. SAPRU: Will Government state (a) whether military authorities are shooting horses no longer required by them; (b) whether there has been any request from civil authorities for the horses being sold to them; and (c) the number of horses so destroyed and their average price? Are Government aware that Indian sentiment is against wanton destruction of unoffending animals?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a) No serviceable horses have been destroyed. In accordance with established policy old and worn out horses are regularly destroyed.

(b) Yes.

(c) Information as to numbers is not readily available. No horse of any value has been destroyed.

The reply to the last part of the Honourable Member's question is in the affirmative.

THE HONOURABLE MR. P. N. SAPRU: Will Government therefore respect Indian sentiment and not destroy these horses?

THE HONOURABLE MR. A. DEC. WILLIAMS: Government not merely respect the Indian sentiment, they share it. But they consider their present policy a preferable alternative to permitting horses for which they have no longer any requirement to fall into undesirable hands and possibly suffer ill-treatment.

THE HONOURABLE MR. HOSSAIN IMAM: May I know from the Honourable Member why it is impossible to get the number of those which have been destroyed during the last year at least?

THE HONOURABLE MR. A. DEC. WILLIAMS : I omitted to mention, Sir, that the Honourable Member had not specified the period for which he wished these figures.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member lay on the table the figures for the last year?

THE HONOURABLE MR. A. DEC. WILLIAMS : No, Sir. It would involve far too much labour to collect these figures from depots and units.

THE HONOURABLE MR. HOSSAIN IMAM : Any record kept of the horses they buy and have in stock at the beginning and end of a year might tell us.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I ask for a little more information? Are the Government destroying horses which they do not require, or only those horses which are no longer fit for service?

THE HONOURABLE MR. A. DEC. WILLIAMS : Only those horses which are no longer fit for service.

THE HONOURABLE MR. P. N. SAPRU : Is a horse which is not fit for military service also unfit for civil service? Will Government not gain by disposing of those horses to civilians who are prepared to buy them?

THE HONOURABLE MR. A. DEC. WILLIAMS : Government do not wish to gain at the expense of the horses, Sir.

DEPUTATION OF DR. GREGORY AND SIR DAVID MEEK TO THE U. S. A.

26. THE HONOURABLE MR. P. N. SAPRU : Will Government state the object for which Messrs. Gregory and Meek were sent to the United States and whether no suitable Indians were available for that mission?

THE HONOURABLE SIR ALAN LLOYD : Dr. Gregory and Sir David Meek went to the United States to make a preliminary survey of the possibilities of expanding India's trade with that country.

The Indian Government Trade Commissioner in the United States of America, Mr. Malik, was associated with their enquiries.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Why could not an Indian be sent with the mission from here?

THE HONOURABLE MR. H. DOW : The officers best qualified, which included one Indian, as I have mentioned, were selected for the particular work. The Indian was Mr. Malik, the Indian Trade Commissioner in New York.

THE HONOURABLE MR. P. N. SAPRU : The Honourable Member has not replied to the last part of my question, whether no suitable Indians were available for that mission? I want an answer in the affirmative or in the negative.

THE HONOURABLE MR. H. DOW : The answer is in the affirmative. I said one was appointed, Mr. Malik.

THE HONOURABLE MR. P. N. SAPRU : He was the Trade Commissioner. My question is, when Messrs. Gregory and Meek were sent, why in place of those two gentlemen no Indian could be sent? That question has not been replied to.

THE HONOURABLE MR. H. DOW : The question, Sir, is one of suitability. The two most suitable for the purpose were Dr. Gregory and Sir David Meek.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it suggested that Indians would have been less suitable for the purpose of carrying on negotiations with the United States Government?

THE HONOURABLE THE PRESIDENT : That is an argument.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I want to know exactly what the Government mean?

THE HONOURABLE THE PRESIDENT : That is an argument.

MILITARY GRASS FARMS.

27. THE HONOURABLE MR. P. N. SAPRU : Will Government state (a) the decision arrived at by them for the disposal of the grass farms no longer required by the military authorities; (b) whether Government propose to give to the original owners the option of taking back the grass farms after refund of the compensation they must have received; and (c) whether Government propose to give the grass farms not taken by the original owners to Provincial Governments to be utilized by them for the purposes of (i) agricultural demonstrations and (ii) settling suitable educated unemployed as agricultural colonists?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) Surplus military farm lands outside cantonments are offered in the first place to other departments of the Government of India, and if not required by them to Provincial Governments. If the Provincial Government does not desire to purchase the lands, they are disposed of to private persons to the best advantage of the State.

(b) If the land is agricultural or pastoral, the original owners are generally given an option before other private persons. Each case is however considered on its merits.

(c) If the Provincial Government take over the land, it is open to them to consider the purposes suggested.

THE HONOURABLE MR. HOSSAIN IMAM : Has any grass farm land been already given to private persons?

THE HONOURABLE MR. A. DEC. WILLIAMS : I should require notice of that. To what period does that question relate?

THE HONOURABLE MR. HOSSAIN IMAM : Last year, Sir. Have you any figures for that?

THE HONOURABLE MR. A. DEC. WILLIAMS : I have no figures, here, Sir.

BUREAU OF PUBLIC INFORMATION.

28. THE HONOURABLE MR. P. N. SAPRU : Will Government state (a) the number of officers in the Central Information Department getting a salary of Rs. 500 and over; (b) their names with salaries they are at present getting; (c) the functions of this Department; (d) the total expenditure

over this Department ; and (e) the number of new officers appointed since the war and their salaries ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a), (b), (d) and (e). I lay a statement on the table.

(c) The Bureau of Public Information exists to meet the demand of the Press and the public for news and information about the activities of Government.

Statement giving the information asked for in parts (a), (b), (d) and (e) of question No. 28 asked by the Honourable Mr. P. N. Sapru.

	Salary.
	Rs.
(a) Eight.	
(b) 1. Mr. J. Hennessy, Principal Information Officer	2,400 plus O. S. P. £30 p. m.
2. Mr. J. Natarajan, Deputy Principal Information Officer	1,200
3. Mr. S. C. Guha Thakurta, Information Officer	900
4. Mr. S. A. Jawad, Information Officer	750
5. Mr. B. L. Sharma, Information Officer	700
6. Mr. R. I. Hall, Information Officer	800
7. Mr. C. N. Sen, Administrative Officer	640
8. Mr. M. S. Islam, Chief Superintendent	580
(d) The total expenditure during the period April 1 to October 31, 1940, was	2,11,777
(e) 1. Mr. R. I. Hall, Information Officer	800
2. Mr. K. V. Venkataraman, Information Officer	600
(Since discharged.)	
3. Mr. R. L. Handa, Assistant Information Officer, (Officiating vice Mr. S. C. Guha Thakurta on leave, and drawing Rs. 500 per mensem from July 15, 1940)	400
4. Mr. B. Fonseca, Assistant Information Officer	400
5. Mr. V. Krishnaswami, Assistant Information Officer	400
6. Mr. B. B. Kapasi, Assistant Information Officer	400
7. Mr. B. Mukhopadhyaya, Assistant Information Officer	400
8. Mr. J. A. Kidwai, Assistant Information Officer	400

NUMBER OF PERSONS DETAINED UNDER THE DEFENCE OF INDIA ACT.

29. THE HONOURABLE MR. P. N. SAPRU : Will Government state (a) the number of detenus under the Defence of India Act in every province ; and (b) whether Government propose to submit their cases for review and advice at suitable intervals to officers possessing judicial experience ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a) According to the latest information available with the Government of India the following are the numbers of persons who were undergoing detention under rule 26 of the Defence of India Rules on the 1st October, 1940.

By order of Provincial Governments :—

Madras	20
Bombay	38
Bengal	20
United Provinces	68
Punjab	81
Bihar	22
N. W. F. P.	7
By order of the Central Government	25

In addition a number of persons may have been detained or may be undergoing detention for short periods under rule 129.

(b) No.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member state to what date this statement relates ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have already stated that these were the persons undergoing detention on the 1st of October, 1940.

THE HONOURABLE MR. P. N. SAPRU : Are we to understand that "By the order of the Central Government" means centrally administered areas or all over India ?

THE HONOURABLE MR. E. CONRAN-SMITH : It means both.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill further to amend the Indian Income-tax Act, 1922, and to make certain transitory provisions with respect to the operation of that Act on the coming into force of Part II of the Indian Income-tax (Amendment) Act, 1939, which was passed by the Legislative Assembly at its meeting held on Thursday, the 21st November, 1940.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member) : Sir, I lay on the table :

- (1) a copy of the Regulations made by the Imperial Council of Agricultural Research under section 7 (2) of the Agricultural Produce Cess Act, 1940, and
- (2) a copy of the Imperial Council of Agricultural Research Reserve Fund and Regulation of Expenditure Rules, 1940.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH STANDING FINANCE COMMITTEE
REGULATIONS.

NOTIFICATION.

No. F. 46(10)/40-G., dated the 10th September, 1940.—The following Regulations, made by the Imperial Council of Agricultural Research under section 7 (2) of the Agricultural Produce Cess, Act, 1940, are published for general information :—

STANDING FINANCE COMMITTEE REGULATIONS

(made by the Imperial Council of Agricultural Research with the previous approval of the Central Government under section 7 (2) of the Agricultural Produce Cess Act, 1940).

1. In these Regulations—

- (i) "Committee" means the Standing Finance Committee constituted under section 7 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940);
- (ii) "Council" means the Imperial Council of Agricultural Research.

Constitution of the Committee.

2. The Committee shall consist of the following members :—

- (i) the Vice-Chairman of the Council *ex-officio*,
- (ii) one member appointed by the Central Government (hereinafter referred to as the Financial Adviser),
- (iii) three members elected annually by the Governing Body of the Council, two from among themselves and one from among the representatives of the Central Legislature on that Body.

3. The elected members shall hold office for 12 months commencing on the 1st September, but shall be eligible for re-election.

4. Any casual vacancy in the Committee shall be filled by election or appointment, as the case may be, in accordance with the provisions of regulation 2.

5. The term of office of a member elected to a casual vacancy shall commence from the date of election and shall continue to the 31st August next.

6. No act or proceeding of the Committee shall be invalid by reason only of the existence of a vacancy in the Committee.

7. The Committee shall elect annually, as soon after the 1st September as may be practicable, a President from among its members.

8. The Secretary of the Council shall *ex-officio* be the Secretary of the Committee.

Functions of the Committee.

9. The functions of the Committee are

- (i) to scrutinise the annual statement of income and expenditure of the Council and submit it to the Governing Body with its recommendations;
- (ii) to examine the estimates of all schemes involving—
 - (a) an annual expenditure of not less than Rs. 10,000 or
 - (b) a total expenditure of Rs. 50,000 or more.
- (iii) to scrutinise all proposals for the creation of Class I posts;
- (iv) to scrutinise all proposals for amendment of the bye-laws of the Council affecting delegation of financial powers by the Governing Body; and
- (v) such other functions in respect of financial matters as may be assigned to the Committee by the Governing Body of the Council.

Procedure of the Committee.

10. (1) The President of the Committee shall preside at all meetings of the Committee.

(2) In the absence of the President the members present shall elect a member of the Committee to preside at the meetings.

11. Three members of the Committee shall constitute a quorum.

12. (1) Meetings of the Committee shall ordinarily be convened by the Secretary as occasion may require, and at least once a year.

(2) A meeting shall also be convened if not less than three members of the Committee make a written request to that effect.

13. Ten clear days' notice of every meeting of the Committee shall be given to each member.

14. In the case of a difference of opinion among the members of the Finance Committee the opinion of the majority shall prevail.

Provided that the dissenting members shall have the right to record minutes of dissent.

15. In case of an equality of votes on any question, the President of the meeting shall have a casting vote.

16. Notwithstanding anything contained in regulations 14 and 15, the Financial Adviser may in the event of his disagreement with the other members of the Committee in respect of any matter, require a reference to be made by the Committee to the Governing Body, and by the Governing Body to the Central Government.

17. Any business, except such as the Committee may by general or special order direct to be placed before a meeting, may be transacted by circulating papers to all members and by obtaining in writing the views of at least three of them.

18. The Secretary shall keep a record of all proceedings of the Committee and discharge such other functions as the Committee may assign to him.

S. BASU,

Secretary.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH RESERVE FUND AND REGULATION OF
EXPENDITURE RULES, 1940.

NOTIFICATION.

No. F. 8/40, dated the 18th September 1940.—In exercise of the powers conferred by section 9 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940), the Central Government, after consultation with the Imperial Council of Agricultural Research, is pleased to make the following rules, namely :—

The Imperial Council of Agricultural Research Reserve Fund and Regulation of Expenditure Rules, 1940.

1. These Rules may be called the Imperial Council of Agricultural Research Reserve Fund and Regulation of Expenditure Rules, 1940.

2. In these Rules, unless there is anything repugnant in the subject or context,—

- (a) "Act" means the Agricultural Produce Cess Act, 1940 (XXVII of 1940);
- (b) "Committee" means the Standing Finance Committee constituted under section 7 of the Act;
- (c) "Council" means the Imperial Council of Agricultural Research;
- (d) "Financial Adviser" means the officer appointed by the Central Government as a member of the Committee under sub-section (1) of section 7 of the Act;
- (e) "Fund" means the reserve fund created under section 8 of the Act.

3. The Council shall contribute annually to the Fund such amount of the net proceeds of the duty received during the financial year under section 6 of the Act as may be in excess of Rs. 14 lakhs;

Provided that the annual contribution—

- (a) need not be greater than the amount necessary to bring the accumulated balance in the Fund up to Rs. 20 lakhs;

(b) shall not exceed Rs. 2½ lakhs except on the recommendation of the Committee.

4. The Fund may be invested wholly or in part in the same manner as the other funds of the Council.

5. The uninvested balances of the Fund shall be kept with the Imperial Bank of India separately from the other funds of the Council.

6. All interest accruing on investments of the Fund shall until the accumulated balance therein amounts to Rs. 20 lakhs, be credited to the Fund, and shall thereafter be available for expenditure for the purposes of the Council.

7. (1) If in any year the net proceeds of the duty received under section 6 of the Act fall short of Rs. 14 lakhs, the Council may, on the recommendation of the Committee and with the approval of the Governing Body, draw upon the Fund to make good the deficiency.

(2) Save as provided in sub-rule (1), no money shall be withdrawn from the Fund without the previous approval of the Central Government.

8. The Council shall refer to the Financial Adviser for his advice—

(i) the annual statement of the income and expenditure of the Council, and

(ii) such matters relating to the expenditure of the money paid to the Council under section 6 of the Act as the Central Government may by general or special order specify.

9. The Financial Adviser shall be given access to all such records of the Council as may be required by him for the purpose of advising on the matters referred to him under rule 8.

10. In the event of disagreement between the Council and the Financial Adviser in respect of any matter referred to him under rule 8, the Financial Adviser may ask the Council to bring the matter to the notice of the Central Government, and the Council shall comply with the request.

11. Save as otherwise expressly provided in these Rules, all transactions relating to the Fund shall generally be subject to such provisions of the rules and regulations and bye-laws of the Council as are applicable to the financial transactions of the Council.

G. S. BOZMAN,

Joint Secretary to the Government of India.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member): Sir, I lay on the table the information promised in reply to question No. 46 asked by the Honourable Mr. Abdool Razak Hajee Abdool Suttar on the 11th March, 1940.

REPAIRS TO MOSQUES IN NEW DELHI.

(a) (i) A statement giving the information required by the Honourable Member is laid on the table.

(ii) and (iii). Government are not aware of any mosques in New Delhi which are badly in need of repairs or have fallen down for want of repairs.

(b), (c) and (d). No.

(e) Yes.

(f) and (g). Government understand that applications by authorized persons for permission to carry out repairs are carefully considered and the general policy followed is to grant permission. They do not consider any special orders necessary.

Statement referred to in the reply to part (a) (i) of question No. 46.

List of Mosques in New Delhi.

Serial No.	Name of Mosque.	Locality.	Remarks.
<i>Mosques occupied and in use.</i>			
1	Mosque on Bholi Bhat-tyari Road.	Adjacent to Nath Ki Baghichi Temple.	
2	Mosque at "I" Point	Near cattle byre.	
3	Badi-ul-Isar Mosque	On Chitragupta Road.	
4	Dargah Syed Hassan Mosque.	Panch Kun Road.	
5	Shah Kamal Mosque	Off Peshwa Road in Road Circus.	
6	Kalali Bagh Mosque	Albert Square.	
7	Telegraph Mosques.	Quarters Junction of Baird Road and Baker Street.	
8	Mosque	In Lady Hardinge College compound (North).	
9	Gurgaon Road Mosque	In recess on Gurgaon Road near I. B. P. 183.	
10	Mosque	Near Babu Mal's garden on Chelmsford Road.	
11	Mosque Rangrez Shah	On Chelmsford Road in Railway Council Association Compound.	
12	Langarwali Mosque	Connaught Circus, West End of Lady Hardinge Hospital.	
13	Raja Bazar Mosque	Irwin Road.	
14	Madhoganj Mosque	Jantar Mantar, Jaisingh Pura near Windsor Hotel.	
15	Asoka Road	Near Government Bungalow No. 27.	
16	Stone-yard (Ara Machine) Mosque.	Near Red Cross Building.	
17	Block 120	Near Point "O" opposite Chelmsford Club.	
18	Rakabganj Mosque	Near Anglican Church.	
19	Sonhari Bagh	At Point "N".	
20	Mosque	Aliganj.	
21	Mosque	Aliganj.	
22	Mosque	Aliganj.	
23	Zabte Ganj Mosque	In the Central Vista Waterway.	

Serial No.	Name of Mosque.	Locality.	Remarks.
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Mosques occupied and in use—contd.

24	Hatewala Mosque	Opposite Travancore Gates.	
25	Western Hostel Mosque	On Queensway opposite Western Court.	
26	Barakhamba, or Road Mosque.	Minto On Minto Road.	
27	Angoori Masjid	Near Old Shahji's Tank, City Extension Area.	
28	Mirdard Mosque	Between Tangore and Barron Roads.	
29	Chausat Khamba	Mosque within this shrine on Mirdard Road.	
30	Mehdi Shah Mosque	In Mehdi Cemetery on Mirdard Road.	
31	Bachhoo Shah	Near Railway Line, Block 205.	
32	Jhil-ki-Piao Mosque	On Delhi-Muttra Road between Reformatory and 'J' Point.	
33	Babar-ka-Takkia	At "W" Point.	
34	Baharpore Mosque	Pandara Road.	
35	Nizam-ud-Din Mosque	East of Delhi-Muttra Road opposite Nizamuddin.	
36	Lodi Mosque	West of Golf Club Pavillion in Lodi Park.	
37	Mosque	In the Race Course.	
38	Mosque	Hon'ble Member's Bungalow on King Edward Road.	
39	Mosque	In Arab Sorai.	
40	Mosque	To the East of Abdul Nabi Mosque on Delhi-Muttra Road.	
41	Mosque	Near Azim Ganj.	
42	K. B. Akbar Ali Mosque.	Connaught Place.	

Mosques vacant and unused.

43	Mosque at Malcha	On Kitchener Road.	
44	Mosque	On Ratendone Road.	
45	Mosque	In Lady Hardinge Hospital.	
46	Mosque	At Lodi Tomb.	
47	Mosque	At Lodi Tomb.	
48	Mosque	In Lodi Golf Course.	

Serial No.	Name of Mosque.	Locality.	Remarks.
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Mosques vacant and unused—contd.

49	Mosque	In Lodi Golf Course.	
50	Mosque	In Jur Bagh.	
51	Mosque	In Jur Bagh.	

Mosques unoccupied but in use.

52	York Road Mosque	York Road.	
53	Wellesley Road Mosque	On East of Wellesley Road in Golf Course.	
54	Mosque	On Ferozeshah Road.	

Mosques under the control of the Archaeological Department.

55	Mosque of Uggar Sen	Hailey Road.	
56	Bara Gumbad Mosque	Lady Willingdon Park.	
57	Khairul Manazil Mosque	Opposite to West Gate of Purana Qila.	
58	Qila Kohna Masjid	In Purana Qila.	
59	Mosque of Afsarwala	Near Humayun's Tomb.	
60	Mosque of Isa Khan	Isa Khan's Tomb near Humayun's Tomb.	
61	Mosque of Safdarjang	Tomb of Safdarjang.	
62	Juna Shah's Mosque or Kali Masjid.	Nizamuddin.	
63	Abdul Nabi's Mosque	Near Kotla Ferozeshah.	
64	Mubarak Shah's Mosque	Mubarakpur Kotla.	
65	Masjid Moth	Village Moth-ki-Masjid.	
66	Mosque	To the West of Sorai Azim Ganj near Purana Qila.	

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table copies of the Declarations and Orders of Exemption under section 6 of the Registration of Foreigners Act, 1939, as published with the notifications of the Government of India in the Home Department Nos.—

- (1) 21/68/39-Political (W), dated the 18th April, 1940,
- (2) 21/68/39-Political (W), dated the 1st June, 1940,
- (3) 21/2/40-Political (W), dated the 15th June, 1940,
- (4) 21/68/39-III-Political (W), dated the 28th June, 1940,
- (5) 21/75/39-Political (W), dated the 27th June, 1940,
- (6) 21/18/40-Political (W), dated the 3rd July, 1940,
- (7) 21/2/40-Political (E), dated the 4th September, 1940, and
- (8) 21/18/40-Political (E), dated the 7th October, 1940.

REGISTRATION OF FOREIGNERS. ACT, 1939.

Declaration of Exemption.

No. 21/68/39-Political (W), dated the 18th April, 1940. In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to, the officials attached to the Japanese Consulate in India mentioned in the annexed list and their families so long as they hold the posts noted against their names.

H. J. FRAMPTON,

*Deputy Secretary to the Government of India.**List.*

1. Mr. T. Inui, Chancellor, Consulate General for Japan at Karachi.
2. Mr. T. Ishida, Chancellor, Consulate General for Japan at Calcutta.

No. 21/68/39-Political (W), dated the 1st June, 1940. In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to, Mr. Josef Luley, and his family so long as the said Mr. Josef Luley holds the post of Secretary of the Consulate for Czechoslovakia at Bombay.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.**Order.*

No. 21/2/40-Political (W), dated the 15th June, 1940. In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of sub-rule (3) of rule 7 and of sub-rules (1) (1A) of rule 15 of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, Mr. Philip William Swan and Mrs. Margaret Nensen Swan, American subjects, on any occasion on which they depart from British India with the object of proceeding only to Portuguese India.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.**Declaration of Exemption.*

No. 21/68/39-III-Political (W), dated the 28th June, 1940. In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, the Administrator of French Chandernagore, or to members of his family or staff accompanying him.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.**Order.*

No. 21/75/39-Political (W), dated the 27th June, 1940. In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of sub-rule (3) of rule 7 and of sub-rules (1) and (1A) of rule 15 of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, any French subject registered in British India on any occasion on which he departs from British India with the object of proceeding only to a place in the French possessions bounded by India.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.**Declaration of Exemption.*

No. 21/18/40-Political (W), dated the 3rd July, 1940.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of rule 10 (2) of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, the persons mentioned in the annexed list.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.**List.*

1. Dr. Galen Fisher Scudder, Head of the Scudder Memorial Hospital, Ranipet.
2. Dr. Paul Farr Russell, attached to the Rockefeller foundation, International Health Division, New York.
3. The Most Rev. Louis Mathias, S. C. Roman Catholic Archbishop of Madras.

Order.

No. 21/2/40-Political (E), dated the 4th September, 1940.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of sub-rule (3) of rule 7 and of sub-rules (1) and (1A) of rule 15 of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, Mr. Richard Rhea Patton Goheen, an American subject, on any occasion on which he departs from British India with the object of proceeding only to Portuguese India.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.**Declaration of Exemption.*

No. 21/18/40-Political (E), dated the 7th October, 1940.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of rule 10 (2) of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to the Very Reverend Monseigneur L. P. Kiorkels, Apostolic Delegate to the East Indies.

C. J. W. LILLIE,

Joint Secretary to the Government of India.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table a copy of the notification of the Government of India in the Home Department No. 21/15/40-Political (W), dated the 6th June, 1940, making certain further amendment in the Declarations published with the Notification of the Government of India in the Home Department No. 21/32/39-Political, dated the 21st June, 1939.

REGISTRATION OF FOREIGNERS (EXEMPTION) ORDER, 1939.

No. 21/15/40-Political (W), dated the 6th June, 1940.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to direct that the following further amendment shall be made in the Declarations published with the notification of the Government of India in the Home Department, No. 21/32/39-Political, dated the 21st June, 1939, namely:—

In Declaration 3 of the said Declarations, after clause (d) the following clause shall be inserted, namely:

“(dd) any French subject of non-Asiatic birth ordinarily resident in any of the French Settlements bounded by India;”

C. J. W. LILLIE,

Deputy Secretary to the Government of India.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table the information promised in reply to the Honourable Mr. Hossain Imam's—

- (1) Question No. 8 asked on the 26th February, 1940.
- (2) Question No. 9 asked on the 26th February, 1940.*
- (3) Question No. 39 asked on the 6th March, 1940.

* Not printed. Copy placed in the Library of the House.

NEW POSTS CREATED IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES SINCE 1ST SEPTEMBER, 1939. (a) to (f). A statement is laid on the Table.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940).

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	Director General of Information.	Mr. F. H. Puckle, C.S.I., I.C.S.	I. C. S.	Rs. 4,000	Rs. 4,000	.....	
2	Chief Press Censor.	Mr. F. D. Bartley, M.B.E.	A retired officer of the Indian Police.	Rs. 1,350 (in addition to pension).	Re-employed from 5th Sept. 1939.	.....	
3	Central Intelligence Officer, Karachi.	Mr. J. R. Harris	I. P.	Rs. 850 plus Rs. 200 s/e pay plus £25 overseas pay.	Rs. 825 plus £25 overseas pay.	.....	
4	Assistant Director Intelligence, Peshawar.	Mr. T. R. Bassett	Retired I. P. Officer	Rs. 1,019-4-0 plus £30 overseas pay.	.....	.....	
5	Assistant Director Intelligence, Quetta.	Mr. W. H. A. Rich	I. P.	Rs. 975 * plus £25 overseas pay, and Rs. 100 Language pay.	Rs. 950† plus £25 overseas pay. (On leave on 31st Aug. 1939).	.....	* Includes special pay of Rs. 150 attached to the post. † Salary drawn before leave.
6	Central Intelligence Officer, Orissa, Cuttack.	The post has not been filled.	.....	.....	.....	.....	
7	Information Officer	Mr. B. L. Sharma	Central Services, Class II	Rs. 600	Rs. 400	.....	
8	Assistant Information Officer.	Mr. R. L. Handa	New recruit.	Rs. 400	Appointed from 23rd Dec. 1939.	Selection by open competition.	

Principal Information Officer.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—contd.

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8
Legislative Department.							
9	Joint Secretary and Additional Draftsman.	Mr. H. T. Benjamin	I. C. S.	Post created for period 29th Sept. 1939 to 6th Dec. 1939.	For period of appointment Rs. 3,000 plus £13-6-8 overseas pay.		Pay drawn by him upto 28th Sept. 1939 as Officiating Additional Secretary and Draftsman.
10	Deputy Secretary	Mr. P. Mason	I. C. S.	Rs. 1,425 plus Rs. 400 special pay of a Dy. Secy. plus £30 overseas pay.	Rs. 1,350 plus £25 overseas pay.		
Defence Co-ordination Department.							
External Affairs Department.							
11	Additional Deputy Secretary.	Major E. W. Fletcher	Indian Political Service.	Rs. 1,400 plus Special pay Rs. 400 and overseas pay £30.	Rs. 1,400 plus £30 overseas pay.		
12	Attache	Khan Bahadur Muhammad Nawaz Khan, M.B.E., I.O.M.	Retired E. A. C. of the N. W. F. Province.	Rs. 1,000			
Finance Department.							
13	Additional Secretary	Sir P. K. Rau	Indian Audit and Accounts Service.	Rs. 3,500	2,750		
14	Additional Assistant Financial Officer, Commissions.	Mr. B. B. Gosh	Ditto	Rs. 800 plus Rs. 300 special pay.	Rs. 800 plus Special pay Rs. 100.		
15	Officer on Special Duty	Mr. P. H. Seshagiri Rao.	Ditto	Rs. 1,500	Rs. 1,200 plus Special pay Rs. 100.		
16	Officer on Special Duty	Mr. M. Subrahmanyan	Ditto	Rs. 3,000	Rs. 3,000		
Military Finance Department.							
17	Additional Financial Adviser.	Mr. M. R. Coburn, C.I.E., O.B.E.	Superior Service of the Military Accounts Department.	Rs. 3,000 O. P. Rs. 177-12-0.	Rs. 2,750 O. P. Rs. 177-12-0.		
18	Additional Deputy Financial Adviser.	Mr. A. H. Wilson	Ditto	Rs. 2,650 O. P. Rs. 177-12	Rs. 2,250 O. P. Rs. 177-12		Includes Special pay Rs. 300.
19	Ditto	Mr. A. Mc. C. Stevenson	Ditto	Rs. 2,040 O. P. Rs. 400	Rs. 1,880 O. P. Rs. 400		Includes Special pay Rs. 300.
20	Ditto	Mr. Brij Narayan	Ditto	Rs. 1,980	Rs. 1,500		Includes Special pay Rs. 300. The reduction in pay is due to the revision of the officer from a Class I to a Class II post in his service.
21	Ditto	Mr. Ghulam Abbas	Ditto	Rs. 1,350	Rs. 1,830		Includes a special pay of Rs. 400. Was U. S. Finance Department on 31st August 1939.
22	Ditto	Mr. Mohamad Ali	Indian Audit and Accounts Service.	Rs. 1,450	Rs. 1,200		
23	Assistant Financial Adviser.	Mr. E. Bridgell	Imperial Secretariat Service.	Rs. 1,000	Rs. 800		
24	Ditto	Mr. S. Jaysankar.	Superior Service of the Military Accounts Department.	Rs. 1,150	Rs. 1,050		Special pay Rs. 250.
Military Accountant General's Office.							
25	Additional Deputy Military Accountant General.	Mr. A. Subrahmanyan	Superior Service of the Military Accounts Department.	Rs. 1,000 plus Duty Allowance of Rs. 250.	Rs. 1,000		Against this a permanent post and Deputy M. A. G. (Junior) the incumbent of which was drawing pay at Rs. 1,680 plus Rs. 180 p. m. was abolished.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—contd.

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8
Defence Department.							
26	Attached Officer	Lt.-Col. L. A. Stuart, M.C.	Indian Army	Rs. 1,950	Rs. 2,045	.....	
27	Ditto	Lt.-Col. W. V. Mc Calmont, M.C.	Ditto	Rs. 1,950	Rs. 2,045	.....	
28	Officer on Special Duty	Mr. Khub Chand	I. C. S.	Rs. 750	Rs. 650	.....	
Department of E. H. and L.							
29	Officer on Special Duty in the office of the D. G., I. M. S.	Col. D. H. Rai, M.C., V.H.S., I.M.S.	Indian Medical Service (Civil)	Rs. 2,750	Rs. 2,750	.....	
Department of Labour.							
30	Assistant Secretary	Rai Sahib B. C. Tawakley	Imperial Secretariat Ser-vice, Class II.	Rs. 1,000	Rs. 800	.....	
31	Conciliation Officer (Railways) and Supervisor of Railway Labour.	Mr. Abbas Khaleeli	I. C. S.	Rs. 1,200 - Special pay Rs. 250.	Rs. 800 - Special pay Rs. 300.	.....	* Pay on Senior time scale of the I. C. S.
32	Deputy Supervisor of Railway Labour.	Chaudhuri Ahmad, M.B.E.	Punjab Civil Service (Judicial Branch)	Rs. 750	Rs. 450	.....	
Department of Commerce.							
33	Officer on Special Duty	Dr. John Mathai, C.I.E., I.E.S.	Indian Educational Ser-vice.	Rs. 2,500	Rs. 2,500	.....	
34	Deputy Secretary to the Government of India and Secretary, Economic Resources Board.	Mr. T. S. Pillay, M.A., B.L.	Indian Audit and Accounts Service.	Rs. 1,750	Rs. 1,750	.....	
Department of Communications.							
35	Deputy Director, Mechanical (Stores), (in connection with war).	Mr. T. G. Creighton	Indian State Railways Mechanical Department.	(a) Rs. 1,175 - S. P. Rs. 250 - O. P. Rs. 250.	Rs. 1,125 + S. P. Rs. 250 + Rs. 230.	.....	(a) Increment of Rs. 50 from 11th December, 1939. Transferred from the post of Deputy Director, Mechanical Engineering, Railway Board.
36	Officer on Special Duty. Railway Board (in connection with representation of minority communities on Railways).	Mr. Frank D'Souza, C.I.E.	Transportation (Traffic) and Commercial Department, State Railways (Port, Dr. of Traffic Railway Board and officiating Member, Railway Board).	Rs. 4,000	Rs. 4,000	.....	Transferred from the post of Member, Railway Board.
37	Ditto	K. B. Z. H. Khan	Transportation (Traffic) and Commercial Department, State Railways.	Rs. 1,200 - Rs. 250	Rs. 1,200 - Rs. 250	By transfer from the N. W. Railway.	
38	Deputy Director, Traffic (General), in connection with war.	Mr. H. M. Jagtiani	Ditto	(b) Rs. 1,150 - S. P. Rs. 250	Rs. 1,100	Ditto	(b) Increment of Rs. 50 from 14th January, 1940.
Department of Communications. War Transport Board.							
39	Shipping Controller in India.	Sir George Campbell	.....	Rs. 4,000*	.....	Nomination	* 50 per cent. of this pay is debitable to His Majesty's Government.
40	Secretary, War Transport Board.	Mr. H. Rouson	I. C. S.	Rs. 1,275 - S. P. Rs. 300 - O. P. Rs. 225	Rs. 1,050 - S. P. Rs. 300 - O. P. Rs. 225	.....	
Civil Aviation Office.							
41	Assistant Aircraft Inspector, Grade II.	Mr. Jyotirmoy Sen	General Central Service, Class II.	Rs. 250	.....	Selected through the Federal Public Service Commission.	
Office of the Director General, Posts and Telegraphs.							
42	Deputy Director General, War, (Cadre of Post Master General).	Rao Bahadur G. N. Naidu	Deputy Post Master General.	Rs. 2,100	Rs. 2,100	.....	Temporary post for the period of 6 months from 6th September, 1939.
43	Officer on special duty in connection with the valuation of assets of telephone companies.	Mr. H. Sur	Post Master General	Rs. 2,400	Rs. 2,400	.....	Temporary post for the period from 22nd October, 1939 to 31st March, 1940 with head quarters at New Delhi.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—contd.

Serial No.	Description of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8

Office of the Director General, Posts and Telegraphs—contd.

44	Officer on special duty in connection with the valuation of assets of telephone companies.	Mr. R. C. Vaish	Divisional Engineer, telegraphs.	Rs. 775	Rs. 775	.....	Temporary post for 3 months from 11th November, 1939 with headquarters at Bombay.
45	Ditto	Mr. S. K. Kanjilal	Assistant Divisional Engineer, telegraphs.	Rs. 425	Rs. 425	.....	Temporary post for a period of 3 months from 1st November, 1939 with headquarters at Calcutta.
46	Deputy Director General.	Sir James Pitkeathly, K.C.I.E.	General Central Service, Class I.	Rs. 4,000	Rs. 3,500	.....	
47	Secretary	Mr. Col. E. Wood, M.C.	Indian Army	Rs. 3,000 O.S.P. 177-12	Rs. 2,070	.....	
48	Deputy Secretary	Mr. J. A. Mackeyown	I. C. S.	Rs. 2,500	Rs. 2,400	.....	
49	Ditto	Mr. M. Ikramullah	I. C. S.	Rs. 1,500	Rs. 1,425	.....	
50	Under Secretary	Mr. S. B. Athalingam	I. C. S.	Rs. 1,150	Rs. 611-4	.....	* Leave salary. Provisional pay is that admissible to him on his time scale + special pay for Under Secretaries.
51	Ditto	Rai Sahib Dip Chand	I. S. S.	Rs. 1,200	Rs. 1,000	.....	
52	Director, Central Branch	Mr. D. M. Passmore	.....	Rs. 2,250	.....	Direct Recruitment.†	
53	Chief Timber Inspection Officer.	Mr. W. E. Flawett	I. P. S.	Rs. 2,050	Rs. 2,050		

COUNCIL OF STATE.

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INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE

54	Deputy Director, Indents and Priority.	Major J. R. Marriott	Indian Army	Rs. 1,530	Rs. 611-2†		* Special Unemployed List Pay.
55	Deputy Director, Central Branch.	Mr. C. T. G. Hooper	.....	Rs. 1,500	...	Direct Recruitment†	† All the Officers directly recruited have special qualifications for the work for which they were recruited.
56	Deputy Director, Administration.	Mr. D. C. Meik	.....	Rs. 800	...	Ditto.†	
57	Assistant Technical Officer	Mr. S. S. Venkatarishnan	.....	Rs. 250	...	Ditto.†	
58	Controller of Supplies, Bengal.	Mr. F. G. S. Martin, M.C.	L. S. R.	Rs. 2,750 O.S.P. 177-12 C.A. 131-4	Rs. 2,500 O.S.P. 177-12 C.A. 131-4	.....	
59	Government Mica Inspector.	Mr. John Podger	.....	Rs. 1,500	...	Direct Recruitment†	
60	Deputy Adviser to Government, Woollen Industry.	Mr. L. C. Forbes, D.S.O.	.....	Rs. 2,000	...	Ditto.†	
61	Deputy Controller of Purchase (Jute).	Major J. L. G. Harvey	I. A. O. C., I. O. S.	Rs. 1,950	Rs. 1,505	.....	
62	Production Engineer	Mr. E. W. F. Johnson	(Retired)	Rs. 1,500	...	.....	Attached to M. G. O. Branch.
63	Assistant to the Adviser on Engineering Supplies.	Mr. J. Stuart Williams	.....	Rs. 1,000	...	Direct Recruitment†	
64	Deputy Chief Controller of Stores.	Mr. L. N. Flatt	Transportation (Power) and Mechanical Engineering Departments, State Railways.	Rs. 2,750 + £13-6-8 O. P.	Rs. 2,750 + £13-6-8 O. P.	Services taken on loan from the N. W. Railway.	
65	Assistant Director of Purchase.	Mr. B. S. K. V. Appayya	.....	Rs. 740	...	Retired personnel of the I. S. D.	Retired with effect from 27th December, 1938.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—contd.

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8

Office of the Director General, Posts and Telegraphs—contd.

66	Assistant Director of Purchase.	Mr. E. Dixon, from 10th October, 1939 to 16th November, 1939.	Assistant Director, Industrial Research Bureau.	Rs. 1,100	Rs. 1,100	By transfer from the Industrial Research Bureau.	Transferred to the office of Controller of Purchase (Jute) from 17th November, 1939 as Deputy Controller of Jute (Purchase).
		Mr. T. B. Merchant from 17th November, 1939 to 4th January, 1940.	Class IV of the Inspection Branch.	...	Rs. 750	Temporarily lent from Inspection Branch.	
		Mr. P. G. Bhagat from 5th January, 1940.	Class IV of the Purchase Branch. (Officialing in Class III).	Rs. 1,000	Rs. 1,000	.....	
67	Assistant Controller of Purchase.	Mr. J. S. Mathur	.....	Rs. 350	...	Direct Recruitment.	
68	Ditto	Mr. B. P. Agarwala	Assistant Director of Industries (Stores Purchase) U. P.	Rs. 550	Rs. 500	Service taken on loan from the U. P. Government	

Contracts Directorate.

69	Temporary Officer Supervisor.	Mr. A. Cardoso (A. I.)	Subordinate Ministerial Staff employed in the Contracts Directorate.	Rs. 900—50—1,150.	Rs. 700	.....	
70	Temporary Staff Captain.	Capt. F. H. D. Teal, R. I. A. S. C. (British).	A. I. R. O. (R. I. A. S. C.)	Rs. 1,255	Rs. 850	.....	
71	Temporary Staff Captain.	Capt. L. J. L. Addison, R. I. A. S. C. (British).	Permanent Officer in R. I. A. S. C.	Rs. 1,255	Rs. 1,255	.....	

72	Temporary Assistant Purchase Officer.	Capt. J. Block (British).	Retired B. R. O.	Rs. 1,000—75—1,500.	Not in Government employment.	Selected by the Director General of Supply.	
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73	Temporary Officer Supervisor.	Mr. A. deCosta (A. I.)	Subordinate Ministerial Staff employed in the Contracts Directorate.	Rs. 900—50—1,150.	Rs. 700		
74	Temporary Staff Captain.	Capt. H. H. B. Gill (British).	Emergency Commissioned Officer.	Rs. 1,165	Not in Government employment.	Selected from I. A. O. C. Corps.	
75	Ditto	Capt. A. B. Haseler (British).	Ditto	Rs. 1,035	Do.	Ditto.	
76	Ditto	2nd Lieut. E. V. Hammond, I. A. O. C. (British).	Ditto	Rs. 1,165	Do.	Ditto.	

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INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE
TABLE.

Name of Service etc.	Hindus.		Minority Communities Recognised for purposes of Communal Representation.								Other Communities.		Total for Indians.	Remarks		
	Hindus other than Depressed Classes.	Depressed Classes.	Muslims.	Domiciled Europeans and Anglo-Indians.	Sikhs.	Indian Christians.	Parsis.	No.	%	No.	%					
1. Indian Medical Service.																
By direct recruitment	175	59	70.7	...	15	20.3	...	...	...	...	...	...	...	(a) Includes non-Muslims. Separate figures not available.	74	
By promotion	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Total (Indians)	...	59	70.7	...	15	20.3	...	...	...	...	...	...	...	...	74	
2. Indian Police.																
By direct recruitments	88	31	57.4	...	13	24	4	7.4	1	1.9	2	3.7	3	5.6	...	54
By promotion	...	11	29.0	...	15	39.5	6	15.5	4	10.5	...	...	2	5.3	...	32
Total (Indians)	...	42	45.7	...	28	30.4	10	10.9	5	5.4	2	2.2	5	5.4	...	92
3. Indian Audit and Accounts Service.																
By direct Recruitment	...	6	54.5	...	3	27.3	...	...	1	9.1	1	9.1	...	...	...	11
By promotion	1	13	92.9	...	...	1	7.1	...	...	...	...	...	...	...	...	14
Total (Indians)	...	19	76.0	...	...	4	16.0	...	...	1	4.0	1	4.0	...	...	25

4. *Imperial Council of Agricultural Research and subordinate Offices.*

(i) Posts in the I. C. A. R.

	By direct recruitment	5	4	80·0	...	...	...	...	...	...	1	20·0	...	5
	By promotion .	.	...	...	...	...	...	...	...	...	...	...	...	...
Total (Indians)	.	...	4	80·0	...	...	...	...	...	...	1	20·0	...	5

(ii) Posts in the office of the Agricultural Marketing Adviser.

By direct recruitment	3	15	57.7	1	3.8	8	30.8	...	...	...	1	3.8	1	3.8	...	...	26
By promotion	.	...	...	...	...	1	50.0	...	...	...	...	...	1	50.0	...	...	2
Total (Indians)	.	...	15	53.6	1	3.6	9	32.1	...	...	...	1	3.8	2	7.1	...	28

(iii) Posts in the Imperial Institute of Sugar Technology, Cawnpore.

By direct recruitment	3	10	90.9	...	...	1	9.1	...	...	...	11
By promotion	...	...	...	...	...	...	...	...	...	...	...
Total (Indians)	...	10	90.9	...	...	1	9.1	...	...	...	11

5. *Indian Stores Department.*

(General Central
Service Class I.)

[illegible]

(c) Includes one officer on deputization and one retired officer of the Indian Stores Department, employed.

COMMUNAL PROPORTIONS OF APPOINTMENTS MADE BY DIRECT RECRUITMENT AND BY PROMOTION TO CERTAIN SERVICES
BETWEEN AUGUST, 1934 AND DECEMBER, 1939—*contd.*

Name of Service etc.	Hindus.			Minority Communities Recognised for purposes of Communal Representation.						Other Communities for Indians.	Remarks.		
	Euro- peans.	Hindus other than Depressed Classes.	Depressed Classes.	Muslims.	Domiciled Europeans and Anglo- Indians.	Sikhs.	Indian Christians.	Parsis.					
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
5. Indian Stores Department—contd. (General Central Service Class I.) —contd.	...	5	55.6	...	2	22.2	1	11.1	...	...	(d) 1	11.1	9 (d) Jew
By promotion (from Central Service Class II of Sub-ordinate Service).	...	17	65.4	...	7	26.9	1	3.6	...	...	1	3.6	26
Total (Indians)	...	17	65.4	...	7	26.9	1	3.6	...	...	1	3.6	26
6. Telegraph Engineering Service. Class I.	...	12	75.0	...	2	12.5	...	2	12.5	...	...	...	16
By direct recruitment	...	1	...	...	...	...	4	100.0	...	...	...	...	4
By promotion	...	12	60.0	...	2	10.0	4	50.0	...	...	...	...	20
Total (Indians)	...	12	60.0	...	2	10.0	4	50.0	...	...	...	...	20

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE 137
TABLE.

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways): Sir, I lay on the table the information promised in reply to the Honourable Pandit Hirday Nath's—

- (1) Question No. 12 asked on the 26th February, 1940.
- (2) Question No. 72 asked on the 2nd April, 1940.
- (3) Question No. 73 asked on the 2nd April, 1940.

MIDWIVES IN E.I.R. HOSPITALS.

(a) The reference to railway hospitals where there are no other medical facilities available is not understood, but all nurses appointed to railway hospitals on the East Indian Railway are required to possess a diploma in midwifery.

(b) Railway revenues provided a contribution of Rs. 8,900 in 1938-39 to certain non-railway hospitals. Further a sum of Rs. 25,660 was spent in 1938-39 from the Staff Benefit Fund on medical treatment for the staff and members of their families in non-railway hospitals. A sum of Rs. 5,000 was paid from the same Fund to certain hospitals and institutions in return for facilities given to railway employees. As regards the second part, all non-gazetted staff benefit from this expenditure.

(c) It is not possible to allocate the benefit to communities received from the grants made to non-railway hospitals from railway revenues or from the Staff Benefit Fund. No statistics are maintained of the communities to which grants of financial assistance have been made from the Staff Benefit Fund to employees for medical expenses incurred by them or their families at non-railway hospitals. As regards the second part, an employee may appeal through his departmental superior to the Committee of the Staff Benefit Fund, who control such grants, for the reconsideration of his case.

(d) Apart from the grant from railway revenues referred to in part (b), all amounts spent on such medical assistance are received from the Staff Benefit Fund. As regards the second part, an employee, or his wife or child, is entitled to assistance under the rules of the Staff Benefit Fund if sent to a non-railway hospital by a Divisional or Workshop Medical Officer of the East Indian Railway, provided this officer certifies that this was necessary in the interests of the efficient treatment of the case, and the amounts of the bills incurred are reasonable and necessary and that the illness has not been occasioned by impropriety or misconduct on the part of the employee.

PROVIDENT FUND ON THE E.I.R.

No. The staff whose date of joining the Provident Fund was taken as the date of confirmation were not optional subscribers under the rules, and the date of their joining the Provident Fund was, therefore, the date of their confirmation.

REAPPOINTMENT OF SKILLED WORKMEN IN THE ALLAHABAD DIVISION, E.I.R., RETRENCHED IN 1935 ON ECONOMICAL GROUNDS.

(a) Yes: certain staff surplus on the Allahabad Division were retrenched in 1935 and 1936. Some of them were re-employed in vacancies that arose subsequently.

(b) The break in the service of some of the re-employed men was condoned for purposes of gratuity only. The staff have been correctly placed in the revised scales of pay.

(c) No.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary): Sir, I lay on the table the information promised in reply to part (a) and first portion of part (b) of question No. 97 asked by the Honourable Pandit Hirday Nath Kunzru on the 8th April, 1940.

ISSUES OF LICENCES TO ACT AS INSURANCE AGENTS FOR THE YEAR ENDING 31ST MARCH, 1941.

Statement showing the number of applications for licences to act as Insurance Agents for 1940-41, received and disposed of by each Licensing Authority by the 31st March, 1940.

Name of Licensing Authority.	No. of applications received.	No. of applications disposed of.
Superintendent of Insurance	4,500	2,000
Registrar, Joint Stock Companies		
Bengal	10,887	8,442
Bombay	11,300 (1)	11,200 (1)
Madras	6,430	4,208
Punjab	2,867	2,867
U. P.	3,383 (2)	2,000 (2)
Bihar	1,400	1,400
Assam	1,700 (3)	1,336 (3)
C. P.	1,410	1,383
Sind	1,168 (3)	1,150 (3)
Delhi	691	596
N.-W. F. P.	45	45
Orissa	245	245
Ajmer-Merwara	120	120
Baluchistan	37 (4)	37 (4)
Coorg	28	28
Total	46,211	37,066

(1) Figures up to 18th April 1940.

(2) Figures up to 26th April 1940.

(3) Figures up to 10th April 1940.

(4) Figures up to 15th April 1940.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I lay on the table—

- (1) a copy of the rules framed by the Central Board of Revenue under section 5 of the Agricultural Produce Cess Act, 1940, and
- (2) a copy of the Central Board of Revenue notification No. 35-Customs, dated the 3rd August, 1940, embodying an amendment to the rules framed by the Board under section 5 of the Agricultural Produce Cess Act, 1940.

RULES FRAMED BY THE CENTRAL BOARD OF REVENUE UNDER SECTION 5 OF THE AGRICULTURAL PRODUCE CESS ACT, 1940.

NOTIFICATION.

No. 21, dated the 20th April, 1940.—In exercise of the powers conferred by section 5 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940), the Central Board of Revenue makes the following rules:

Rules.

1. When cess has been levied on any article specified in the Schedule to the said Act exported by land, and the exporter within two months from the date on which the cess was paid applies for a refund and presents to the Land Customs Officer in charge of the land customs station at which the cess was paid, a re-importation certificate granted by the proper customs officer at the land customs station or customs port through which the article was subsequently reimported into India, the Land Customs Officer shall, if he is satisfied of the identity of the article referred to in the certificate with the article in respect of which the refund is claimed, refund the whole amount of the cess so levied.

2. If any person exporting by land any of the articles specified in the Schedule to the said Act declares that the article is subsequently to be imported into India, the Land Customs Officer may, subject to any general or special orders of the Collector of Land Customs, permit him to export the article without payment of the cess leviable thereon:

Provided that a person permitted to export any such article without payment of the cess leviable thereon shall, if the article is not re-imported into India within such period as may be fixed by the Collector of Land Customs, pay the duty on demand, and the Land Customs Officer shall refuse to pass any goods belonging to such person until the said duty has been paid.

K. G. JACOB,

Second Secretary, Central Board of Revenue.

AMENDMENT TO RULES FRAMED BY THE CENTRAL BOARD OF REVENUE UNDER SECTION 5 OF THE AGRICULTURAL PRODUCE CESS ACT, 1940.

NOTIFICATION.

No. 35, dated the 3rd August, 1940.—In exercise of the powers conferred by section 5 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940), the Central Board of Revenue directs that the following amendment shall be made in the Rules published with its notification No. 21-Customs, dated the 20th April 1940, namely:

In rule 1 of the said Rules, for the word "two" the word "six" shall be substituted.

K. G. JACOB,

Second Secretary, Central Board of Revenue.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I lay on the table copies* of—

- (1) Commercial Appendix to the Appropriation Accounts of the Defence Services for the year 1938-39 and the Audit Report thereon.
- (2) Appropriation Accounts of Railways in India for 1938-39—Parts I and II.
- (3) Railway Audit Report, 1940.
- (4) Capital Statements, Balance Sheets and Profit and Loss Accounts of State Railways in India including the Balance Sheet and the Profit and Loss Accounts of Tatanagar Workshops—1938-39.
- (5) Balance Sheet of Railway Collieries and Statements of all-in-cost of coal for 1938-39.

* Not printed. Copies placed in the Library of the House.

INDIAN WORKS OF DEFENCE (AMENDMENT) BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :

"That the Bill further to amend the Indian Works of Defence Act, 1903, as passed by the Legislative Assembly, be taken into consideration."

The object of this Bill is merely to remove certain inconveniences resulting from the existing state of the law relating to works of defence. As the law stands unnecessary harassment sometimes is caused to property owners and unnecessary expense to the Government. Under section 7 of the Act, which is to be amended, certain restrictions are imposed in areas surrounding these works. In the outer zone, which extends up to a radius of 2,000 yards from the work of defence, these restrictions are not very severe. In the middle zone, which extends up to a radius of 1,000 yards, all permanent structures must be removed without exception. In the inner zone, which extends up to a radius of 500 yards, all structures, not only permanent, but also temporary, must be removed without exception. Now the removal of these structures is not always essential from the military point of view, and all this Bill does is to give a power of exemption.

Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

"That the Bill further to amend the Indian Works of Defence Act, 1903, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN NAVY (DISCIPLINE) AMENDMENT BILL.

THE HONOURABLE MR. A. DE C. WILLIAMS (Nominated Official) : Sir,
I move :

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

Section 52 of the Schedule to the Act which it is proposed to amend contains a catalogue of penalties which may be enforced in the Indian Navy. This list, in addition to the severer penalties which are generally enforceable under the criminal law, contains a number of more lenient and minor penalties such as detention, dismissal, reprimand, disrating, and so on. But section 45 of the same Act contains a list of criminal offences and under that section these offences are only punishable under the ordinary criminal law. That is to say, the only punishment which can be given to these offences are death, transportation, imprisonment, fine, or whipping. Well, it is quite clear that in some cases some of these offences, such as petty thefts of a comrade's kit, should not be punished with imprisonment. Fine is contrary to the custom of the Navy. It is therefore desired to enable the authorities to award these minor punishments for minor offences.

The second part of clause 2—sub-clause (b)—is simply formal. Section 52 of the parent Act contains a list of punishments but that list does not comprise transportation, though it does comprise penal servitude; and this amendment is merely designed to show that transportation is equivalent for the purposes of that section to penal servitude.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Our difficulty, Sir, is that we have not got the Indian Navy (Discipline) Act, 1934, before us.

THE HONOURABLE THE PRESIDENT: You could have easily seen the Act.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I had hoped that the Honourable Member would be kind enough to explain the provisions more fully so that we may be able to follow him. My only doubt about this matter, Sir, is that at the present moment we are averse to corporal punishment except for very heinous offences which require a personal chastisement. The policy of the present-day world is against corporal punishment.

THE HONOURABLE THE PRESIDENT: You must remember that these are special Services, the Navy and the Army. You cannot use the ordinary procedure there.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I would very respectfully submit that the Act was not framed by the Opposition to contain all these mistakes. It was framed by the Government with full recognition of what is required and they had before them also the statutes of other countries to fall back upon. Now, in the time of war, it is ununderstandable to us, Sir, why the Government is bringing forward an amendment which aims at substituting corporal punishment for penal servitude ?

THE HONOURABLE THE PRESIDENT : Do you suggest that the statutes of other countries are more lenient ?

THE HONOURABLE MR. HOSSAIN IMAM : I suggest, Sir, that the Government, when it framed the Act, did not deem it necessary to incorporate in the Bill what it is now trying to introduce.

THE HONOURABLE THE PRESIDENT: You have not answered my question.

THE HONOURABLE MR. HOSSAIN IMAM : The Navy (Discipline) Act, Sir, was fully discussed in both the Houses and Government had full opportunity of bringing forward a comprehensive measure and a measure which would have included all that was requisite. Our surprise is that at this moment when you are having an expansion of all your defence services, why was it thought proper to substitute this? I am not opposing, Sir. I want the Government to state the reasons which have prompted this. The doubt that is created in our minds is that perhaps the enforcement of those penalties which were incorporated in the Bill originally would be difficult and this is thought to be the easier method of chastisement and perhaps there are too many delinquents for whom room cannot be found. These are the apprehensions which are created in our minds. I am asking for information and not in an adverse mood criticizing Government or opposing the Motion.

THE HONOURABLE MR. A. DEC. WILLIAMS : It is a little unfortunate that there should be in the text of the Bill a reference to "corporal punishment" because in that particular context, so far as corporal punishment is concerned, no alteration is being made, Sir. I do not know whether the Honourable Mr. Hossain Imam is aware that the whole of the Schedule of the parent Act, which is sought to be amended, is copied practically *verbatim* from the British statute which applies to the Royal Navy and the desire is to keep the Indian Navy as far as possible upon the same footing. But for some reason which I cannot explain the words which we are seeking to put in by this Bill "or.....with such other punishment as is hereinafter mentioned" do occur in the British statute. They have not been put into the Indian statute and that is what makes it impossible for us to award a lower form of punishment for any of the offences mentioned in section 45.

As regards the Honourable Member's apprehension that we are trying to make it possible to flog ratings for minor offences, I would point out that, even as the law stands, corporal punishment is equivalent to imprisonment and, seeing that it is minor penalties we are seeking to inflict, penalties minor to imprisonment, it is not likely that we wish to impose flogging.

THE HONOURABLE MR. HOSSAIN IMAM : In your Statement of Objects and Reasons you refer to section 45 of the Indian Navy (Discipline) Act, 1934. Could you explain the reference ?

THE HONOURABLE MR. A. DEC. WILLIAMS : I think that I have fully explained section 45.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN NAVY (DISCIPLINE) SECOND AMENDMENT BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934 (*Second Amendment*), as passed by the Legislative Assembly, be taken into consideration."

Sir, this is a purely formal measure and the Statement of Objects and Reasons fully explains it. It is simply consequential on the separation of Burma from India.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, may I ask the Honourable Member to inform us why he has introduced two Bills to amend the same Act ? Could he not have incorporated them into one Bill ?

THE HONOURABLE MR. A. DEC. WILLIAMS : The answer to that, Sir, is that I have not introduced any Bill.

THE HONOURABLE THE PRESIDENT : He has only asked for amendment.

THE HONOURABLE MR. HOSSAIN IMAM : We have just passed the Bill to amend the Indian Navy (Discipline) Act, 1934, for certain purposes. The last Bill that we passed also pertains to the same Act and to the same Schedule. I am asking why there are two Bills ?

THE HONOURABLE THE PRESIDENT : Is it your point that both these Bills ought to have been incorporated into one Bill ?

THE HONOURABLE MR. HOSSAIN IMAM : Yes, Sir.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. Williams) : Have you got anything to say ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Nothing, Sir.

THE HONOURABLE THE PRESIDENT : It is their option. Government can do what they like. If they like to bring in half a dozen Bills, they can do so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it not the duty of Government to proceed in a business-like way and not to tell us, "We shall do whatever we like" ? We are not here to listen to such replies.

THE HONOURABLE MR. HOSSAIN IMAM : There must be some reason. I do not think Government are simply doing it because they wish it.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934 (*Second Amendment*), as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

CANTONMENTS (AMENDMENT) BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :

"That the Bill further to amend the Cantonments Act, 1924, as passed by the Legislative Assembly, be taken into consideration."

Sir, the Cantonments Act is very voluminous and from time to time practical difficulties have been experienced and come to light in its working. These amendments are designed to remove some of those practical difficulties which are explained in the Notes on Clauses appended to the Statement of Objects and Reasons. I do not think, Sir, that it will be convenient if I add anything to those notes at this stage. But if, when the clauses come up, any Honourable Member wishes to have anything explained, I shall be pleased to do so.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I would like to make one or two inquiries with regard to certain points in this Bill. First of all, in clause 2 it is proposed to amend section 27 (2) (i) to enable persons who are subjects of States in India to be enrolled as electors provided they are otherwise qualified. I have no objection to Indian States subjects being enrolled as voters in British India. That is not my point. But what I want to know is whether such treatment is accorded to British Indian subjects in such Indian States as have elected Cantonment Boards or Municipal Boards? I want reciprocity in this matter and if there are any Indian States which do not accord to British Indian subjects the privilege of voting in elections to Cantonment Boards or Municipal Boards, then the Government of India should take steps to make representations to them and secure for British Indian subjects the same rights that are accorded to the subjects of Indian States.

Then, Sir, I have a little difficulty in regard to clause 8—Schedule V. At present there is a right of appeal and it is proposed to deprive the person, who has a right of appeal now, of it in future. I would like the Honourable Mr. Williams to explain to us—because I have not got the Cantonments Act before me—the exact meaning and scope of this section. I do not like any subject to be deprived of any right of appeal that he has already. I would like the Honourable Member to explain exactly what this section means and what the effect of this section will be upon those who are affected by it. These are all the observations I have to make on this Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : I would prefer to give, Sir, the explanations as the clauses come up. Some other Honourable Members may have something else to say.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill further to amend the Cantonments Act, 1924, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

THE HONOURABLE THE PRESIDENT : The Question is :

"That clause 2 stand part of the Bill."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : The Question is :

"That clauses 3, 4, 5, 6, 7 and 8 stand part of the Bill."

THE HONOURABLE MR. P. N. SAPRU : I was expecting a reply to my question, Sir.

THE HONOURABLE THE PRESIDENT : You are too late now. After the Motion for Consideration was passed you ought to have got up.

THE HONOURABLE MR. P. N. SAPRU : I had expected a reply to my question on clause 2.

THE HONOURABLE THE PRESIDENT : You were not vigilant enough. I am sorry. I waited for a second ; you did not get up.

THE HONOURABLE MR. P. N. SAPRU : In the third reading I hope he will give us the reply.

THE HONOURABLE THE PRESIDENT : You can ask for it then.

The Question is :

"That clauses 3, 4, 5, 6, 7 and 8 stand part of the Bill."

THE HONOURABLE MR. P. N. SAPRU : I shall be vigilant this time. I have put my question in regard to clause 8 and I hope the Honourable Member will give a reply.

THE HONOURABLE THE PRESIDENT : I will then put clauses 3, 4, 5, 6 and 7 first. The Question is :

"That clauses 3, 4, 5, 6 and 7 stand part of the Bill."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : The Question is :

"That clause 8 stand part of the Bill."

THE HONOURABLE MR. P. N. SAPRU : I have already asked the question and I have made my point. I want to know why it is proposed to deprive persons who have a right of appeal of that right in future? I want exactly to know what the purport and meaning of this clause is? I have not got the Cantonment Act before me and I want just to understand for my own benefit what the meaning of this clause is? I do not want to vote for it unless I know what the clause is.

THE HONOURABLE MR. A. DEC. WILLIAMS : The item which it is proposed to delete from Schedule V refers to section 137 and it confers a right of appeal against a notice from a Board under that section. Well, if you look at section 137 you find that no such notice can be given under it. The thing is a mistake, a misdescription. So what we are doing by deleting it, and not amending the section, cannot take away any right of appeal; because no right of appeal can exist in respect of a notice which cannot be given. What we are possibly doing by refraining from amending and correcting the mistake is abstaining from conferring a further right of appeal.

THE HONOURABLE THE PRESIDENT : The Question is :

"That clause 8 stand part of the Bill."

The Motion was adopted.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

THE HONOURABLE MR. P. N. SAPRU : I should like the Honourable Mr. Williams to tell me exactly what the position in regard to clause 2 is, whether he is prepared to represent to the Indian States who have elected bodies to give to British Indian subjects the same privilege that we are accord- ing them under this clause?

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, having regard to the terms of the rules and standing orders relating to questions and resolutions regarding Indian States, I am reluctant to enlarge on this topic at all; but

[Mr. A. deC. Williams.]

I think if the Honourable Member were to look into the question of fact as to the number of elected municipalities in those States, he will probably appreciate that the point he is raising is for the time being at any rate merely academic.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : But there are certain States which have elected municipalities. What about them ? I mean to say that if they are not going to concede this right to us I see no reason why we should vote in favour of the Bill. You may be able to carry the Bill through but we shall at any rate be able to register our protest against this one-sided Bill.

THE HONOURABLE MR. A. deC. WILLIAMS : I should like to place it on record as my personal view that, if any Honourable Member opposite votes against the Bill for that reason only, it will not look too well.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill, as passed by the Legislative Assembly, be passed."

Question put : the Council divided :

AYES- 24.

Ataullah Khan Tarar, Hon. Chaudhri.
Bajpai, Hon. Sir Girja Shankar.
Charanjit Singh, Hon. Raja.
Chinoy, Hon. Sir Rahimtoola.
Conran-Smith, Hon. Mr. E.
Das, Hon. Rai Bahadur Satyendra Kumar.
Dow, Hon. Mr. H.
Ghosal, Hon. Sir Josna.
Govindachari, Hon. Rao Bahadur K.
Haidar, Hon. Khan Bahadur Shams-ud-Din.
Hydari, Hon. Mr. M. S. A.
Jones, Hon. Mr. C. E.

Khurshid Ali Khan, Hon. Nawabzada.
Lal, Hon. Mr. Shavax A.
Lloyd, Hon. Sir Alan.
Menon, Hon. Sir Ramunni.
Muhammad Yakub, Hon. Sir.
Mukherjee, Hon. Sir Satya Charan.
Parker, Hon. Mr. R. H.
Richardson, Hon. Mr. J. H. S.
Roy, Hon. Mr. S. N.
Sobha Singh, Hon. Sardar Bahadur.
Williams, Hon. Mr. A. deC.
Wilson, Hon. Mr. L.

NOES- 12.

Askuran, Hon. Mr. Shantidas.
Chettiyar, Hon. Mr. Chidambaram.
Dalal, Hon. Mr. M. N.
Das, Hon. Mr. N. K.
Hossain Imam, Hon. Mr.
Kalikar, Hon. Mr. V. V.

Kunzru, Hon. Pandit Hirday Nath.
Mahtha, Hon. Rai Bahadur Sri Narain.
Mitha, Hon. Sir Suleman Chusum Hajl.
Muhammad Husain, Hon. Haji Syed.
Sapru, Hon. Mr. P. N.
Sinha, Hon. Kumar Nripendra Narayan.

The Motion was adopted.

REPEALING AND AMENDING BILL.

THE HONOURABLE MR. SHAVAX A. LAL (Nominated Official) : Sir, I move :

"That the Bill to repeal certain enactments and to amend certain other enactments, as passed by the Legislative Assembly, be taken into consideration."

This is a formal measure the purpose of which has been fully explained in 12 Noon. the Statement of Objects and Reasons.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I want some information. I had expected that Mr. Lal would give us some more details because the number of the Acts which are being repealed is rather formidable. In the first place we are glad that today we are

repealing an Act of the Governor General. Acts of the Governor General, as you know, are mostly recommended and certified Bills.

THE HONOURABLE THE PRESIDENT : This is not the first time.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, so much the better. I should like to understand what exactly is the position about Act XIV of 1931 and Act II of 1936. In the Statement of Objects and Reasons it is stated that these Acts are purely of an amending nature and to remove from the Statute-book certain Acts or portions of Acts ; but we should like him to explain more fully as to what is the implication of removing from the Statute-book the Salt (Additional Import Duty Extending) Act. Under what Act will the additional duty be imposed now ; and if the object is, as I take it, not to abolish additional duty but to continue the imposition then under what Act are we imposing it ? Secondly, he must give us some information about the Governor General's Act of 1936 as given on page 4 in which the part to be repealed is only the name "to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898". Now, merely the repeal of the name has no effect. If you remove the name does it mean that you amend the Act in any way ? What is the object in saying that the Act of the Governor General should remain operative but only the name should be repealed ? It is rather ununderstandable and I would appeal to Mr. Lal to be more explicit and to explain the matter.

THE HONOURABLE MR. SHAVAX A. LAL : Sir, the whole purpose of the Bill is to remove superfluity from the Statute-book and these words, if left in the long title and preamble, would make it meaningless. There is no reason for keeping these words when they carry no meaning. This Bill proposes to remove the superfluous and to leave just those provisions which are necessary. That is the purpose of the Bill, and there is nothing improper in amending the long title and the preamble.

THE HONOURABLE THE PRESIDENT : You mean to say that this is the periodical removing of the defects.

THE HONOURABLE MR. SHAVAX A. LAL : Yes, Sir, this is the periodical pruning.

THE HONOURABLE MR. HOSSAIN IMAM : During the last four years Government have passed the Finance Bills by certification as Governor General's Acts. Why are the other Acts of 1936, 1937, 1938 and 1939 not amended and why it is being moved only in respect of one Act.

THE HONOURABLE THE PRESIDENT : Is there any superfluity ?

THE HONOURABLE MR. HOSSAIN IMAM : I am referring to the previous Finance Bills all of which were passed by certification.

THE HONOURABLE MR. SHAVAX A. LAL : The presumption is that they are necessary.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member justify that presumption ; he must give more information to the House before it can accept it.

THE HONOURABLE MR. SHAVAN A. LAL : The question before the House is the present Bill and not whether some other Act ought to have been amended in a certain way or should not have been amended. As these Acts are not before the House naturally that question does not arise. In that case I will have to satisfy the Honourable Member as regards all the Acts on the Statute-book.

THE HONOURABLE MR. HOSSAIN IMAM : May I draw his attention to the Act of 1935 ? I do not think Government is justified in doing everything in a haphazard and in an arbitrary manner. There should be some method even in this Government.

THE HONOURABLE MR. SHAVAN A. LAL : There is nothing haphazard in it. Government only makes such formal changes as are absolutely necessary, and when any doubt about utility arises Government resolves it by leaving those provisions intact. It will be beyond my capacity to explain as to why certain Acts, not included have not been amended.

THE HONOURABLE THE PRESIDENT : He only mentions previous Finance Acts.

THE HONOURABLE MR. SHAVAN A. LAL : The question should be confined to the Acts which are before the House ; I could not be expected to explain as to why other Acts are not amended.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable Member has not enlightened us under what Act we are to collect the additional salt duty after it has been repealed.

THE HONOURABLE MR. SHAVAN A. LAL : I would have satisfied the Honourable Member if he had consulted me. There must have been some enactment which provided for it. While repealing we do not make any changes of substance. You cannot repeal a duty which is otherwise leviable.

THE HONOURABLE THE PRESIDENT : Motion moved :

"That the Bill to repeal certain enactments and to amend certain other enactments, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Schedule I was added to the Bill.

Clause 2 was added to the Bill.

Schedule II was added to the Bill.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. SHAVAN A. LAL : Sir, I move :

"That the Bill to repeal certain enactments and to amend certain other enactments, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN REGISTRATION (AMENDMENT) BILL.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary) : Sir, I move :

"That the Bill further to amend the Indian Registration Act, 1908, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

Sir, the Bill in respect of which I am moving this Motion is designed to remedy a defect which was due to the omission *per incuriam* to amend section 28 of the Indian Registration Act at the time when clause (e) was inserted in sub-section (I) of section 17 of that Act by section 10 of the Transfer of Property (Amendment) Supplementary Act of 1929. Section 17 (I) of the Indian Registration Act deals with documents the registration of which is compulsory. Section 28, which provides for the registration of documents relating to land, covers the documents mentioned in the four clauses, namely (a) to (d), which were contained in section 17 (I) as it stood before the amendment in 1929, and provides that they shall be presented for registration in the office of the Sub-Registrar within whose sub-district the whole or some portion of the property is situated. If the property is not situated wholly within one sub-district, the Sub-Registrar is required by section 64 of the Act to send a memorandum of the property to every Sub-Registrar within whose jurisdiction any part of the property is situated. He is also required to file a memorandum. When the new clause (e) was added to section 17 (I) by the amending Act to which I have referred, the corresponding addition should have been made in section 28 of the Indian Registration Act so that the same procedure would apply to documents mentioned in that clause. This, however, was not done and clause 3 of the Bill now before the House seeks to remedy that omission.

Clause 2 of the Bill inserts an additional clause in section 18 of the Act corresponding to clause (e) of section 17 (I). Section 18, as Honourable Members are aware, deals with documents the registration of which is optional. The effect will be that documents of the nature referred to in clause (e) of sub-section (I) of section 17, when the value of the property is less than Rs. 100, will be treated in the same way with regard to registration and indexing as the other documents covered by that sub-section. A corresponding addition is made in section 28.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. CONRAN-SMITH : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary) : Sir, I move :

"That the Bill further to amend the Code of Civil Procedure, 1908, as passed by the Legislative Assembly, be taken into consideration."

Sir, this small Bill is intended to remedy an error which arose in the course of adaptation of the Statute-book. That adaptation was, as Honourable Members are aware, carried out in order to bring the provisions of the existing

[Mr. E. Conran-Smith.]

law into conformity with the constitutional position arising under the Government of India Act, 1935. As the Statement of Objects and Reasons explains, the words "Courts of the Province", which occur in the proviso to section 29 of the Code of Civil Procedure, were substituted for the words "such Courts" when the Act was adapted. This has had the wholly unintended effect mentioned in the Statement of Objects and Reasons, *i.e.*, the Courts of the Province to which the provisions of section 29 are declared to apply would be required to serve summonses issued by Courts outside British India whether or not the country in which those Courts are situated had entered into a reciprocal arrangement with British India. Sub-clauses (2) and (3) of clause 2 (1) (b) of the Bill rectify this error. The remaining provisions of clause 2 are designed to set at rest a point of doubt which had arisen and to make it clear that processes other than summonses, *e.g.*, judgments of a foreign Court, are covered by the terms of section 29.

Clause 3 of the Bill merely corrects an obsolete reference.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary) : Sir, I move :

"That the Bill further to amend the Code of Criminal Procedure, 1898, as passed by the Legislative Assembly, be passed."

Sir, before the separation of Burma, Chapter XL of the Criminal Procedure Code which deals with commissions for the examination of witnesses applied to commissions issued by courts in British India to courts in Burma, and *vice versa*, but since Burma has been separated from India the chapter no longer applies to the issue of such commissions. This Bill seeks to make provision for the establishment of a similar procedure for reciprocal service of commissions as between courts in British India and courts in Burma. The Government of Burma have agreed to make a corresponding provision in the law in force in Burma. Sub-clause (2) of clause 1 of the Bill gives the Central Government power to notify the date on which this measure shall come into force. It will thus be possible for the Act to be brought into force in British India at a date subsequent to that on which Burma has amended the law of that country.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN COMPANIES (AMENDMENT) BILL.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I move :

"That the Bill further to amend the Indian Companies Act, 1913, as passed by the Legislative Assembly, be taken into consideration."

This Bill, Sir, is designed to fill a lacuna in the existing law, which has caused some embarrassment to various Provincial authorities, relating to the disposal of unpaid dividends out of liquidation of companies. The Provincial Governments have been consulted and are unanimously in favour of legislation of the type that is now before us. Perhaps Honourable Members will wish to be satisfied that the provisions of this Bill, which include the transfer of these funds after a period of 15 years from the special account to be opened by the Reserve Bank of India to the general revenue account of the Central Government, do not in any way interfere with the existing rights of any person. That, Sir, is secured by the provisions of the Bill. Sub-section (5) of the proposed section allows claims to be made without any new limitation, and sub-section (6) makes special provision that where such a claim is made after the period of 15 years has expired, the amount is payable, if the claim is otherwise valid under the other provisions of the law, out of the general revenues.

Sir, I move.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Non-Muhammadan) : Sir, I want some information and I should be much obliged if the Honourable Member will give it. In clause 2, proposed sub-section (5) says :—

"Any person claiming to be entitled to any money paid into the Companies Liquidation Account in pursuance of this section may apply for payment", etc.

The procedure is laid down as to how the courts shall proceed. But no time limit is given during which such claims can be made. Is the Limitation Act applicable or is it intended that there should be no limitation at all? My question is, whether the Limitation Act will apply—the ordinary limit of three years—or whether the claim can be made perpetually? That is my first point.

The second point is this. Proposed sub-section (7) says that a liquidator who retains the money which should have been deposited will be liable to a penal interest of 20 per cent. per annum. I want to know whether that 20 per cent. would be charged to the liquidation account or whether it will be a personal imposition on the liquidator. The purport of the whole section seems to be that it will be a personal imposition on the liquidator, as appears from the provision lower down that his own fees, to which he will be entitled from the courts, will be confiscated. But the wording is not quite happy. It is not clear whether it will be charged to the liquidation account or to the personality of the liquidator.

THE HONOURABLE SIR ALAN LLOYD : As regards the first question, Sir, that was asked by my Honourable friend, I perhaps was not sufficiently clear in my earlier remarks. I wish to make it clear that the wording of sub-section (5) does not interfere with the existing law in any way at all. It did not remove a limitation, it did not create a limitation. Claims remain to be made in accordance with the provisions of the existing law.

* Not corrected by the Honourable Member.

[Sir Alan Lloyd.]

As regards the second point, the liability is undoubtedly upon the liquidator himself in his personal capacity and I think I may say with confidence that the general provisions of the Indian Companies Act prevent the liquidator's including such liability in the liquidation account.

THE HONOURABLE MR. HOSSAIN IMAM : Arising out of this answer, I would like to know why the period of 15 years has been fixed during which the Reserve Bank is to keep that account as inoperative. If the ordinary limitation applies, that would mean that within three years, or at the most five years, the account should be transferred to the central revenues. By providing a period of 15 years during which the Reserve Bank will keep the account in suspense, a presumption might be created that the ordinary Limitation Acts do not apply. I should like the Honourable Member to explain that.

THE HONOURABLE SIR ALAN LLOYD : I do not think that any lawyer would raise such a presumption as my Honourable friend suggested. The period of 15 years is an arbitrary one. It is for convenience. So long as there is likely to be a reasonably substantial amount in the account of any liquidation, so long the special account is kept open.

THE HONOURABLE THE PRESIDENT : The Honourable Member knows that in certain cases, liquidations have continued for 10 or 15 years.

THE HONOURABLE SIR ALAN LLOYD : I was coming to that, Sir. It bears no relation to any period of limitation. It would, as a matter of fact, have to be a matter of perhaps 21 years if you were to bring it under limitation.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) : 61.

THE HONOURABLE SIR ALAN LLOYD : In the case of suits relating to dividends on liquidation, one has got to remember that the ordinary limitation period is quite insufficient in the case of a creditor who is a minor. It is quite possible that the creditor in a liquidation is a minor. He might be very young indeed and he has to wait till his majority to make his claim. But some arbitrary period had to be taken and 15 years was taken as being one which was likely to cover all except an extremely negligible minority of cases.

THE HONOURABLE MR. HOSSAIN IMAM : May I just ask

THE HONOURABLE THE PRESIDENT : You cannot ask several questions at different times. You ought to have put all the questions together. That is the practice, and as an old Member of Council, you ought to know that. You can only make one speech.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable Member has made statements out of which these questions arise. He has stated that 15 years was provided so as to cover some limitation.

THE HONOURABLE SIR ALAN LLOYD : I said nothing of the sort. I said that 15 years was an arbitrary period for convenience.

THE HONOURABLE MR. HOSSAIN IMAM : It was an arbitrary period and he said that there may be instances in which even that period may be exceeded on account of litigation and minority. In sub-section (6) provision has been made that even the central revenues will continue to be liable for the payment after the 15 years. That is why I wanted to know. The liability of the central revenues remains. Why then allow the Reserve Bank to keep the account open and in suspense for 15 years ?

THE HONOURABLE MR. R. H. PARKER : As a matter of convenience.

THE HONOURABLE SIR ALAN LLOYD : I attempted to explain that before. We had to choose some period. So long as there is likely to be a reasonably large number of deposits in the account, it is more convenient to keep that account open. When the number of deposits is likely to be reduced to something small or negligible, then it is to everybody's convenience to close it. I attempted to explain that before, Sir.

THE HONOURABLE THE PRESIDENT : Motion made :

"That the Bill further to amend the Indian Companies Act, 1913, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR ALAN LLOYD : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

WAR DONATIONS AND INVESTMENTS (COMPANIES) BILL.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I move :

"That the Bill to enable companies in British India to make donations to public funds formed, and to make investments in Government loans floated, for the purpose of assisting the prosecution of the present war, as passed by the Legislative Assembly, be taken into consideration."

Sir, the title which I have read out indicates the purpose of this Bill. At present many companies are debarred by their memoranda of association from making payments of the kind described, and a number of clubs in particular that have been registered as companies have found themselves in a difficulty in consequence. This Bill is designed to enable them to make such payments or investments in spite of the provisions of their memoranda of association. Honourable Members will perhaps on looking at the Bill have wished to satisfy themselves, as I wished when it first came before me, that it will not give Directors uncontrolled powers to make, from whatever laudable motives, investments or grants of the kind in question without the consent of the shareholders. I would draw attention in this connection to the words of clause 3 of the Bill, which enable the company "by special resolution" to authorize the making of the donation or investment.

THE HONOURABLE THE PRESIDENT : In all cases of special resolutions a three-fourths majority of shareholders is required ?

THE HONOURABLE SIR ALAN LLOYD: Yes, Sir, that is the case. I have before me here the Companies Act and the matter is dealt with by section 81, which has the effect which you have described. The interests of the shareholders are therefore fully secured and I think there can be no other question as to the desirability of passing this Bill.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, Sir Alan Lloyd has very kindly explained to us that the term "special resolution" refers to the provision in the Companies Act in section 81. But may I draw his attention to the fact that there is nothing in the Bill to indicate that by special resolution you mean the special resolution as defined in any specific section of the Indian Companies Act. Special resolution here may mean a special resolution of the Board of Directors.

THE HONOURABLE THE PRESIDENT: No, special resolution means a vote by three-fourths of the shareholders present or represented by proxies.

THE HONOURABLE MR. HOSSAIN IMAM: I understand that under section 81 it is, but is there any mention in this Bill that by special resolution you mean that particular special resolution specified in section 81 of the Companies Act? The wording is rather loose. Special resolution here may mean a special resolution of the Board of Directors, which the Honourable Member is very rightly not willing to allow.

THE HONOURABLE THE PRESIDENT: I am not sure but I think "special resolution" has been defined in the Act.

THE HONOURABLE SIR ALAN LLOYD: It is defined in the Companies Act. Section 81 of that Act defines a special resolution. As regards the applicability of that definition to this law, which is not expressed as an amendment, I think the Honourable Member will be satisfied if I point out that the only reason for passing this law is that it is the Indian Companies Act from which the memoranda of association derive their binding force. Therefore, it is perfectly obvious that if that binding force is to be relaxed the reference in this clause must be to the Indian Companies Act.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member just read out that part of the parent Act?

THE HONOURABLE SIR ALAN LLOYD: Sub-section (2) of section 81 of the Indian Companies Act reads as follows :

" 'Special resolution' shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days notice specifying the intention to propose the resolution as a special resolution has been duly given ;

Provided that if all the members entitled to attend and vote at any such meeting so agree a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given. "

The reference to the "extraordinary resolution" is in sub-section (1) which says :

" A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as were present in person or by proxy where proxies are allowed at a general meeting. "

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : But suppose the Directors want this to be passed, how will this legislation help them ?

THE HONOURABLE SIR ALAN LLOYD: This legislation will enable them to place the matter before their shareholders.

THE HONOURABLE THE PRESIDENT: Motion made :

" That the Bill to enable companies in British India to make donations to public funds formed, and to make investments in Government loans floated, for the purpose of assisting the prosecution of the present war, as passed by the Legislative Assembly, be taken into consideration. "

Question put and Motion adopted.

Clauses 2 to 5 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR ALAN LLOYD: Sir, I move :

" That the Bill, as passed by the Legislative Assembly, be passed. "

The Motion was adopted.

RESERVE BANK OF INDIA (THIRD AMENDMENT) BILL.

THE HONOURABLE MR. C. E. JONES (Finance Secretary) : Sir, I move :

" That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by the Legislative Assembly, be taken into consideration. "

Sir, this Bill has been promoted at the urgent and pressing request of the Reserve Bank of India, the central banking authority of the country which is specially interested in the soundness of the banking system of the country. The Central Board of the Reserve Bank have for long been seriously perturbed at the method of the working of section 42 of the Reserve Bank of India Act on account of the very limited scope of that section. I may remind Honourable Members that under sub-section 1 of section 42 of the Reserve Bank of India Act all scheduled banks are required to maintain with the Reserve Bank a daily minimum balance equal to 5 per cent. of their demand liabilities and 2 per cent. of their time liabilities. The penalty for default in observing this requirement is prescribed in sub-section 3 of section 42, which is that the Reserve Bank can charge the defaulting banks penal interest on the amount in default and for the time the default continues. This charge of penal interest is the only sanction which the Reserve Bank is able to enforce. It is therefore possible for scheduled banks, so long as they are prepared to pay the penal interest to withdraw even to the full this statutory deposit which they should maintain with the Bank. Accordingly in quite a large number of cases we find scheduled banks, when they are unable to meet their liabilities or when their other assets are tied up and illiquid, withdrawing the funds which the law requires should be maintained as cash reserve with the Reserve Bank. This position is obviously unsatisfactory in the extreme and practically renders nugatory the safeguarding provision of section 42 of the Bank. The Reserve Bank have for some time been considering this position, and as long ago as May last year they addressed a formal letter to the Government explaining the legal position under this section. The Government gave publicity to this letter by publishing it in a press communique. This was done with the deliberate object of removing from the public mind any misapprehension with

[Mr. C. E. Jones.]

regard to the very limited scope of section 42 as it now stands and of disillusioning the public of any idea that the existence of that section and the requirements in that section afforded any real protection to the depositors or any guarantee as to the soundness and the liquidity of the assets of the scheduled banks. Since that communique was published the Reserve Bank have had the matter under continual review and their experience is, that not only has there been no improvement in the position, but that there has actually been considerable deterioration; the number of banks defaulting, the number of days of default and the amount of penal interest paid all having increased substantially. There is moreover considerable evidence that the situation is still progressively deteriorating, and in certain individual cases the default is persistent and serious. The Central Board of the Reserve Bank have therefore taken the matter into their consideration again and have moved the Government immediately to promote this legislation. The original intention, as explained in the press communique, was to deal with this question when the comprehensive banking legislation was taken in hand. But as there is likely to be considerable delay in bringing the comprehensive banking legislation forward, the Reserve Bank have come to the conclusion that in the interest of sound banking early steps should be taken to tighten up the effectiveness of section 42, because otherwise the persistent evasion of section 42 might land a number of scheduled banks in severe difficulties and increase the number of liquidations. The lines on which the Central Board of the Reserve Bank recommended legislation are embodied in the Bill now before the House. There are two main provisions. The first one is drafted on the lines already applicable to non-scheduled banks by section 277L (1) of the Indian Companies Act. In that section, which requires non-scheduled banks to maintain certain minimum cash reserves, there is a provision that after a certain period of grace the directors and officers of the defaulting bank who knowingly and wilfully are parties to the default should become liable to a fine not exceeding Rs. 500 for every day during which the default continued. The proposal now is that this same liability should be imposed in the case of scheduled banks. Secondly, the Reserve Bank wish to go one step further and in the interest of depositors they desire a provision to be made to the effect that after that same period of grace the Reserve Bank should be empowered to serve notice, at their discretion, on the defaulting bank prohibiting it from accepting any fresh deposits until the minimum deposit required to be maintained had been restored, and that persons knowingly and wilfully parties to any transgression of this prohibition should be liable to the same penalty of Rs. 500 for every day during which fresh deposits were accepted and retained by the defaulting bank.

These penalties are admittedly severe, but a penalty of this nature is already in existence in the case of non-scheduled banks and it is of the greatest importance that the scheduled banks, in whom by reason merely of their status as scheduled banks the depositors and the public have greater confidence, should be subjected to a penalty not less severe. I think the House will agree that, if any penalty is proposed at all for a breach of this statutory requirement, that penalty should be deterrent and effective. That is the object of this Bill, with a view to ending what is admittedly a most unsatisfactory state of affairs.

Sir, I move.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, we are grateful to the Honourable Mr. Jones for his very lucid explanatory speech in which he has introduced this Bill. It has removed

* Not corrected by the Honourable Member.

almost all the doubts which I had about this Bill and on which I might have asked some questions. He has himself stated that this is only an interim measure because the banking legislation is not yet ready. May I point out that the provision in section 42 regarding compulsory deposits is a very minor sort of provision, as far as liquidity or safety of the assets are concerned. A portion of the 5 per cent. of their demand liabilities and 2 per cent. of their time liabilities have to be deposited. He will himself admit that it is a very small proportion and it does not satisfy the liquidity or substantiality of the Reserve Bank. We have to wait for that banking legislation which will make this provision secure; but I should have liked to know from the Honourable Member if he has found any instance where this has been persistently done? The penalty in the existing Act is sufficient to deter people from infringing the letter of the law, because banks which cannot maintain even, say, 3½ per cent. liability in the Reserve Bank must be in a weak position.

THE HONOURABLE THE PRESIDENT : Are you contending that this legislation is superfluous?

THE HONOURABLE MR. HOSSAIN IMAM : It is not stringent; we want it to be more stringent. It is not one which would cover many banks. One or two banks could be covered by this, otherwise the need for the banking legislation has been further strengthened. All that I am asking is that Government should expedite that Bill so that we may have more substantial basis. I came across one of the scheduled banks system of accounts. The bank never held unsecured debentures.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) : Unsecured debentures are common. A debenture is only a promise to pay.

THE HONOURABLE MR. HOSSAIN IMAM : Debentures are not always mortgaged debentures. Debentures are not securities which a bank should hold. Unsecured debentures are to be held by banks.

THE HONOURABLE THE PRESIDENT : Won't you wait till the revised Bill is brought before the Council? We are simply concerned with the amendment.

THE HONOURABLE MR. HOSSAIN IMAM : I simply want to know from the Honourable Member, without naming any banks, could he give us some idea of the number of banks which have defaulted in the past. I do not want the names of the banks. Of course, he cannot give that, as it brings the banks into contempt, but he can give us the numbers.

THE HONOURABLE MR. C. E. JONES : As regards the first point raised by my Honourable friend Mr. Hossain Imam, I would like to say that the Government are, of course, already aware that the deposits required to be maintained with the Reserve Bank by scheduled banks are a very small proportion of their assets and do not in themselves betoken the thorough soundness and liquidity of the banks' position. In fact, in the very communique to which I referred in my previous speech, this paragraph will be found. (This is in the letter from the Reserve Bank to the Government which was published in the press communique.)

"In the meantime, they are particularly concerned with another aspect of the matter. Section 42 requires the maintenance of these cash balances with the Reserve Bank and in the absence of other provisions in the law the scheduled banks are free to invest the remainder of their assets in whatever manner they choose; but it is, of course, these other assets which constitute the major part of the security for depositors' money. The public,

[Mr. C. E. Jones.]

however, appear to attach a greater importance to the statutory deposits than is justified, and although it may have now become known to many that the Travancore National and Quilon Bank was a persistent defaulter in the maintenance of its deposit prior to its closure, the Board are of the opinion that Government should forthwith bring to the notice of the public—

- (1) the misapprehension under which some members of the public still appear to be that section 42 is meant to afford real protection to depositors, and
- (2) that there is no legal impediment in the Act as it stands at present to the withdrawal of these deposits on payment by the defaulting bank of penal interest."

The position is that we are not ready to undertake comprehensive legislation at present but we say that, if a bank is in such a desperate position that it is unable to maintain these very small deposits required by the Act, then the sooner it goes into liquidation the better, and therefore we are seeking to impose a much more stringent penalty for default in this matter than the existing Act provides. That is the object of this legislation, merely to tighten up the effectiveness of this section as it is now, leaving the general question of the percentage of liquid assets which should be maintained by Banks in general and other questions of the sort over to the date when we can bring in fully considered and comprehensive legislation. When that date will be, Sir, I am not in a position to indicate.

The other point asked by my Honourable friend was as to the extent of the defaults. We have figures here for the six months July to December, 1939, which show that the number of defaults was 79, the number of days defaulted 223 and the amount of penalty interest Rs. 337. For the following half year, January to June, 1940, the number of defaults had increased from 79 to 80, the number of days defaulted from 223 to 439, and the amount of penalty interest from Rs. 337 to Rs. 3,015. That will show the deterioration in the position to which I have referred and the urgent need for this legislation.

THE HONOURABLE MR. HOSSAIN IMAM: Thank you, Sir.

THE HONOURABLE THE PRESIDENT: Motion made:

"That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. E. JONES: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

MOTOR SPIRIT (DUTIES) AMENDMENT BILL.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I move:

"That the Bill further to amend the Motor Spirit (Duties) Act, 1917, as passed by the Legislative Assembly, be taken into consideration."

The object of this Bill, Sir, is merely to change the definition of motor spirit as given in the Motor Spirit (Duties) Act in view of a change in circumstances. The change to which I refer is one which will be within the knowledge of Members of this House, namely, the interest which is being shown at present in the development of an industry for the manufacture of power alcohol from

molasses. The object of this industry, as also Honourable Members will be aware, is that of assisting the sugar industry and therefore also cane-growers by finding a useful and profitable outlet for molasses, which is a by-product of the sugar industry which has hitherto largely run to waste to the loss of factory owners and to the detriment of the industry and to the detriment incidentally of the countryside.

The chief use contemplated for this power alcohol is to use it in admixture with petrol to form motor spirit. To give the industry a fair chance of success by providing it with an assured market of reasonable dimensions, provincial legislation has been or is being passed in more than one province to make the admixture of power alcohol with petrol compulsory.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Will the Honourable Member say in what provinces?

THE HONOURABLE MR. C. E. JONES: Legislation has been passed, I think, in the United Provinces and has been or is being passed in Bihar, but I am not sure of the stage reached in the latter province.

Now, power alcohol itself is not a hydro-carbon and therefore does not fall within the definition of motor spirit which now stands in the Motor Spirit (Duties) Act. Accordingly, because of this simple fact, power alcohol itself is not liable to the central excise duty as motor spirit, but as soon as it is mixed with petrol the whole mixture becomes at once liable to the central excise duty. The practical difficulty which results from this position is that, contrary to what is usual in the case of central excises, we are not in a position to assess and levy the duty on power alcohol at the places where it is produced. That is the usual procedure, which is convenient to Government for purposes of control and is convenient all round. But because of this technical difficulty we are unable, with the law as it stands, to levy the duty at the place of production of power alcohol, which leaves us no alternative but to levy the duty at a large number of places where the actual mixing takes place. Then there is the difficulty that the petrol has already paid its duty and the alcohol has not, so that when you have assessed on the mixture you have to give a rebate or refund of the amount which you have already been paid on the petrol and everybody is inconvenienced. The object of this Bill is to remove these inconveniences, and to reduce incidentally the possible field of evasion by making it impossible for power alcohol to leave the factory for the purposes of mixture without paying the duty for which it is liable. This object we propose to achieve by amending the definition of motor spirit in the Act so as to include power alcohol. This is the one and only provision in the Bill and I venture to think that it will not prove controversial.

Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. E. JONES: Sir, I move:

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Monday, the 25th November, 1940.

COUNCIL OF STATE.

Monday, 25th November, 1940.

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

QUESTIONS AND ANSWERS.

ALLOCATION OF DEFENCE EXPENDITURE DURING THE WAR.

30. THE HONOURABLE MR. M. N. DALAL: (a) Will Government state what proportion of the military forces of the Crown charged upon the revenues of the Government of India, have been dispatched overseas in aid of the British Commonwealth of Nations now at war with the forces of our enemies?

(b) What arrangements, if any, have been made with the British Government, in regard to—

- (i) the normal expenditure of such forces as may have been sent overseas in aid and defence of the British possessions or dominions and protectorates or mandated regions in Europe, Africa or Asia?
- (ii) the extraordinary expenditure on account of the war, of such forces as may have been sent overseas in regard to transport charges and other similar special expenditure or allowance that may have to be incurred for the purpose?
- (iii) to what extent will such extraordinary or special expenditure in connection with such forces sent overseas be charged upon the Government of India, and to what extent will they be borne by the British Exchequer?

(c) Will Government state the principles or precedents that may have guided them in arriving at any arrangement for sharing the expenditure, in connection with the Indian military forces sent overseas during the present war?

(d) What is the policy of other Dominions of the British Commonwealth in this respect?

THE HONOURABLE MR. C. E. JONES: (a) The Government of India are not prepared to divulge information of this nature which might in their opinion be of use to the enemy.

(b) and (c). The arrangements made for the allocation of defence expenditure between the British and Indian Governments during the war and the principles underlying those arrangements are set out in the speech of the Honourable Finance Member introducing the Budget for 1940-41.

(d) The Government of India are not in possession of this information.

THE HONOURABLE MR. HOSSAIN IMAM: Is the Honourable Member aware that the Secretary of State has stated the number of Indian troops that are outside the Indian frontier?

THE HONOURABLE MR. C. E. JONES: I am aware of it, Sir, but that is a different matter from stating the proportion of Indian troops which is outside.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I ask the Honourable Member whether he is aware that according to the Chatfield Committee's Report one-tenth of the forces maintained in India, if sent out of India in India's own interest, can be charged upon Indian revenues? What is there that is confidential here then?

THE HONOURABLE MR. C. E. JONES: I think the Honourable Member is aware that not only what are known as external defence forces but other forces have been sent out from the limits of British India.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: But the Honourable Member's question is what proportion of the military forces of the Crown charged upon the revenues of the Government of India have been despatched overseas.

THE HONOURABLE MR. C. E. JONES: Sir, when we reply to questions we give them a reasonable interpretation. For instance, the fact that we are replying to this question does not mean that we are admitting that these forces are despatched overseas in aid of the British Commonwealth of Nations as against the defence of India. We have to give a question a reasonable interpretation, and a reasonable interpretation of this question is what proportion of Indian forces have been sent overseas.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask if it is a fact that the new army that is being raised, if it is sent out of India, will be charged to His Majesty's Government?

THE HONOURABLE MR. C. E. JONES: I can but refer the Honourable Member to the very lucid statement made by the Honourable the Finance Member when he introduced the Budget for 1940-41. I cannot attempt to improve upon the phraseology in which that statement was made.

DEVELOPMENT OF PRODUCTIVE RESOURCES AND MOBILIZATION OF MAN POWER.

31. THE HONOURABLE MR. M. N. DALAL: Will Government state what arrangements, if any, have been made, in face of the imminent emergency, regarding the development of the productive resources, and mobilization of the man power of this country, to assure the defence of this country in any eventuality, and to make as large and substantial a contribution to the success of the British arms as is possible for India to make?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): The Honourable Member will appreciate that it is impracticable to compress within the limits of an answer to a question an account of such varied and extensive arrangements. I would refer him to the Honourable the Finance Member's recent speech in another place, copies of which I understand are in the hands of Honourable Members.

DIFFICULTIES EXPERIENCED BY INDIANS IN OBTAINING COMMISSIONS IN THE INDIAN ARMY.

32. THE HONOURABLE MR. M. N. DALAL: Are Government aware of the long standing complaint of Indians regarding the relative inaccessibility to commissioned ranks in the Indian military forces for the Indian citizens? What arrangements, if any, have been made by Government to remove, once and for all, the ground for any such complaint and the discontent arising in consequence thereof?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Yes, Government are aware that there have been such complaints and have made arrangements to eliminate any possible grounds for their existence.

Indian officers are now eligible for posting to all units of the Indian Army. The Indian Military Academy at Dehra Dun has been expanded and the course of training has been shortened to 18 months. In addition, a new Cadet Training Institution has been started at Mhow, which has at present a capacity of 1,200 cadets a year. Already 516 Indian officers have been commissioned since the beginning of the war and 430 more were undergoing training on the 1st October, 1940.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member state if this figure includes the I.M.S.?

THE HONOURABLE MR. A. DEC. WILLIAMS: Yes, Sir.

ESTABLISHMENT OF NEW AND DEVELOPMENT OF EXISTING INDUSTRIES.

33. THE HONOURABLE MR. M. N. DALAL: Will Government state what steps they have taken to seize the opportunity created by the present war for the more intensive development of the local resources of this country, particularly in regard to the establishment of new, and the development of existing, industries?

THE HONOURABLE SIR ALAN LLOYD: I lay a statement on the table of the House containing the information asked for by the Honourable Member.

I.—Indian industry generally.

(i) The Government of India have constituted the Economic Resources Board and the Board of Scientific and Industrial Research, the functions of which include a constant examination of the problems that arise on account of war conditions concerning the development of industries in this country. (Copies of Press Notes on the subject are appended.)

(ii) Government have had under their consideration for some time the need for assuring certain specified industries the starting of which Government consider essential under conditions created by the war, of a measure of protection which may be necessary after the war to enable such industries to continue their existence. (See Resolutions, Nos. 260-T and 6-T.Sim/40, dated, respectively, the 10th June and 20th July 1940, published in the Gazette of India.)

(iii) Facilities have been given to industries to import essential articles the importation of which has been made difficult either on account of war restrictions on trade or lack of shipping.

II.—Industries supplying war requirements.

The orders placed by the Supply Department for meeting war demands not only of India but of Overseas Governments have given a great stimulus to the development of

existing industries and have led to the growth of new ones. As a result, many new types of articles have been evolved and increased outlets found for others. Among the new items so developed the following are some :—

Mock leno cloth, cotton jute union fabric, cotton canvas, webbing and many chemical and pharmaceutical products.

Information about several of these has been given to the Press from time to time.

The ordnance factories have not only increased the output of those articles which were already being produced, but are manufacturing new things with success. Steps are also being taken to establish Government factories for the manufacture of bleaching powder and aviation spirit.

India is now manufacturing armour plate, A. R. P. Stirrup pumps, degaussing cable, Nissen huts, steel masts, oil heating stoves, primus stoves, Haldare's oxygen outfits and parts of service gas masks. The building of an Inglis Bridge has been effected, also the construction of trawlers and landing craft.

There has been a great expansion in the extraction of timber and the making of tents and barbed wire.

Government are also growing flax experimentally in Bengal and Bihar.

PRESS NOTE.

Economic Resources Board.

The repercussions of the War upon economic conditions in India have necessarily engaged the close attention of the Government of India in the last few weeks. The possibility that the War may last a considerable time and the certainty that it will bring with it dislocation of existing trade and productive conditions, as well as new demands, have all had to be taken into account. The problem of conserving and utilising the economic resources of India to the best advantage has had to be squarely faced.

To enable Government to cope with the greatly increased number of problems which are likely to arise in the economic field, it has been decided by the Government of India to create an Economic Resources Board. The President of the Board will be the Honourable the Commerce Member, Dewan Bahadur Sir A. Ramasami Mudaliar. The Vice-President of the Board will be the Economic Adviser to the Government of India, Dr. T. E. Gregory. The Board itself will be constituted of representatives of all the various departments concerned with the development and conservation of India's economic resources. The Board will develop its own administrative apparatus, but, in order to avoid any suggestion of over-lap, it will not possess any executive functions. On the contrary, its field of activity will be confined to acting as a Clearing House of economic and statistical information, discussion and advice. A large variety of problems arise which involve more than one point of view, moreover, new problems will emerge which concern more than one Department and which can best be discussed in common, before the necessary executive action can be entrusted to the appropriate Department of Government. Thus it is hoped, by the creation of the Board, to avoid the danger, on the one hand, that important problems will be overlooked altogether, and on the other hand, that the specialised outlook of particular departments will prevent the full exploration of all aspects of what may be a problem of common interest. Moreover, in order to safeguard India's vital interests, as well as to ensure that India's contribution to the War will be as effective as possible, it will be necessary to watch closely the course of economic development elsewhere and bring those external events to the notice of the appropriate Departments.

Owing to the obvious limitations imposed by the circumstances of the war situation, which calls for instant decisions and continuous consultation, it will not be possible to ask Provincial Governments to appoint representatives to the Board, although it is expected that intimate contact will be maintained by means of correspondence, conferences and personal meetings. For the same reason, it is not possible to appoint representatives of professional, industrial or commercial organisations to be members of the Board, though the Government of India greatly appreciate the offers of assistance which have been made to them recently. Contact with professional organisations will be maintained by the adoption of the principle of appointing specialised *ad hoc* committees for the elucidation of particular problems, in the solution of which it is hoped to make the fullest use of the non-official fund of information and experience available in India at the present time.

PRESS NOTE.

Board of Scientific and Industrial Research.

Personnel announced.

Research on a large scale.

The Government of India have decided to set up from April 1, 1940, a Board of Scientific and Industrial Research, and have obtained the consent of some of the prominent scientists and industrialists in the country to serve as its members. The Board will be a consultative body and its functions will be to advise Government as to the lines on which industrial research should be conducted and the channels into which it should be guided in order to ensure the co-ordinate development of India's industries, particularly those the importance and possibilities of which have been prominently brought into the foreground as a result of war conditions.

The war has deprived India of some of its essential imports and has curtailed others with the result that some of the major existing industries are finding difficulties in maintaining their normal working. On the other hand, demands for war materials from the Empire and Allied countries and also for India's own requirements in this field call for an increase in industrial activities in India. Government have therefore decided that, in order to enable India to make a fitting contribution to the war for all the Allies and to take this opportunity of stimulating her existing industries and of exploring the fresh field of development created by the war, research work should be conducted on a larger scale than at present.

The Board will utilize and co-ordinate the work of the existing organisations already employed in this field. It will survey the work that is being done by them, invite proposals from all sources, initiate discussions and make recommendations to the Government, who will prescribe from time to time the general lines on which industrial research should be undertaken and pursued. The Board will also recommend to Government what specific problems should be assigned for investigation to the staff directly under the Board on the one hand and to the various scientific and research institutions in the country including Universities Laboratories on the other.

PERSONNEL.

The composition of the Board has been so designed as to ensure that all proposals for research are examined and judged not only from the scientific but also from the commercial standpoint in order that technical possibilities and practical considerations are fully weighed at every stage. The first Board will consist of the following gentlemen who have accepted membership of the Board—

Dr. J. C. Ghose, Dr. Nazir Ahmed, Dr. Meghnad Saha, Dr. S.S. Bhatnagar, Sir H. P. Mody, Sir Syed Sultan Ahmad, Mr. Kasturbhai Lalbhai, Lala Shri Ram, Mr. P. F. G. Warren and Dr. N. N. Law.

The Commerce Member of the Government of India will be Chairman of the Board, and the Chief Controller of Stores, Indian Stores Department, will be its first Vice-Chairman. Government have been able to secure the services of Dr. Bhatnagar, Head of the Punjab University Chemical Laboratories, as Director of Scientific and Industrial Research.

The Executive staff of the Board will be attached to the Commerce Department. The Chairman will have the power to co-opt from time to time such scientists or industrialists as he may consider necessary to help in the examination of particular problems which may come before the Board. The Board will meet at such places as its Chairman may direct and it is expected to meet once in two months.

A sum of five lakhs has been provided in the next year's budget in connection with the work of the Board, of which about one lakh will be utilized by the Board on its administrative side, and the balance will be available for other purposes for the Board, including distribution of grants, subsidies and scholarships.

COMMERCE DEPARTMENT.

New Delhi, March 18, 1940.

ESTABLISHMENT OF NEW INDUSTRIES IN CONNECTION WITH THE TRANSPORT SYSTEM OF THIS COUNTRY BY RAILROAD, WATER AND AIR.

34. THE HONOURABLE MR. M. N. DALAL: (a) Will Government state what measures, if any, they have adopted, concessions offered, or facilities provided for the establishment of any new industries in

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connection with the transport system of this country by railroad, water and air ?

(b) What precautions have they taken against the creation of a monopoly in these public utility industries in private hands which might exploit the public for private profit ?

THE HONOURABLE SIR ALAN LLOYD : A reply is being prepared and will be laid on the table of the House in due course.

LOCOMOTIVES.

35. THE HONOURABLE MR. M. N. DALAL : (a) Will Government state at what stage the project of establishing a locomotive building plant for supplying locomotives to Indian State and other Railways in this country has reached ?

(b) When do Government expect to have the first of these locomotives ready for service on the Indian Railways ?

(c) Will Government lay on the table of the House the full estimates and details of the capital and running expenditure decided to be incurred in this connection ?

THE HONOURABLE MR. L. WILSON : I would refer the Honourable Member to Memorandum No. 7 at page 76 of the Proceedings of the Meeting of the Standing Finance Committee for Railways held on 1st and 2nd July, 1940, Volume XVII, No. 2, a copy of which is in the Library of the House. The first broad gauge locomotive built at the Ajmer shops is likely to be ready about the end of 1942.

ESTABLISHMENT OF AN AEROPLANE FACTORY AND AUTOMOBILE PLANT.

36. THE HONOURABLE MR. M. N. DALAL : (a) What subsidy, if any, or other guarantees have Government offered to those concerned in the establishment of an aeroplane factory and automobile plant in India ?

(b) To what extent will Government be committed to financial assistance to such enterprise in private hands ?

THE HONOURABLE MR. H. DOW : (a) and (b). With reference to that part of the question which refers to the establishment of an aeroplane factory in India, the Honourable Member's attention is invited to the answer given on 19th November, 1940 to the Honourable Raja Yuveraj Datta Singh's question No. 3.

As regards the automobile plant the Government of India have offered neither a subsidy nor other guarantee to the promoters, and they are therefore not financially involved in the scheme.

THE HONOURABLE MR. HOSSAIN IMAM : Have they given any assurance of buying automobiles from this factory, if established ?

THE HONOURABLE MR. H. DOW : I answered that question, so far as I was prepared to answer it, on the 19th of November.

INSURANCE OF INDIAN-OWNED SHIPS AND CARGOES TRADING IN DANGEROUS WATERS.

37. THE HONOURABLE MR. M. N. DALAL : What arrangements, if any, have Government made for Indian-owned ships now operating in dangerous waters, to benefit by the British Government's system for insuring the ship and the cargo through such waters ? Have Government made any arrangement similar to the British for such Indian-owned ships and their cargo ?

THE HONOURABLE SIR ALAN LLOYD : So far as insurance of ships is concerned, the British scheme referred to by the Honourable Member is presumably that relating to the reinsurance of ships against the King's Enemy Risks. If so, the Government of India have arranged with His Majesty's Government that ships registered in India should also be allowed to participate in that scheme.

As regards insurance of cargo, the reference presumably is to the British War Risk Cargo Pool which was set up for the purpose of facilitating in the interests of trade the insurance against war risks of cargoes destined for discharge in or shipped from the United Kingdom. Membership of the Pool is, so far as companies are concerned, open only to United Kingdom companies and to non-United Kingdom companies which have an established place of business in the United Kingdom or operate through an authorized resident agent. Provision is, however, made in the Scheme for the acceptance by the Pool, subject to such conditions as may be prescribed of reinsurances written by other companies. The Indian companies are thus allowed to reinsure with the Pool through the United Kingdom intermediary.

THE HONOURABLE MR. M. N. DALAL : Will Government allow the Indian Insurance Companies which do not have a branch or head office in London near the Board of Trade to take up such business ?

THE HONOURABLE SIR ALAN LLOYD : Sir, I would repeat the last two sentences of my reply :

" Provision is, however, made in the Scheme for the acceptance by the Pool, subject to such conditions as may be prescribed of reinsurances written by other companies. The Indian companies are thus allowed to reinsure with the Pool through the United Kingdom intermediary "

THE HONOURABLE MR. HOSSAIN IMAM : May we ask if it is compulsory or optional ?

THE HONOURABLE SIR ALAN LLOYD : I believe it is optional, Sir.

INDIAN TRADE WITH OVERSEAS COUNTRIES.

38. THE HONOURABLE MR. M. N. DALAL : Will Government lay a statement on the table of the House, showing the present position of the trade of India with overseas countries, both as regards quantum and value, comparing that statement with the corresponding figures for 1938-39 ?

THE HONOURABLE SIR ALAN LLOYD : A statement is laid on the table.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member please state if it has at all improved ?

THE HONOURABLE THE PRESIDENT : No answer has been given by the Honourable Member. He has only laid a statement on the table ; you have not read that statement.

THE HONOURABLE MR. HOSSAIN IMAM : I am asking if the position has improved since June.

THE HONOURABLE SIR ALAN LLOYD : Well, Sir, there is a large element of opinion. I would only say that when the Honourable Member sees the statement in question he will see that the value of export in the six months from April to September, 1940, was Rs. 99.0 crores, i.e., more than half the total figure for the year 1938-39, which was Rs. 162.8 crores. On the other side of the picture the value of imports for the half year ending September was Rs. 79.3 crores, which is just over half the value of imports in the whole year 1938-39.

Statement showing the trade position of India with overseas countries both as regards quantum and value.

	1938-39. Rs.(Crores).	1939-40. Rs.(Crores).
Quantum of exports	295.5	309.1
Quantum of imports	226.0	230.5

	1938-39. Rs.(Crores).	1939-40. Rs.(Crores).	April to September, 1940. Rs.(Crores).
Value of exports	162.8	203.4	99.0
Value of imports	162.3	165.3	79.3

Note.—"Quantum" is calculated by dividing the total value by the price index. (The base year for the price index is 1927-28.)

FOREIGN TRADE OF INDIA.

39. THE HONOURABLE MR. M. N. DALAL : Are Government aware that the foreign trade of India has suffered a severe setback by the loss of substantial markets, both in countries with which the British Commonwealth is at war, and in neutral countries? What steps have Government taken to make up for such losses in finding and developing alternative markets?

THE HONOURABLE SIR ALAN LLOYD : The statistics of exports of Indian merchandise during the last three years and for the period April to September, 1940, which are given below, do not show that India's export as a whole trade has suffered a setback on account of the closure of certain overseas markets due to the war.

	Rs.(Crores).
1937-38	180.9
1938-39	162.8
1939-40	203.4
April to September, 1940	99.0

In order further to stimulate India's overseas trade Government sent the Gregory-Meek mission to the U.S.A. and appointed a Trade Commissioner in Australia. They have also created an Export Advisory Council to advise them in the matter.

DEPUTATION OF DR. GREGORY AND SIR DAVID MEEK TO THE U.S.A.

40. THE HONOURABLE MR. M. N. DALAL : (a) Will Government state the reasons for deputing Sir David Meek and Dr. Gregory to investigate the possibilities of finding new markets in the United States of America or other American countries for Indian produce?

(b) Why Government did not appoint any Indian to this mission to America?

THE HONOURABLE SIR ALAN LLOYD : (a) Dr. Gregory and Sir David Meek were deputed because they were best qualified for the purpose of obtaining a factual survey of the position within a short time.

(b) The Indian Government Trade Commissioner in the U.S.A., Mr. Malik, was associated with their enquiries.

SUPPLY DEPARTMENT.

41. THE HONOURABLE MR. M. N. DALAL : Will Government state briefly the volume and details of the transactions carried out up to date by the Supply Department recently organized?

THE HONOURABLE MR. H. DOW : The total value of orders from all sources for civil and military purposes placed by the two purchasing organizations under the administrative control of the Department of Supply from the beginning of the war to the end of September amounts to Rs. 56½ crores approximately. In addition to these, the Timber Directorate of the Supply Department had by the end of October this year placed orders for timber worth over Rs. 1 crore. The total number of orders placed by the Indian Stores Department alone during the period was 1,08,562. The commodities dealt with by the purchasing organizations are so numerous that the compilation of any information would, in Government's opinion, take more time than is warranted.

THE HONOURABLE MR. HOSSAIN IMAM : Would the Honourable Member lay on the table a statement of those transactions involving more than a lakh?

THE HONOURABLE MR. H. DOW : If the Honourable Member put down a question I will consider it. Rs. 56½ crores is a large sum and there may be a large number of transactions over one lakh included in it.

THE HONOURABLE MR. SHANTIDAS ASKURAN : Is it a fact that the majority of orders are debited to His Majesty's Government account?

THE HONOURABLE MR. H. DOW : I could not say off-hand. I made it clear that this figure includes not only military orders but the ordinary purchases of civil account which are made by the Indian Stores Department. Roughly the amount of military stores purchased by the Indian Stores Department out of Rs. 44 crores is about Rs. 30 crores. There has been a considerable increase on account of civil purchases. That is due mainly to three reasons: (i) the prices have to some extent gone up, (ii) there are very large number of purchases on behalf of the railways on account of war reserves, and (iii) many purchases are now made in India which were formerly made by the indenting officers, such as the Navy and Company railways, either direct in England or through the Director General, Indian Stores Department in London.

STORES PURCHASE RULES.

42. THE HONOURABLE MR. M. N. DALAL: Will Government state whether they contemplate any modification of the Stores Purchase Rules now in force? If so, in what directions? Will Government lay on the table of the House a statement showing the stores purchases made during the six months of the current financial year? How do these purchases compare with the corresponding purchases of the last five years for the same period?

THE HONOURABLE MR. H. DOW: *First and second parts.*—I presume the Honourable Member is aware of the amendment made last February when a new rule, rule 7A, was added by a Commerce Department Resolution published in the Gazette of India of the 24th February, 1940. Since then difficulties in other directions have been felt as a result of the abnormal conditions created by the war and the question of further amending the Rules has had to be taken up.

Third and fourth parts.—I lay on the table a statement showing the approximate total value of contracts placed by the Indian Stores Department and Contracts Directorate during the first six months of each of the financial years 1935-36 to 1940-41.

Comparative statement showing the total value of all contracts entered into by the Indian Stores Department and Contracts Directorate during the first six months of each of the financial years 1935-36 to 1940-41.

Year.	Purchase organization.	Approximate value.
		Rs.
1935-36	{ Indian Stores Department. Contracts Directorate	2,52,16,382 1,11,07,900
1936-37	{ Indian Stores Department. Contracts Directorate	2,04,04,357 1,22,00,000
1937-38	{ Indian Stores Department. Contracts Directorate	3,05,03,922 1,70,56,300
1938-39	{ Indian Stores Department. Contracts Directorate	3,33,54,074 1,32,40,800
1939-40	{ Indian Stores Department. Contracts Directorate	4,66,17,035 2,39,25,500
1940-41	{ Indian Stores Department. Contracts Directorate	20,74,37,530 6,92,54,400

PRICE CONTROL OF PRINCIPAL COMMODITIES.

43. THE HONOURABLE MR. M. N. DALAL: Will Government state the measures adopted so far and the results achieved in connection with the control of prices of the principal commodities produced or made in India? How do these measures re-act upon the producer and the consumer?

THE HONOURABLE SIR ALAN LLOYD: The Central Government delegated their powers to control prices under the Defence of India Rules to Provincial Governments subject to certain conditions. The notifications now in

force containing these delegations are placed on the table. The action taken served in the beginning to allay panic and it is believed that the various measures taken by the Provincial Governments have tended to keep the prices charged to the ultimate consumer within a reasonable margin over the prices obtained by the producer.

NOTIFICATION.

PRICE CONTROL.

No. 501-Ind.-War (19)/40, dated the 29th June 1940.—In exercise of the powers conferred by sub-section (4) of section 2 of the Defence of India Act, 1939 (XXXV of 1939), the Central Government is pleased to direct that the power conferred on it by clause (a) of sub-rule (2) of rule 81 of the Defence of India Rules to provide by order for prohibiting the withholding from sale, either generally or to specified persons or classes of persons, of articles or things kept for sale and for requiring articles or things kept for sale to be sold either generally or to specified persons or classes of persons or in specified circumstances, and the power conferred on it by clause (f) of the said sub-rule to provide for any incidental and supplementary matters for which it is expedient to provide for the purposes of an order made under clause (a) thereof, shall be exercisable also by any Provincial Government (including a Chief Commissioner) subject to the following conditions, namely:—

(1) The said powers shall be exercisable only in respect of the articles specified in the Schedule annexed to the notification of the Government of India in the Department of Commerce, No. 501-Ind.-War (11)/40, dated the 25th May 1940.

(2) The said powers shall be exercised in accordance with such general instructions as may be issued from time to time by the Central Government.

A. H. LLOYD,

Secy. to the Govt. of India.

NOTIFICATION.

No. 501-Ind.-War (11)/40, dated the 25th May, 1940.—In exercise of the powers conferred by sub-section (4) of section 2 of the Defence of India Act, 1939 (XXXV of 1939), and in supersedure of the Notification of the Government of India in the Department of Commerce, No. 20, dated the 8th September 1939, the Central Government is pleased to direct that the power conferred on it by clause (b) of sub-rule (2) of rule 81 of the Defence of India Rules to provide by order for controlling the prices at which the articles specified in the Schedule annexed hereto may be sold otherwise than in a primary wholesale market, and the power conferred on it by clause (f) of the said sub-rule to provide for any incidental and supplementary matters for which it is expedient to provide for the purposes of an order made under clause (b) thereof, shall be exercisable also by any Provincial Government (including a Chief Commissioner) subject to the following conditions, namely:—

(1) The said powers shall, in respect of any imported articles other than salt, kerosene oil and medicines, be exercisable only with the previous sanction of the Central Government.

(2) The said powers shall be exercised in accordance with such general instructions as may be issued from time to time by the Central Government.

Schedule.

Grains, pulses and flour.

Gur.

Milk and ghee.

Vegetable oils.

Chillies, turmeric and onions.

Salt.

Dhuties, lungies, saris and shirtings of Indian manufacture, woven from yarn of counts not exceeding 20s. in the warp or the weft.

Kerosene oil.

Charcoal, steam coal and fire wood.

Matches.

Medicines.

Household soap.

Fodder, bran, pollard and oilcakes.

A. H. LLOYD.

Secy. to the Govt. of India.

ONE RUPEE NOTES.

44. THE HONOURABLE MR. M. N. DALAL: (a) Will Government state the reasons for the issue of one rupee notes to supplement the note issue of the Reserve Bank of India?

(b) What arrangements have Government made for guaranteeing convertibility of such notes into rupees?

(c) Will Government state what limits, if any, they propose to fix regarding the maximum amount up to which such notes will be put into circulation?

THE HONOURABLE MR. C. E. JONES: (a) The attention of the Honourable Member is invited to the press communique issued on the 24th July.

(b) The reason for issuing one rupee notes was to supplement the existing stock of rupee coin which was being depleted by large withdrawals from circulation for hoarding. To make them convertible into metallic rupees would have defeated this object.

(c) No limit has been fixed to the issue of these notes. The amount issued will depend on the amount required to meet the needs of the public from time to time.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member please state how much has already been issued?

THE HONOURABLE MR. C. E. JONES: I am sorry I have not the latest figures with me.

RUPEE-STERLING RATIO.

45. THE HONOURABLE MR. M. N. DALAL: In view of the continued depreciation of most of the world's currencies, will Government state whether they propose to consider the advisability of reducing the rupee-sterling ratio now, or in the near future?

THE HONOURABLE MR. C. E. JONES: Government see no reason to change their decision not to permit any alteration in the rupee-sterling ratio.

STATEMENTS, ETC., LAID ON THE TABLE.

DRAFT CONVENTIONS AND RECOMMENDATIONS ADOPTED BY THE TWENTY-FIFTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

THE HONOURABLE MR. M. S. A. HYDARI (Labour Secretary): Sir, I lay on the table Draft Conventions* and Recommendations* adopted by the Twenty-fifth Session of the International Labour Conference and a statement* indicating the course of action which the Government of India propose to follow in respect of the Draft Conventions and Recommendations.

STANDING COMMITTEE FOR THE DEPARTMENT OF SUPPLY.

THE HONOURABLE MR. H. DOW (Nominated Official): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two Members to serve for the remainder of the current financial year on a Standing Committee to be attached to the Department of Supply."

In making this Motion, I wish to state that it is the intention of Government to follow the same procedure as has been announced in the other House, in that Government will instruct Government Members to cast their votes only for elected Members of this House.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official): Mr. President, I have got a serious objection to the procedure which has just been announced by the Honourable Mr. Dow. They say that Government have come to a decision that only elected Members should sit on this Committee?

THE HONOURABLE MR. H. DOW: No, Sir. I stated that Government would give its support to elected Members.

THE HONOURABLE SIR MUHAMMAD YAKUB: Quite right. It comes to the same thing, which means that Government will deny its support to the nominated Members.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Very rightly.

THE HONOURABLE SIR MUHAMMAD YAKUB: Mr. President, this is not at all right. This is altogether wrong, and nothing could be more wrong than this. Mr. President, in nominations, as long as they are a part of the present constitution, and as long as the present constitution is in vogue, there cannot be, and should not be, any difference between the status and position of the Honourable Members of this House. The Government would stultify themselves if they lowered the position of the nominated Members or if they deprived them of the status of Members of this House.

Mr. President, you are yourself a nominated Member of this House and I am the same and if Government adopt this attitude derogatory to the position of the nominated Members of the House, I think it will make your position and my position untenable and therefore you, as President of the House and the custodian of the rights of the Members of this House, I hope you, Sir,

*Not printed. Copy placed in the Library of the House.

[Sir Muhammad Yakub.]

will see that no invidious distinctions are made between the nominated Members and the elected Members and you will see that this novelty which has been created for the first time in the other House will not find its place in this House.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Sir, may I make a few observations before you express your opinion on the point raised by Sir Muhammad Yakub. The Committee, two members of which we propose to elect, is of exceptional importance. You are aware of the volume of criticism directed against the Supply Department. It is but natural in these circumstances that the non-official Members of the House, that is the representatives of the taxpayer, who have brought forward complaints against the administration of the Supply Department, should ask that the Committee should be so formed as to enable the public at large to feel that the actions of the Department would be scrutinized by an independent body. Government are aware of this feeling. Now, suppose representations were made to Government on the subject and the Government, in response to these representations, assured the Council that no official would stand for election on the Committee, should anybody regard it as improper? The officials, being nominated Members of this House, have theoretically the same rights as the elected Members, yet I am sure nobody would take the Government to task for giving an assurance on the floor of this House that no official Member would seek election to this Committee. Now, my Honourable friend Sir Muhammad Yakub is pleading on behalf of the non-official nominated Members. He is himself making a distinction between nominated official Members and nominated non-official Members. To that extent he is allowing that the Government can, by administrative action, curtail the theoretical rights of a certain class of Members in this House. But I will let that point go and consider the matter in its wider aspect. In the particular case referred to by Sir Muhammad Yakub, the Honourable Mr. Dow has not prevented nominated non-official Members from standing for election. He has, therefore, allowed by implication that the non-official nominated Members are not in the same way under the control of Government as the official Members. All that he has said is that, in view of the importance of this Committee, Government are not going to take any action which would lay them open to the criticism that they were going to have in the Committee any Members who owed their presence directly or indirectly to them and who were consequently under their influence. I think Government have done nothing that is in the slightest degree improper.

To clinch the matter, Sir, let us suppose that the Honourable Mr. Dow had made no such announcement here. Now, would it have been open to the Honourable the Leader of the House or not, when the question had to be voted upon, to ask the non-official Members not to vote for any nominated Member? It is obvious that the Leader of the House could have issued such a whip. What is there then wrong in the statement made by the Honourable Mr. Dow in this House? (*An Honourable Member* : Nothing?) I think from the public point of view it was eminently desirable that he should have made such a statement. Apart from this, Sir, Government, I think, are perfectly within their rights in saying that they will not ask their official Members, that they will not direct the official Members whom they control, to vote in favour of any nominated Members. It is their right to do so and I do not think that that right can be questioned. They have, if I may say so, a party of their own. The right of the Leader of this Party cannot be less than the right of the

Leader of any other Party to direct his followers to act in any particular way. To allow Sir Muhammad Yakub's complaint to have any force would be to debar the Leader of the House from giving any particular advice to the official Members or exercising such control over them as he is entitled to do by virtue of his official position.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official) : Sir, the Honourable Pandit Kunzru attempted a laboured explanation and justification for the Government's attitude—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : So far from being laboured, it was perfectly spontaneous.

THE HONOURABLE THE PRESIDENT : Order, order. Let the Honourable Member speak. You have had your say.

THE HONOURABLE SIR A. P. PATRO : I am thoroughly disappointed with the statements made by him. In other words, he thinks that the distinction between nominated non-official Members and elected Members should be perpetuated in every matter. If once the principle is conceded that representatives of a constituency are as much responsible to the whole of the people of India, they would find nominated Members under the constitutional arrangement that exists today, the non-official nominated Members are representatives of public opinion. They are as much representative of public opinion; in many cases they are better representatives of public opinion, because they are more independent, more just and more frank, than those who are stated to be circumscribed in the area which they seem to represent. Therefore, there is absolutely no sense in saying, "These are the representatives of the people, or those are the representatives of the people and therefore Government should lend its support to one of them". I wish this attitude of the Government would be maintained on the Finance Bill that is to come and freedom is given to the nominated non-official Members to vote as they like. Could the Government make that statement?

THE HONOURABLE MR. P. N. SAPRU : On a point of order, Sir—

THE HONOURABLE THE PRESIDENT : Order, order. That is not a point of order.

THE HONOURABLE SIR A. P. PATRO : Therefore, if in an important matter like the formation of an important Committee, this is done, then similarly, in other important matters also, there should be no whips issued and the position of the Government could be tested. Once a Member has been nominated, according to convention, he is independent to act in the best manner he thinks according to the merits of the subjects that come before him. Therefore, he is as independent (*An Honourable Member* : Subject to the whip.) Not your whip, anyhow—more independent than the elected Members. The elected Members form a Party or Group. They are subject to the Whip of the Party. Whether they believe in the justice of a cause or not, by belonging to a Party, they must obey the Party mandate. They are enslaved. Therefore, it is not at all correct to say they are independent and they represent the views of the constituency. Here they are, in a Party, where the Party whip is issued to them, and in some cases, the order comes from outside the party also. It seems to me that to make a distinction between

[Sir A. P. Patro.]

the representative capacity and independence of the two classes of people has no meaning. The attitude of the Government in this matter is more to placate a kind of public opinion and not at all to do justice in the matter. Government, in thus behaving in this matter, has brought down its prestige, and it is no wonder, Sir, that the prestige of the Government today is not as it ought to be.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President—

THE HONOURABLE THE PRESIDENT : Have you got anything new to say ? This is a very important and heavy day and we have a lot of work to do. I think expression of views on your side has already been fully made and I do not propose to allow a full dress debate on this point.

THE HONOURABLE MR. HOSSAIN IMAM : I am not going to indulge in a full dress debate, Sir. I will not take more than three minutes.

THE HONOURABLE THE PRESIDENT : Very well, I will give you three minutes.

THE HONOURABLE MR. HOSSAIN IMAM : I only want to say that this is not an innovation. There are other committees in which the electorate consists only of elected Members. Only recently, we had an election to the Delhi University Court in which only the elected Members participated—

THE HONOURABLE SIR MUHAMMAD YAKUB : Not a Committee of this House.

THE HONOURABLE MR. HOSSAIN IMAM : They go there as representatives of this House. Secondly, Sir, Sir A. P. Patro has given away his whole case by stating that he is not an independent Member—

THE HONOURABLE SIR A. P. PATRO : Who said that ?

THE HONOURABLE MR. HOSSAIN IMAM—and that he is subject to the Government whip. That is why he wants independence of vote on the Finance Bill. He wanted that he should be allowed freedom of vote and I say he is subject to a whip from the Government. The Government have very rightly decided to appoint a Committee of outsiders to examine whether the Government's action is right. They do not want partisans—those who are subject to their whips.

THE HONOURABLE SIR A. P. PATRO : You are subject to your Party Whip.

THE HONOURABLE MR. HOSSAIN IMAM : They have acted in a manner for which they ought to be congratulated. They have shown broadmindedness and ability to face facts and criticism and they ought to be congratulated and not condemned for this action. As the Honourable Pandit Kunzru has pointed out, every Party has a right to issue a whip according to its own lights. No one can question them for this decision.

*Not corrected by the Honourable Member.

THE HONOURABLE MR. H. DOW : Sir,—

THE HONOURABLE THE PRESIDENT : I want to ask you one question. Are you issuing a mandate to your official Members not to elect any nominated Member ?

THE HONOURABLE MR. H. DOW : Sir, I presume that the Official Whip will instruct the Members belonging to the official bloc to vote in favour of the individuals whom Government select.

I only had one very short point to make. I may admit that I am entirely taken by surprise by the heat—and I think unnecessary heat—which this simple Motion of mine has generated. In the Supply Department we are accustomed to work through a large number of committees on which non-official opinion is represented. If Honourable Members will come almost any day of the week into the Supply Department, I think they will seldom find less than six committees, on all of which various non-officials are assisting. Therefore, I think it is not unnatural that when an opportunity arises of appointing a Committee from Members of this House, we should like to have on it elected Members only, because our own selection of non-officials is one of the things which has been subject to public criticism. This is not intended, as far as I am aware, to be a precedent to be followed in the election of other Standing Committees of this House. But I do think that in the circumstances of the case when a Department has been made the target of a great deal of public criticism, some of it fair, some of it unfair, none of which I object to—I do not object to unfair criticism so strongly as I do to fair criticism, because it is easier to deal with, and one can give a good reason for not dealing with it—

THE HONOURABLE THE PRESIDENT : But you will admit that it involves a reflection on the nominated Members ?

THE HONOURABLE MR. H. DOW : No, Sir. I am very far from admitting that. I am a nominated Member myself, and as such—

THE HONOURABLE THE PRESIDENT : I mean nominated non-officials.

THE HONOURABLE MR. H. DOW : No, Sir, the point which I wish to make is that in the ordinary work of the Department nominated non-officials are constantly associated with the work of the Department. Here we have an opportunity to bring entirely elected Members to bring their views to bear on it.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Mr. President, perhaps you will permit me to say a few words, because of what appears to be a misunderstanding on the part of nominated non-official Members of this House. Let me, Sir, give you and give them the assurance that, in our estimation, they are as competent to judge any issue that is placed before this House as elected Members of the Legislature. We make no distinction in that respect at all. But the position here, as has already been explained by the Honourable Mr. Dow, is slightly different. The Supply Department is a Department which has associated with it numerous committees. It has different ways of associating different categories of non-officials for the performance of their duties. Honourable friends like Sir

[Sir Girja Shankar Bajpai.]

Muhammad Yakub or Sir A. P. Patro have the path of service in that Department open to them, and Government may, and probably will, as and when occasion arises, make use of their services. The narrow point for consideration here is that the elected Members of both Houses of the Legislature have said: "You have at your disposal infinite ways of associating people who are not elected Members of this Legislature in order to assist you and to help you. Therefore, we ask that, when you are setting up committees of the two Houses of the Legislature to work with the Supply Department, you should give preference to those who are elected representatives". I venture to submit, Sir, that that demand in itself is not unreasonable nor is Government's acceptance of that demand in any way invidious or odious. I do hope that you and the Honourable nominated non-official Members of this House will appreciate that, what we are doing, we are doing in response to a not unreasonable public demand. But this is not intended to constitute a precedent for the future, and certainly there is nothing further from the mind of Government than to initiate a policy of discrimination as between different categories of Members of this House.

THE HONOURABLE SIR MUHAMMAD YAKUB: Was any such demand made by the elected Members of the Assembly or the Council of State?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: So far as the Council of State was concerned, I personally did approach some of the spokesmen of Government.

THE HONOURABLE SIR MUHAMMAD YAKUB: Now I see the reason. The cat is out of the bag!

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: There was no cat in the bag. If you had asked me I would certainly have let you know that.

THE HONOURABLE THE PRESIDENT: The Honourable the Leader of the House and Honourable Members. The President scarcely ever intervenes in a debate which takes place in this House, but I think it my duty on this occasion to say a few words disapproving entirely the action of Government in this matter. (*Several Nominated Members: Hear, hear.*) I have heard a lot said both by the Honourable Mr. Dow, the Honourable the Leader of the House, who have given very good reasons probably from their point of view why on this occasion the exclusion of nominated Members is desirable in the public interest. But I must say that as the constitution stands at present, the Government of India Act of 1919 and the Government of India Act of 1935 make no such invidious distinctions between nominated and elected Members. I am sorry that on previous occasions there have been many reflections and attacks in this House on the nominated Members and I have never intervened on any previous occasion in defence of either Party. But I am constrained to do so as President of the Council of State. I am bound to watch vigilantly and to maintain and protect the interests of all Parties in this House and to see that no invidious distinction of any kind is made. It is against the constitution to make such distinction. If the Government wanted to elect Indian elected Members, there was no necessity at all for mentioning it in this House. The Government could have given instructions privately to

official Members not to support any nominated Member; but I submit respectfully to Government that they had no right whatsoever to make a public declaration in this House today which reflects on the character and capacity of nominated Members and their ability to discharge their duties faithfully and scrupulously. It also reflects indirectly on Government, that the Government have no confidence in their nominated Members. I shall say no more. Government is at liberty to do what they like in this House. There I cannot interfere; but as President I am bound to say that I cannot look upon this action of Government with approbation. (Applause.)

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: Sir, perhaps you will permit me to make a few observations with regard to what has fallen from you just now. I fear, Sir, that you have not—I say that with all respect—correctly appreciated the point of view that I wanted to put before you and before this House. There is no question of discrimination. I tried to explain that. Equally there is no question of want of confidence in any Member of this House, in particular nominated non-official Members of this House.

THE HONOURABLE THE PRESIDENT: But that would be a natural inference to draw and the public would draw that inference.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: If I might submit, Sir, again for your consideration, the narrow point is this. We as a Party are at liberty to give any instructions that we like to the Whip or to Members of our Party as to how they are to vote. Our only offence, as far as I can make out, is that we have declared publicly what would have become known otherwise also. If there is any feeling that that act of candour is by itself equivalent to discrimination or lack of confidence, I venture to suggest that that is not a correct inference to draw.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Since it was on my representation—

THE HONOURABLE THE PRESIDENT: Order, order. You cannot speak at this stage.

THE HONOURABLE THE PRESIDENT: Motion moved:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two Members to serve for the remainder of the current financial year on a Standing Committee to be attached to the Department of Supply."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the Motion which has just been adopted by the Council, I have to announce that nominations for election to the Committee will be received by the Secretary up to 11 A.M. on Wednesday, the 27th November, 1940, and the date of election, if necessary, will be announced later.

INDIAN FINANCE (No. 2) BILL.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I move:

"That the Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies, in the form recommended by the Governor General, be taken into consideration."

[Mr. C. E. Jones.]

Sir, the object of the Bill, as will appear from the Statement of Objects and Reasons, is to provide additional revenue towards the cost of the additional defence expenditure which is now being incurred on account of the war, and which is chargeable to Indian revenues. During the discussions on the budget for the current year it was made plain that the provision for defence expenditure which was included in the budget was necessarily limited to commitments as they were known at the time, without any attempt being made to provide for possible developments which, it was fully realized, might well occur as the year progressed. As I stated in my speech in this House on the 29th of February, 1940—

"One other point which needs to be emphasized is that the budget provision now made covers only such measures as can now be foreseen. A year is a long time to look ahead in these days of kaleidoscopic changes, and it is far from being outside the bounds of possibility that within the year new measures, at present unforeseen and unforeseeable, will be required which may throw considerable additional cost on India's defence budget."

Unfortunately we had not very long to wait for the developments then apprehended to materialize. The events of the ensuing spring and summer are too well known and too fresh in our memories to need enumeration here, but it must be clear that the extension of the sphere of active hostilities and the overrunning of countries which were allied to us has brought the war very much nearer to India and has gravely increased India's responsibilities for her own defence. Could we have foreseen when the budget for the present year was under preparation the shocks and surprises that were in store for us, the budget would have been framed on lines very different from those which were actually adopted.

Under the stimulus of the rapid deterioration in the world situation our defence preparations which were already gathering momentum have had to be drastically speeded up. This necessarily involves greatly quickened activity in each of the many fields of defence. All the various measures achieved, in progress or in contemplation have been described in the very complete statement which was made by the Honourable the Finance Member on the 5th of November and which has received wide publicity and, I venture to suggest, a wide measure of approval. There is little doubt that the whole of this vast country is fundamentally opposed to the whole Nazi conception and all that it implies, and that informed and responsible opinion in this country is keenly anxious that the defence preparations of the country should be on a scale not only commensurate with the danger that threatens but also to assist in the overthrow of a system which is fundamentally opposed to its ideals. I am also convinced that responsible opinion will readily recognize the impossibility of having first class defence equipment without paying the price and that it will be willing and prepared to meet the enlarged bill for the expansion of our defence services which under the agreement with His Majesty's Government will fall to be met by India.

At the present stage of our preparations close estimation is impossible, but so far as we can see at present the bill will be of the order of Rs. 33 crores non-recurring, to be met within the next year or two, and a recurring expenditure in a full year amounting to Rs. 16 crores in excess of what was provided in this year's budget. The amount of the additional expenditure which will fall in the current financial year is expected to be at least Rs. 14½ crores debitable directly to the head of Defence, and a further amount of nearly Rs. 2½ crores which will be chargeable to civil estimates, although attributable to

and directly connected with our defence measures. This additional financial strain unfortunately comes just at a time when war conditions are causing a reduction of revenue from our main revenue heads. Present indications are that revenue from Customs and Central Excises taken together will this year fall some Rs. 2½ crores below the conservative estimates which were fixed when the budget was framed, so that notwithstanding the windfall of some Rs. 7 crores in our Revenue Reserve Account from the budgetary surplus of last year we stand to face a deficit in the current year of the order of Rs. 13 crores.

It is in these circumstances that Government feel it incumbent upon them to take some corresponding action on the financial front, and the proposals to which the approval of the House is solicited are embodied in the Bill now before the House. They are, briefly—

- (i) a 25 per cent. surcharge on all taxes on income, including super-tax and corporation tax, which will represent an overall increase for the year as a whole of 8 1/3 per cent. or one-twelfth;
- (ii) increases in certain postal rates (not including postcards), viz., the rates for inland letters from 1 anna to one anna three pies, for letters to Burma from 1 anna 6 pies to 2 annas, for letters for Empire countries from 2 annas 6 pies to 3 annas 6 pies and for book packets from 6 pies for the first 2½ tolas to 9 pies for the first 5 tolas; and
- (iii) a surcharge on bills for inland telegrams (one anna for each ordinary message and 2 annas for each express message) and a 10 per cent. surcharge on trunk telephone bills.

These three proposals are estimated to yield in a full year Rs. 5 crores, Rs. 83 lakhs and Rs. 17 lakhs, respectively, thus giving a total of Rs. 6 crores. As the current year will have run two-thirds of its course before these proposals become operative, the additional revenue which they will give in this year will amount to Rs. 2 crores.

The only points which I think I need stress about these proposals at this stage are as follows:—

(a) *As to their extent.*—They obviously do not profess to fill the whole of the budgetary gap. Even in a full year the revenue from our additional war taxation will not cover half the additional war expenditure and thus an appreciable proportion will be left to be met from the proceeds of our defence loans.

(b) *As to their nature.*—It is plain that the poor man, or even the ordinary small man, will hardly be affected by them at all.

(c) *As to their incidence.*—The burden imposed is strictly equated to the capacity to pay. A flat rate of surcharge on income-tax obviously does not mean equal or even proportionate incidence on salaries of various levels. The incidence of the surcharge will follow the incidence of the ordinary income-tax rates and therefore must necessarily be fair if the pitch of the ordinary income-tax has been fairly determined. Honourable Members will remember that it is less than two years since the amendment to the Income-tax Act considerably steepened the rate of rise of income-tax in proportion to income and at the same time reduced the burden of income-tax on all incomes at the lower income-tax level.

12 NOON.

[Mr. C. E. Jones.]

(d) *As to their application.*—The whole of the additional revenue now proposed, including the proceeds of the surcharge on income-tax, will accrue to the Centre and be used for the purpose of financing the country's war effort.

The only justification which can exist for the introduction of a supplementary budget at this stage of a year can and must be strict and imperative necessity and I think that few will dispute that in the world situation of today that justification exists to the full. Our new commitments are large and still increasing; they are unproductive but inescapable. It would, therefore, be financially indefensible to attempt to meet the whole of our prospective deficits from borrowings alone, and some measure of new taxation becomes inevitable. Few, I think, will seriously urge that the proposals now put forward go too far in that direction in view of the position which I have attempted to outline. The main reaction to the proposals has been, I believe, a mild surprise at their moderation. In fact, I have seen serious criticism offered that the very fact that the receipts likely to accrue in the current year amount to no more than Rs. 2 crores is in itself a proof that a supplementary budget at this stage is not necessary. I have no doubt that had the proposals been more widely framed so as to cover the whole or a major portion of the anticipated gap, these same critics would have used that very fact as a reason for opposing the proposals. Government cannot think so lightly of a sum of Rs. 2 crores as these critics profess to do. This consideration apart, however, I would submit that the proper view to take of this problem is that we are now entering on a phase of heavy war expenditure and the only sound financial policy to pursue is to start right away at the same time on the raising of additional revenue without reference to artificial divisions of time such as the beginning of a financial year. The present proposals have been decided upon as being of a simple and straightforward character, devoid of administrative complications and so capable of being put into effect at short notice without necessitating the creation of fresh administrative machinery. The whole position will be fully re-surveyed at the time of the Budget next February in the light of the latest information then available.

That, Sir, completes the case that I have to present to this House. National defence has become a matter of extreme importance and extreme urgency. All responsible elements in the country have welcomed the intensive measures now being put into effect by the Government for expanding India's defence services, increasing her war equipment, and generally equipping her the better to meet aggression in case of need. I feel confident that those same elements will approach the question of financing this accelerated war effort in a realistic spirit and not grudge such sacrifices as may on this account have to be borne. For it is beyond question that, unless the dictatorships and the system which they represent are utterly and finally defeated, not only would India be extremely vulnerable against the aggression which would inevitably follow but there would also be an end to any hope of constitutional progress and development for this great land.

Sir, I move.

THE HONOURABLE MR. RAMADAS PANTULU (Madras : Non-Muhammadan) : Sir, I rise to oppose this Motion. Before I give my reasons for opposing the Bill, I would like to say one or two words with regard to the attitude of my Party and the reasons for our presence here. It was said in the other House that we are here to make a gesture and demonstration and then go. That, Sir,

is not a correct statement. We are here to voice the opinion of our electorates and of the country on a Bill of this importance which, though a financial measure in name, is a measure which involves large moral and political issues. We shall be failing in our duty if we do not state what the Congress and the country feels about Britain's claim that India is giving her moral and material support to this war. Sir, there is one thing more which I would say by way of introductory remark. It was said in another place that many of the speeches made by Congress Members were such as to rejoice the hearts of Britain's enemies, of Hitler and Mussolini. I assure all sections of this House that we in the Congress Party are anxious to avoid saying anything which will rejoice the hearts of Britain's enemies. We are fully aware of the brutality and the ruthlessness of the aggression of the Nazis and Fascists. All of us feel equally distressed over the fate of many independent nations which are now lying bleeding under the iron heels of these ruthless and heartless aggressors. We have no desire to say anything to encourage them in their work of devastation and subjugation. Sir, when I come to the question of how the Government of India and His Majesty's Government at home have dealt with the Congress demands and how they have dealt with the Congress desire for co-operation, I will show that, far from anything that the Congress has done giving reason to rejoice the hearts of Britain's enemies, what Britain's statesmen have said and done has given more reason to Hitler to rejoice. I will show that Mr. Amery's speeches and the whole attitude of the British Government in India would rejoice the heart of Hitler much more than anything the Congress has done. And when I come to that, I will show how I substantiate my statement.

Sir, with these preliminary remarks I would like to say that what we propose to do today is not in any way different to what we have been doing in previous years. We have always acted on the principle of no taxation without representation and no voting of supplies before redress of grievances. The list of India's grievances is both very long and heavy. The popular House has thrown out the Finance Bills year after year and when they came to this House with a recommendation from the Viceroy to pass them in the form recommended, such of the elected Members of this House as shared the view of the popular House have voted against the Bills. We are following the same course of action today for our objection to this Finance Bill is also largely based on political and constitutional considerations. This particular Finance Bill offends against constitutional propriety as well as the moral and equitable sense of justice to this country much more than any previous Finance Bill. It may be true that on the merits there is not much to be said against this Bill excepting on two or three matters which I shall deal with a little later.

Our main objection to this Bill is that it is expressly intended to provide finances to promote extra war effort and to provide the money for extra war expenditure. Some critics of the Bill have stated that this was an inopportune moment for the Government to have brought forward this Bill which was more of a propaganda nature than of a really financial character. But I do not feel so. In fact, many critics of the Government including the Congress have taken objection to Government not having taken the Central Legislature into their confidence when India declared war against Germany, or even later when Indian troops were sent out of India to fight Britain's battles outside the shores of India. Having said that, I for one do not think that it is right to say that an opportunity given to us even at this late stage to express our views and to record our vote on a measure like this, is an unwise step on the part of the Government. It may be wise or unwise from their standpoint, but certainly, from my standpoint, I welcome it because it gives us an opportunity to test

[Mr. Ramadas Pantulu.]

by a popular vote how far the claim of Britain that India is behind her in this war morally and materially is justified. Therefore, Sir, I do not take objection on the ground that this is a propaganda Bill, more intended to convince other countries that India is behind this war. I do not also lay much emphasis on the constitutional point raised elsewhere that the proper course would be to ask for Supplementary Demands and not to bring in a Supplementary Finance Bill. Whether a Supplementary Finance Bill can be brought without getting the Assembly to vote Supplementary Demands is not a question with which we are really concerned—

THE HONOURABLE THE PRESIDENT : It is not illegal or improper to do so. It has been done in other countries. In England it was done.

THE HONOURABLE MR. RAMADAS PANTULU : As the Government of India Act now stands, I quite agree that it is open to them to bring in a Finance Bill of this nature, and even if there is any technical objection to it, it does not appeal to me as one on which any emphasis need be laid. I am convinced that this is not the first measure that the Finance Member is bringing here to find money for the war. He started very early with his Excess Profits Bill, and provided for Rs. 8 crores in the subsequent budget and so on. He has been taking steps to find money. But it is his job and he ought to do it. I do not take any exception to it on that ground. But there is something to be said for the position that he could have waited till the normal budget session to make proposals of a more comprehensive nature and convince us of the necessity of voting supplies to the Government. After all, for the remaining part of this year, he expects to raise about Rs. 2 crores from the taxation which will be the outcome of his Bill. That seems to me a very small amount, considering the huge expenditure of the Government of India. Rs. 20 lakhs a day, I believe, is being spent and they want Rs. 68 crores for extra war expenditure. With their normal annual budget of over Rs. 100 crores, could they not have waited for three or four months and found these Rs. 2 crores without bringing in this Bill at this stage? Unless, there were exceptionally good reasons for bringing this Bill at this stage, I think they might have done very well not to have brought it in now but to have waited till the budget session.

Now, Sir, you might ask me, "Why is the Congress Party voting against this Bill?" Firstly, because, this war, as has already been said several times by people whom I call responsible in this country, is an imposed war. This is a war into which Britain has dragged India without the consent of the people of this country. I know you will say that the constitutional position of India is such that it does not permit her not agreeing to declare war against Germany if Britain declares war against that country. You may say so, but there is such a thing as a moral responsibility for taking the people of the country into confidence and getting their consent even if it is not constitutionally necessary to do so. It may not be constitutionally necessary but nobody will say it is constitutionally objectionable to do so. I feel that if, when war was declared early in September, 1939, some effort had been made to take the people of this country into confidence and the Legislature was consulted—not informally, but formally—about the necessity of the Government of India also declaring war and sending Indian troops for service abroad, the position might have been different.

THE HONOURABLE THE PRESIDENT : Will you please tell me of any other country where the Government, before declaring war, first consults the Legislature?

THE HONOURABLE MR. RAMADAS PANTULU : Yes. In South Africa they were consulted. There was very close voting and I think it was by a majority of one or two in the South African Cabinet that they decided that South Africa should declare war against Germany.

THE HONOURABLE MR. R. H. PARKER : In the Cabinet?

THE HONOURABLE THE PRESIDENT : That is quite different.

THE HONOURABLE MR. RAMADAS PANTULU : But the Cabinet is responsible to the Legislature. The South African Cabinet can be turned out by the Legislature if they did not agree. Therefore, it may be taken that the Cabinet had the support of the Legislature. If we had a responsible Government, we feel the Government of India would be consulted, but unfortunately the Government of India consists of irresponsible people here, in the sense that they are not responsible to the Legislature or to this country—

THE HONOURABLE MR. HOSSAIN IMAM : Did not the Congress encourage a war against Hitlerism?

THE HONOURABLE THE PRESIDENT : Order, order. You have no right to interfere at this stage.

THE HONOURABLE MR. RAMADAS PANTULU : Ireland chose to remain neutral and I do not know exactly what is happening in Egypt. I think Egypt has not so far agreed to declare war against Germany or Italy. Leave alone the constitutional question. As a matter of prudence and good tactics, the Government of India, I believe, would have done well to have consulted the Legislature before they actually sent out troops from India. The Honourable Sir Zafrulla Khan, Leader of the other House, quoted abundantly from the speeches of the various Congress leaders in the earlier stages of this war. The atmosphere at that time was not so bitter as it is today. My own feeling is—and I say it without committing any Congress leader to this position—that had we not known so thoroughly the mind of Mr. Amery with regard to the future constitution of India, we would not have been so bitter against England even in the later stages. I think the whole case of the *bona fides* of England has been given away and what little chance there was of England securing the moral support of this country had been completely ruined by the wonderful Secretary of State now functioning in England. But such a catastrophe had not overtaken the country at the time war was declared.

THE HONOURABLE THE PRESIDENT : We are liable to serious danger now.

THE HONOURABLE MR. RAMADAS PANTULU : I know. I will come to that later. I think if at the beginning of the war the Legislature had been consulted the results would have been different.

With regard to sending out of India troops from India to fight in other fields, it is true that the Government of India and the Government of England have power constitutionally to extend India's frontiers; but you are aware that a convention has been set up by which the Government of India agreed to consult the Indian Legislature when troops are to be sent out of India. Even that has not been done.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. Jinnah and Mr. Desai were informed in Bombay.

THE HONOURABLE MR. RAMADAS PANTULU : That is not consulting India. Of course Mr. Jinnah will say the Congress is not India, and I will say that Mr. Jinnah is not India either.

THE HONOURABLE THE PRESIDENT : The convention you refer to applies to every-day administration, not to special cases such as war.

THE HONOURABLE MR. RAMADAS PANTULU : No, Sir, I want a consultation even in war emergency. Are countries to allow their nationals to go and fight elsewhere without being asked about it? I am told 60,000 troops are fighting outside India in this war but nobody knows where they went, how much is being spent on them by India or where they are operating. No political party which commands the confidence of the people of this country can be expected to vote funds for waging a war in which her nationals are taking part without information to or sanction of the Legislature. Therefore, I say this is an imposed war and Government has not done the little it could have done even under the constitutional restraints under which we are labouring to convince the people of this country about the necessity for India's participation. Sir, I do not wish to elaborate this position. I contend that it is not the strict constitutional position that matters. It is certainly the duty, may be moral, imposed on the Government to act in a more responsible way and also to respect the convention which the Government itself has already accepted, namely, to consult the Legislature before sending troops out of India.

The second reason for our opposing this Bill and refusing to vote supplies for this war is the way in which the defences of this country have been managed. India is today totally unprepared. If Italy or Germany or Japan were to invade this country all we could do is to give way to them helplessly. We cannot really defend ourselves. Details have been elicited as to anti-aircraft, aeroplane, tanks, and other equipment built in India. The Government admit that India is wholly unprepared to defend herself if she is attacked. Well, Sir, when we raise this question of the defence system of India not being built up properly, we are met with the answer that the Opposition has always been criticizing the Government's defence expenditure and saying it is extravagant. I think that is a misleading argument. The Opposition never objected to a proper national defence system in this country being built up. What we objected to was the dissociation of the nation from the army and the building up of a more or less mercenary defence system controlled and managed by Britain. We would have voted supplies very gladly for the army, navy and air force in India if they were managed and controlled in the way in which such forces are in self-governing countries. Our objection was to spending a large amount on a foreign army, an army and other defence forces which are outside the control of the people of this country. Our objection therefore was on quite different grounds, which have been perverted. Yours is not a true statement of facts. The helplessness of India in matters of defence today is the result of a deliberate policy of disarming the people of this country and maintaining a defence system sufficient only on the basis of adequate help from Britain forthcoming in an emergency. On that basis it has been considered enough hitherto; but all those calculations are now upset and today England is not in a position to help us against external aggression. This, Sir, is another reason which leaves us no alternative but to vote against supplies for this war.

We have still another reason. With regard to war equipment, India is now unable to supply many of the things which the army, navy and air force want. I do not say that as soon as the war was declared the Government of India should have been in a position to transform this country into a self-sufficient industrial country. That is obviously impossible. You cannot transplant factories from other countries and set them up here or build them up in a day. But my complaint is that you have brought India to this plight by the steady imperialistic policy of making India dependent upon England and other countries. You have ruined our industries. You have not allowed us to build our merchant vessels. Our ship-building industry was ruined. Our industrial plants are not able to make munitions; we cannot manufacture aircraft nor automobiles. Who is responsible, I ask, for the present state of India which England itself must be deploring today? I think it is the heartless policy of exploitation and foreign domination that is responsible for the state of utter helplessness of India in regard to industrial equipment and supply of war materials.

Sir, I think these three reasons ought to be enough to justify our voting against this Bill. But even more important than the considerations I have already mentioned is the consideration of Britain's treatment of the offer of this country to co-operate with her in this war. I do not wish to take this House through the various stages through which the Congress offers have gone before Mahatma Gandhi finally decided on starting the individual satyagraha or the civil disobedience movement. Its history is fairly well known, I will say that from the various declarations made by the Congress, the resolutions passed by the Working Committee and the statements made by Mahatma Gandhi and other responsible leaders you will find that there can be no justification for saying that the Indian National Congress ever attempted to embarrass the British Government in the pursuit of this war. They have done nothing to embarrass the British Government even up to this moment. I only ask you to read without anti-Congress bias the resolutions passed by the Working Committee of the Indian National Congress. All along we proclaimed that if England was really fighting this war either for democracy or a world order based on democracy and was prepared to implement to that ideal in regard to India our whole-hearted co-operation was with Great Britain. We also said that there was nothing inconsistent between democracy for India and democracy for England or democracy for the world. What we did say was this: their war aim was incompatible with England continuing to perpetuate her domination and exploit this country for its own advantage. If you want to sustain your imperialism in this country and if your imperialistic aim is to keep India under political and economic subjection then this war is not being fought for redeeming democracy or for creating world order based on democracy. Therefore we asked you please tell us whether if we help you in this war and if we throw our full weight in this struggle for the preservation of civilization and the freedom of the world then will you stand by your pledge to implement that aim in regard to India? We have received no answer so far. On the other hand we have received answers which far from convincing us that Britain is fighting to implement her objective of democracy in her relations with this country has shown us that England is determined to pursue as before her imperialistic aims and to keep India in subjection. We are now absolutely convinced about it. Mr. Amery, speaking in the House of Commons, made it clear that the actual circumstances, internal and external, of the Indian situation make it impossible for Great Britain to part with power or make over the Army, Navy and the Air Force to the control of a national government. He definitely told us in so many words. What those external circumstances are he has not revealed. He dealt with the differences between the important

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communities in India and evidently referred to it as the internal circumstances. I am not here today to tell you what the differences are between the Muslim League and the Congress; but everybody knows that both the Muslim League and the Congress today are united on the question of getting freedom for India. Mr. Jinnah has plainly stated that he is not prepared to co-operate or accept the Viceroy's offer because Government have not shown any inclination to part with power. The Congress has said the same. It may be that Mr. Jinnah and the Congress have different solutions as to the exact manner in which the power is to be transferred. But both want that Government's both in England and in India should vest India with power and responsibility and no longer treat themselves as the trustees or the custodians of this country. On that we are agreed. Therefore, the Congress and the Muslim League have no quarrel over the independence issue; they are united in their demand. In England really prepared to leave the solution to us? So long as evidence of such preparedness is not forthcoming we cannot co-operate with the Government in this war.

I will say a few words more about the attitude of the British Government. Mr. Amery, I think, rather indulged in a grotesque caricature of our demand for a National Government. He pretended not to have understood the meaning of the Congress demand. He made it appear as if the Congress wanted the sort of government which is packed with Congressmen and based upon a Congress majority vote in the Legislature. He is entirely wrong. We left no doubt as to what kind of national government we wanted in India as an interim measure. Firstly, we did not ask for any change in the constitution of the Central Legislature during the war; for the period that the national government is allowed to function here as an earnest of England's desire to give full responsibility to this country in due course. The Central Legislature as constituted at present is not composed of a Congress majority. In the Assembly only about 45 members in a House of 140 of all sections represent the Congress. Therefore, it is a wrong assumption on which he based his criticism. It is the case of giving the dog a bad name to hang it. I will further elaborate what exactly we wanted. I will use as far as possible words used by responsible leaders of the Congress. First of all we said that the national government should be broadly representative of public opinion represented in the Central Legislature. We did not want any change in the composition of the Central Legislature or a change in the system of election pending the final settlement of the constitution. In the Central Legislature public opinion is represented very widely and the Congress has—

THE HONOURABLE THE PRESIDENT: What do you mean by "representative public opinion"?

THE HONOURABLE MR. RAMADAS PANTULU: That is what we said.

THE HONOURABLE THE PRESIDENT: I cannot understand it.

THE HONOURABLE MR. RAMADAS PANTULU: The various electorates in the country are representatives for this purpose.

THE HONOURABLE THE PRESIDENT: You go one way and the Muslim League goes the other way. How will you make it representative of public opinion?

THE HONOURABLE MR. RAMADAS PANTULU: There are different parties and they may vote in different ways but the resultant vote represents

public opinion. In a system of party government public opinion should be ascertained through the vote of the House as a whole. Then we said as a further concession that the national government at the Centre should be such as will enable it to work harmoniously with the popular governments in the provinces. Even in the Congress provinces the Legislatures are not entirely composed of Congressmen. Therefore, we wanted that the Central Government should be enabled to work harmoniously with the popular governments in the provinces.

THE HONOURABLE MR. HOSSAIN IMAM: No national government in the provinces?

THE HONOURABLE MR. RAMADAS PANTULU: No. The demand did not include the provinces. It was confined to the Centre. So that this qualification will also show that we had no desire to have the national government in the Centre packed with the Congress Party. We expressly stated that the national government in the Centre should be an all-party government enjoying popular support and endowed with *de facto* though not with *de jure* powers. Sir, it is an all-party government we wanted, a government which enjoyed popular support, and a government which controlled in practice if not in legal theory the whole field of administration.

Sir, these are the conditions we have stipulated in regard to the nature of the national government to be set up. What is the answer we have got? Except reiterating the old bogie of communal differences and the fear of British responsibility being trampled upon and vested interests suffering, we have had nothing. In fact, Mr. Amery's speeches in the House of Commons and at the luncheon of the English speaking Peoples, Union are examples of political perversion. He argues against an imaginary case which was not put forward by the Congress. Sir, reading the speeches carefully, I think he is determined to see that no communal settlement is arrived at between the various communities in the country. I think he wants to accentuate communal differences. If I had any doubts about his intentions after reading his speeches in the House of Commons, in the India Debate, those doubts were removed when I read his speeches at the London luncheon. That was a clear indication of his mind that the gulf between communities should become more and more wide. He said this may be, that may be; but apart from that, to the extent that any clear indication of what was in his mind was given, I understood him to say this. First of all, he said, the provincial boundaries may have to be readjusted to make provincial governments more effective. I have taken him to mean that he may want to create more provinces; no doubt he does not say Hindu or Muslim. He is not satisfied with Sind and the North West Frontier Province. He may like to divide Bengal into East Bengal and West Bengal so that he can balance the Hindu majority in West Bengal with the Muslim majority in East Bengal. I read a very sinister motive into his various suggestions. He also said that it may be that in the future Government of India the powers of the Central Government will have to be greatly circumscribed within closely defined limits. And he said that the functions of the Provincial Governments might include all residuary powers and only defined powers would be vested in the Centre. I know there is a difference of opinion in this matter; I know that, while the Congress wanted the residuary powers in the Centre and the functions of the Provincial Governments to be closely defined, the representatives of the Muslim League wanted that the powers of the Centre should be narrowed down and those of the provinces enlarged with regard to functions. He foreshadowed functional representation which will accentuate communal disequilibrium. So his several suggestions are not going to help

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us to a solution. He need not thus insidiously have taken sides. He might have been content with the usual slogan: "Settle the matter among yourselves". But even that was not the spirit in which he spoke. So that the whole of Mr. Amery's luncheon speech in London is a clear indication that, if it represents the view of His Majesty's Government as a whole, the Government in Great Britain is not anxious even to give facilities for the various communities to come to a settlement.

Then, Sir, after this exhibition of the mentality of the British Government with regard to the solution of the internal situation, it is no use pleading the internal situation as a bar to the transfer of power. Well, Sir, the Viceroy's speech was certainly more courteous and dignified as compared with Mr. Amery's. He has reiterated his invitation to representative parties to join his extended Council. The door is open still. But even a thin man cannot get in, much less a man like Mr. Parker.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official): Why don't you try, and then say: it has failed!

THE HONOURABLE MR. RAMADAS PANTULU: Sir David Devadoss has evidently in his mind the faith that even a camel may go through the eye of a needle, but that is not possible in human experience. Sir, I should like to ask a question. Mr. Jinnah wants more than two representatives of the League on the Council. Suppose we are prepared to concede three? But I ask this question in all humility. Does the Viceroy of India or the Secretary of State expect a member of the Hindu Mahasabha or a representative of the Congress to join the Government of India, to become a Member of the extended Executive Council of the Viceroy without knowing something of the ultimate policies of the Government on issues like Pakistan or division of India? Will he make himself responsible as a Member of Government without knowing what the Government stands for?

THE HONOURABLE THE PRESIDENT: They were invited to mould their policy. How can you say that the Government should let them know beforehand?

THE HONOURABLE MR. RAMADAS PANTULU: Well, Sir, when we are invited to join the Government of India without responsibility in a legal sense but only with the function of advisers to the Viceroy, it is hardly worth while going there without knowing where we are. Of course, if there is a responsible Government or even a dominion constitution, I can quite understand that this objection is valid.

THE HONOURABLE THE PRESIDENT: How can a regular constitution be framed now, when the war is on?

THE HONOURABLE MR. RAMADAS PANTULU: So far as I can see, Sir, there is no indication of the Government's mind even in regard to the demands for an interim national government and I think it is impossible, it is my feeling that it is impossible, for either the Congress or the Hindu Mahasabha or any political party worthy of the name to enter the Viceroy's Council; or even for any representative of the Muslim League, to serve on the Council without knowing something of the mind of the Government. I do not think any man with a sense of responsibility will agree to do that.

And especially after we know how Mr. Amery's mind is working though I am glad that the Viceroy has not so far given an indication of his mind also working in the same way. But, looking at everything—though I do not doubt the sincerity of the Viceroy, it is impossible to accept his invitation. (*An Honourable Member*: Because your party was jealous.) Not only my party. Does any party accept it? The answer to Mr. Amery and to the British Government is that it is not only the Congress alone that has declined the invitation but that every political party with any credentials behind it has refused. There is not a single representative Indian who has accepted. I am afraid there are no friends of the Government of India left in this country, unless they create them in future.

Therefore, Sir, looking at the attitude taken up by the British Government in regard to the Congress demands, we find it absolutely impossible to vote for this Bill, to vote supplies for this war. At the beginning of my speech, I referred to the fact that far from Congress saying anything to rejoice the hearts of the enemies of Britain, the British statesmen have done what is likely to rejoice the hearts of these enemies. Hitler, whatever he is, is no fool. He is an astute diplomatist. He can read Mr. Amery's speeches and understand. Well, he can clearly see that the British Government is not anxious to bring about a settlement of the Indian question, the British Government is not willing to part with her power over India, relax her hold upon India, or mitigate the rigour of her economic exploitation of this country. He is certainly a good enough diplomat, at least of the standard of Mr. Amery, and therefore I think Mr. Amery's speeches must have convinced Hitler that the gulf between India and England is widening on account of what the British Government is doing and not because of what the Congress has been doing. Therefore, to say that we in this House have said anything to rejoice the hearts of the enemies of England is not right. It is what the British statesmen themselves are doing, what the British Government is doing, and what the representatives of the British Crown in this country are doing, that is likely to rejoice the hearts of Hitler.

Now, Sir, one or two words on the merits of the Bill itself. Generally speaking, if we were supporting Britain in this war, I personally would not object to any item in this Bill. It is a fair taxation measure on the merits, though I would criticize it on grounds which are financial no doubt, but which are not within the four corners of the Bill. Whatever may be said about the enhancement in the postal rates, the surcharge on income-tax is one to which I will not object, if I am supporting the expenditure on the war itself. I am opposed in principle to the Post and Telegraph services being made the means of levying indirect taxation. But, as the Finance Secretary has pointed out, it is not likely to hit the poor man very much. The postcard rate is not being raised. It will largely affect the well-to-do man. I am not disposed to criticize severely that portion of the Bill. The three comments on which I would like to say something are these. First of all, there has not been an adequate effort on the part of the Government of India, at any rate in my opinion, to retrench expenditure. There has not been a real economy drive. No doubt we are assured that all wasteful expenditure has been eliminated. But that is not the feeling of the people of this country. You are creating a number of posts on high salaries. The salaries may be adequate, judged by the standards to which the Government of India have been so accustomed, but I feel that the salaries are exceptionally heavy and in a country like this, which is poor, and when you are trying to impose additional taxation, you ought to have made every effort to retrench expenditure. There has been no adequate and genuine economy drive. I am not satisfied—and many people in this country are not satisfied—that the Government of India have

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done their best to keep down expenditure and to keep taxation as low as possible. Then there is the criticism against the Supply Department. To my mind, it is a very bloated Department. It is not only the Congress people alone who have criticized it. Even journals like the *Statesman* have pointed out that it has not been functioning efficiently. I have heard various complaints but as I have had no means of verifying them, I will not deal with them. But to take one example. In our Province of Madras, Cochin and Travancore had some industrial enterprises. A very responsible gentleman told me that they have not had a fair deal from the Supply Department. There is a coir industry on which about half a million people live and their markets have been cut off with France and other countries which are not now open to them for export. The number of unemployed people is growing and Government in the Supply Department could have given some relief by finding a market for the coir products of Malabar, Cochin and Travancore. I am told that the Supply Department's attitude is one of apathy. Again, Travancore is the third large supplier of timber, being next to Burma and Assam. But I am told that they have not had a square deal from the Supply Department in regard to the requisitioning of the necessary timber supplies for war purposes. There are a number of other examples. On the whole, the feeling in the country is that the Supply Department involves a huge waste without adequate efficiency. That is another reason on the merits to vote against this Bill.

Sir, today Government have made an effort to associate the elected members of this House and the other House with the Supply Department. Though my Party, having regard to our attitude in regard to the war, cannot go into that Committee, we recognize the usefulness of this measure. But it all depends on how these representatives are treated. Whether they are kept as the so-called untouchables outside the portals of the Supply Department and only given some information which the Department chooses to give or whether there will be given a real and genuine opportunity to study the working of this Department and to tender advice in all essential matters remains to be seen. The Government of India have in the past created committees and advisory boards which are merely administrative ornaments. They are not intended to function except to the extent Government want them to function. If that is the spirit in which the Supply Department Standing Committee is going to be worked, it will not serve much purpose. However, let us wait and see.

If there had been retrenchment and economy, if the Supply Department had been less expensive and more efficient, and if on the whole the Government of India's Supply and Stores Departments had not shown undue favour to foreign concerns and helped indigenous concerns to supply war requirements, I think nothing could have been said against the merits of this Bill.

So far, we have no information as to what the results of the labours of the Eastern Group Conference have been. In this connection I must say that India is expecting the Government of India to do something to place the industrial development, with which they are now proceeding as a war effort, on a permanent basis. In the last war we had the experience of industries which were encouraged to produce war materials to supply the armies and civil departments with their requirements being scrapped as soon as the war was over. No encouragement was given and many of them collapsed. Therefore, if the present effort of making India self-sufficient in regard to the production in India of war material and also supplying the civil needs in relation to the war results in a genuine industrial development something should be done

to place the industrial equipment on a permanent basis in peace time, we hope that the Government of India will not follow their old policy in this respect.

I do not wish to detain the House longer. I would say that so far as we are at present situated, we are not in a position to support the British war effort. Why should we fight this war? What is it you are going to do for us? Don't think I am bargaining. If I am bargaining I am doing so from a negative standpoint. I am not asking you to give us any promise of what you will do positively. I am asking you to at least give us a promise of a negative character, that you will not persist in continuing your Imperialist hold of India and will not persist in exploitation and domination as hitherto. Speaking for myself it is only a negative declaration I want. What you will concretely do for us, I leave over for consideration till the time comes for it.

Sir, we oppose this Bill. I will repeat once more for we are not satisfied that there is the least inclination on the part of Britain to loose its hold on

India or give up its desire to look upon India as its possession in a very sense. We have no faith in the *bona fides* of

their ultimate intentions. You have not made it clear that your policy will change. You say this is our war. It is not our war in any sense. Mahatma Gandhi has clinched the issue when he said that Britain has laboriously built up the Indian Empire on four pillars, the European interest, the army, communal division and the Princes. He said you are supporting yourself on those four pillars. I find that there is an insistence upon maintaining these four pillars in their present condition. If at all, the intention is to strengthen these four pillars and not to weaken them. So long as that attitude is there, Gandhiji says that we cannot help you in this war. He is a man who feels intensely and acutely when he has to say anything against Britain. He has been a friend of Britain. When he wrote in one of the latest issues of the *Harijan* that he could not pray for the success of British arms, if it means a further lease of life for India's subjection and for forging domination, he said he wrote that sentence with a heavy heart. Therefore, we say that if this war means a perpetuation of India's subjection, we cannot vote for this Bill. Sir, I think the Finance Member in the other House has asked people to vote for this Bill because every vote cast for the Bill is a vote against Hitler, and every vote cast against the Bill is a vote for Hitler. From the Indian standpoint every vote cast for the Bill is a vote for the continuation of the subjection of India, every vote against the Bill is a vote for the removal of imperialism in this country. Therefore, I feel that it is the duty of every elected Member in this House to vote against this Bill and show that India is not with England in this war morally. A great deal has been said about the voluntary effort forthcoming in India by Mr. Amery. He has given impressive figures in the House of Commons. But a few people coming forward to accept jobs in these days of unemployment, and a few crores being invested in war bonds by capitalists with surplus wealth are certainly not indications of willing co-operation with Britain. The Congress has not done anything to prevent collections to war funds. We have only protested against coercion being used through official agencies. Divest the official agencies of these functions and see how much will be realized. Therefore, it is not right to claim that India is with you in this war. I therefore hope that at least the elected Members of this House will vote against it. I am not casting aspersions on the nominated Members. Some of them may vote with us. Mr. Joshi has done so in the other place, and I shall be very glad if Sir A. P. Patro will vote against this Bill. We have just heard them say, Sir, that they are as independent as the elected Members, and I hope they will justify their claim and vote with the

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elected Members on this side of the House. It will prove that India is united in the demand for freedom, and the nominated non-official Members vote with India.

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

The Council reassembled after Lunch at Half Past Two of the Clock. the Honourable the President in the Chair.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : Sir, since the House met in March last for the annual budget, many unexpected things have happened to add to the anxieties of the Honourable the Finance Member. No one could then have anticipated the series of reverses in Europe, culminating in the sudden and complete collapse of France during the summer. Before proceeding further, I hope, Sir, that you will permit me to pay a sincere tribute to the splendid spirit of resistance of the British people. No one, I venture to observe, whatever may be his political opinions, has failed to be moved by feelings of the deepest sympathy and of admiration for their heroism, not only of the men but of the women and children, in standing up to the terrible air raids over London and other parts of Britain.

Sir, the proposals submitted to this House for fresh measures of taxation represent, in my opinion, only a fraction of the burden which the people of this country will be called upon to bear during the course of this war. The Honourable the Finance Member has already announced the details of the schemes of defence which the Government of India have felt compelled to introduce to meet all possible dangers to the country's safety. Sir, speaking on behalf of the Indian commercial community, I have no doubt that these measures have already created a sense of greater security in the country and are generally welcomed by all classes. In fact, the general criticism against the Government of India in this respect is that many of these measures have come so late. It would have been far better for the defence of this country, if those in charge had shown greater foresight and applied their minds more seriously to the problem of India's defence during the years that lie behind us. Sir, I take the present policy as an indication that the British Government at last realize that if adequate opportunities had been given to the youth of the country to take their proper place in the armed forces, whether on land, at sea, or in the air, millions would have been ready at the outbreak of war to assist the British Commonwealth. It is to be hoped that the experience of this war at least will not be lost, and no obstacles will remain in the way of the people of India in undertaking the burden of defence.

Sir, I accept at the outset the fundamental need for more expenditure on defence in these abnormal times. But what I must emphasize is the fact that adequate steps have not so far been devised to take the people into confidence in connection with this additional expenditure. In the first place, even now we do not know enough about the numerous activities which the Government of India have organized in a short time. It is impossible for us, without adequate knowledge, to feel certain that this expenditure has been properly scrutinized and waste eliminated as far as possible. It is a matter for regret that the suggestion of a Committee of Members of the Legislature to control the expenditure of the Defence Department has not been acceptable to the Finance Member. Sir, I have no doubt in my mind that such a gesture on his part would have secured him the ready support of large sections of the public for the measures he has now brought forward.

Sir, one cannot shut one's eyes to the fact that the Congress Party, by the attitude it has adopted, is doing a great disservice to the country. Members of that Party were sent to the Legislature to look after the interests of the people and to oppose, if they so chose, measures which they regarded as undesirable on their merits. Their policy of abstention from the Legislature is an enigma to me. By this policy they are only helping the Government to go ahead with measures of new taxation and to increase expenditure on administration. During the years 1929—1932 when the Congress Party remained outside the Legislature, the country had to bear additional taxation to the extent of about Rs. 30 crores. During the last budget session, while new taxes were being imposed because of the war, the Congress benches in both Houses were empty. I do not suggest that they could or should have prevented all this new taxation. But I do say they could have provided that check on hasty legislation and extravagant expenditure which the Opposition provides in all democratic countries. From that point of view, Sir, their absence from the Legislature is a disservice to the people.

Sir, I must give expression to my view which I am confident, is widely held that there is no more important objective before us than the defence of our country. With dangers threatening India's security on all sides we cannot afford in this crisis to sit back and discuss whether the Legislature should have been consulted before the declaration of war. The main and indeed the only issue on which we should concentrate is to put aside our internal differences for the time being and to act as one unit. The political situation in the country has deteriorated rapidly within the last few months. No one whether he is a politician or businessman can find any satisfaction in the gathering of the clouds on India's political horizon at the present juncture. The failure of the negotiations between His Excellency the Viceroy and the Congress, the Muslim League, and other organizations to come to terms is indeed a tragedy and may lead us all to disaster unless a fresh effort is made to evolve a settlement acceptable to all sides.

Sir, I would like to deal briefly with the Finance Member's proposals for fresh taxation. I must confess I cannot see eye to eye with him in his proposals for an increase in postal, telegraph and trunk telephone rates which is bound to affect all classes of people in the country.

With regard to the imposition of a surcharge on income-tax, I want to draw the attention of this House to the fact that what is of importance in a new taxation measure is its cumulative effect. May I take the instance, to elucidate my point, of those whose incomes are above Rs. 8,000? The introduction of the slab system resulted in an appreciable increase of the burden on them. In addition, they have now to pay a further 25 per cent. I should like the Finance Department to work out the precise increase in income-tax, in so far as it affects this class of persons. It would be instructive to calculate how much a man, with an income of a lakh of rupees, has to pay by way of income-tax, super-tax, excess profits duty—not to mention the higher railway rates, postal rates, telegraph and telephone charges.

Sir, my main point is to emphasize the fact that the incidence of taxation is growing at a rapid rate. We were promised at one time an enquiry into this question by the Government; but so far as I know, nothing has yet been attempted in this direction. The burden of taxation in this war is already much greater in proportion to our capacity than during the last war. It is this feeling which prompts me to repeat the suggestion that I made in March last that the Finance Member would have been wiser to have had greater recourse to loans rather than to taxes. The loan programme of the Government

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of India during this war has been poor in comparison with the last war. I have no doubt that if loans could be made more attractive, adequate investments will be forthcoming. After all, Sir, this war is being fought as much for future generations as for the present.

There is one other point, Sir, in regard to income-tax which I would like to bring to the notice of the Finance Department. The administration of income-tax leaves, I regret to say, much to be desired. Little has been done to remove the anomalies and the causes for complaint which have crept into the working of the Department. To take one example, on all complaints submitted to the newly-created Income-tax Tribunal, one is required to pay a stamp duty of Rs. 100. This duty is in effect so deterrent, especially in cases of assessees of moderate incomes, that people have to think twice before going up to the Tribunal. I put it to the Honourable the Finance Member whether, in the case of an assessee who is called upon to pay Rs. 200 or Rs. 300 as income-tax, he will be in a position to pay such a heavy stamp duty as Rs. 100 for the privilege of an appeal to the Tribunal. I know, Sir, there are many such persons who put up with injustice rather than risk the loss of another Rs. 100 in an attempt to get a decision reversed by the Tribunal. This is a matter which needs investigation by the Department.

Let me give another instance, small though it may seem; but it affects a large number of widows and children who live upon the incomes derived from the small savings left to them. In the villages and towns such savings are invested, not with banks, but with local, charitably-disposed men of position. In many cases interest is given at 6 per cent. by these persons, though the current rate has fallen to 3 per cent. But under the law, income-tax at 2 annas 6 pies in the rupee must be deducted from these small amounts and these poor parties are given the option to claim the refund. In effect, however, this option is no relief, for they do not know how to claim refunds and cannot understand why such a large slice of their incomes should be taken away by the Government. I trust, Sir, that the Finance Department will enquire into these complaints and remove such causes for complaint against the Income-tax Department. I would like also to urge on the Finance Member to enquire whether the cost of collection is not increasing at a much greater rate than the increase in receipts.

Sir, we are told that in times of war sacrifices must be borne by the comparatively richer class of people, and that therefore this measure is fully justified. But it seems to me, if I may make the remark, that the Government of India should set an example by revising the scale of salaries in the Secretariat. The salaries of Cabinet Ministers in other countries, even in Britain, are not so high as those of the Members of the Viceroy's Executive Council. The salaries and emoluments of the Imperial Services in India are the object of envy all over the world. These extravagant salaries are not consistent with the sacrifices that the taxpayer is and will be called upon to bear. I am fully acquainted with the argument that a cut in salaries in the higher ranks of the Government of India Secretariat will not bring in a large sum of money. Nevertheless, Sir, I maintain that its moral effect will be great, and I do hope that the Finance Member will turn his attention to that aspect of the problem. I feel bound to say that the line of reasoning he adopted in the lower House last week on this point failed to carry conviction. The scale of salaries in Whitehall is much lower than in the Government of India Secretariat, though the rates of income-tax in Britain are very much higher. The Honourable the Finance Member observed in another place that with the new rates of income-tax and the proposed surcharge, a Member of the Executive Council

would contribute 30 per cent. of his salary as against 24 per cent. formerly. Sir, may I point out that 30 per cent. of Rs. 80,000 a year is not a very heavy sacrifice? Men in business not only bear the same burdens, but are frequently invited to make substantial contributions to the war purposes fund or other similar funds. Arguments such as those used by the Honourable the Finance Member are not likely, I am afraid, to encourage non-officials to respond to the appeals for war funds. In these matters, officials of the Government of India should give a lead to the rest of the country.

It is not only on the civil side that this question of high salaries deserves consideration. There is more than a likelihood of the army in India being expanded to several times its normal size. The scale of salaries for officers of this huge army is determined by British standards. It is a well-known fact, Sir, that even Indian officers who join the army, though they receive salaries which, according to Indian conceptions would be regarded as liberal, find it extremely difficult to make both ends meet, because of the extravagance and the artificial standards forced upon them in their regimental messes. What we want is not only an Indianized army, but a nationalized army, with its conceptions and outlook Indian and not British. In making this observation, Sir, I am suggesting no racial distinction. But I do feel concerned about the financial effects of conforming to British standards of pay and allowances for the very large number of officers who will be required for the newly-created army in this country.

Sir, I would now refer briefly to the urgent need for removing all suspicion from the minds of the people regarding war expenditure. Something must be done to satisfy the taxpayer that his money is not wasted by extravagance. The Honourable the Finance Member will, I am sure, Sir, appreciate the difficulty of elected Members of this House in continuing to accord blind support to taxation measures unless he is in a position to give two assurances: one, that the money is spent in the most economical manner and secondly that these war-time burdens will be removed at the earliest possible moment and in any case will not last beyond the duration of the war.

So far as the Supply Department is concerned, I must give expression to the general feeling that orders have hitherto gone far more to British firms than to Indian firms. It is urgently necessary to counter this feeling by a frank declaration of the Government's policy. I read, Sir, with considerable surprise and disappointment the Honourable the Finance Member's explanation in the other House for not charging His Majesty's Government the three per cent. commission on purchases made in this country on British orders. May I ask him whether a reasonably large portion of the purchases made by the Supply Department are not intended for Britain? Has he calculated what in proportion are the purchases made on India's behalf in Britain? Sir, the Honourable Mr. Dow sought to win over the assent of this side of the House, in his speech on the main budget in March, to the expenditure on the Supply Department by the argument that the commission charged went towards meeting the establishment charges of his Department. Now, Sir, we are quietly told, when the Department has been expanded beyond recognition, that we must bear the entire charges. The plea of reciprocity which the Honourable the Finance Member has put forward is, if I may say so, a flimsy argument which cannot convince any businessman.

The announcement of the Government's decision to appoint a Standing Committee consisting of elected Members of both Houses must be welcome to everyone. At the same time, Sir, I earnestly hope that this Committee will

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meet frequently, and that nothing will be concealed from it. Every opportunity should be given to the Committee to go into the details of all the activities of this Department.

Sir, I would like also to say a few words regarding the future. We have been warned by the highest authority that while the ultimate outcome of this war is beyond doubt a British victory, it may prove to be a long war. The Prime Minister in Britain has referred to 1943 and even 1944 as possible war years. The Finance Member must therefore take a long view and consider how far the agriculturist in this country who, in the ultimate, bears the main burden of administration, will react to this colossal scale of expenditure. During the last war, the prices of agricultural commodities rose, and the peasant was able to meet the extra expenditure resulting from the war. There was the same expectation at the beginning of this war. But these expectations have failed to materialize during the last few months. There is keen disappointment among the agriculturists that our export trade has dwindled and suffered considerably on account of the loss of large markets. The prices of cotton have gone so low that the large number of cotton-growers will find it extremely difficult to make both ends meet. In this connection, Sir, one cannot but view with a certain amount of fear the further possibility of developments in the Far East hitting the cotton-grower even harder in the months to come. The story of jute and many other crops is the same. Sir, the British Government generously arranged to purchase the entire cotton crop of Egypt recently, in order to help the Egyptian farmer out of similar difficulties. May I not suggest that the responsibility of the British Government to the agriculturist in this country is greater and even more direct? Small measures, I would like to point out, will only touch the fringe of the problem. British statesmanship, I earnestly hope, will not lack that large imagination which is essential for prompt action.

While on this point of the prices of agricultural commodities, I would refer in passing to the link between sterling and the rupee. However desirable may be the policy adopted by the Bank of England in Britain's interests, the policy of low prices enforced on India is not desirable. Sir, it is in fact hitting the agriculturist classes in India who have had no opportunity to recover fully from the effects of the great depression of ten years ago. The entire currency policy of the Government of India needs to be revised, with an eye to the needs of the people of this country.

There is another point, Sir, on which I would like to make a few observations. I am glad that the war has at last compelled the Government to take steps in regard to the development of Indian industries which in normal times they would probably have rejected as imprudent or unwise. The Roger Mission has visited India and we are now nearing the end of the deliberations of the War Supplies Conference. I trust, Sir, that the debate in this House on Thursday last has disproved the report that aircraft production and ship-building and the manufacture of automobiles will be discouraged in the name of the prosecution of the war. Indeed, we have had the assurance of the Commerce Member that active steps will be taken by the Government of India to promote aircraft and automobile manufacture at the earliest possible date. At the same time, I hope that the Government of India will see to it that Indian capital and Indian skill are given all possible opportunities, that the control of new industries will not pass into non-Indian hands, and that the entire fruits of this new policy will remain, as far as possible, with the people of the country.

Sir, in conclusion, I would observe that all those in India who are anxious to do their best for the defence of their country will be greatly encouraged in their efforts if the Government would make clear in unequivocal terms their policy in regard to the points which I have ventured to raise. I hope that the political deadlock in the country, which is causing anxiety to everyone, whether in politics or outside, will be solved by a fresh effort in a spirit of goodwill and friendly co-operation. Secondly, the public should be assured beyond doubt that the large additional expenditure which has been incurred and is inevitable in the future will be subject to proper and strict control. Thirdly, it should be made clear that the benefits of industrial progress now being achieved under the stress of war will definitely be for the people of this country. Sir, if these measures are promptly taken in hand, I have no doubt that there will be far less hesitation on the part of the people to make the sacrifices they are called upon to make by the Honourable the Finance Member.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, in introducing the Budget Sir Jeremy Raisman

emphasized in the other House the impossibility of foreseeing the future course of the war and the conjectural nature of the assumptions underlying our estimates of the current year. The Bill which we have been asked to take into consideration and which has come to us in a recommended form has been necessitated by the course of this war, and no reflecting man, no man with any sense of responsibility, will deny the need of strengthening our defences, for upon our capacity to defend ourselves effectively will depend the future of India, the future of our race, the future of the human race. For just let us for a moment reflect and examine the present international situation. Poland, Norway, Denmark, Belgium, Holland and above all France, which had emerged as the greatest land power in the last war, which had fought valiantly for many principles which underlie the civilization which we wish to see preserved and transformed through the democratic process into an instrument of social and international justice, have fallen under the heels of the German Dictator. I say the German Dictator because Mussolini is only a vassal of the German Dictator, and today democracy has for the moment disappeared practically all over Europe. For lovers of freedom, for those who value free speech and free association, for those who believe in the ethical State, in the social service State, it is painful to think that the freedom-loving people of France, who have made great sacrifices in the past for human liberty, find themselves today ruled by politicians and soldiers who stand for everything which the founders of the Third Republic would have detested. We have seen Rumania disrupted and join the Axis. We have seen Greece attacked without cause and defending herself bravely against an unscrupulous enemy. But while during the last few months after the collapse of France the military position has improved to some extent, the diplomatic position has not improved correspondingly. It is difficult to estimate exactly the extent of support which General de Gaulle has in the free French Empire, but the Vichy Government has shown neither strength nor desire to resist Hitler or Hitlerian ambitions. One does not know what Laval, the real ruler of France, will do. Japan has joined the Axis Powers definitely and is busy with moves against Indo-China. One hopes that the China adventure will keep her engaged, for the Chinese collapse will enable her to divert her attention towards countries which are important for our strategic defence. Hungary has joined the Axis, so has Slovakia. Bulgaria which is under Soviet influence and Yugoslavia are sitting on the fence. General Franco owes his success to Hitler, thanks to the policy of the late National Government, and Mussolini, and with all her desire to keep Spain neutral he may not be able

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to resist the Axis pressure to join the Axis actively. Should that happen Gibraltar will be threatened directly. Finland has after a brave fight come under Soviet influence, and the small Baltic States have been incorporated into the Soviet Union. Soviet Russia remains an enigma, to those who had looked upon her hopefully as a country where a new experiment in organizing the State on a new basis was being tried; and what transpired between Herr Hitler and Monsieur Molotov is a matter of speculation and conjecture. Turkey in which not only Muslims but all Asiatics are very much interested (because we are proud of the fact that there is at least one Asiatic power which has a foothold in Europe), has so far been able to maintain her neutrality, but one cannot be too sure of the course which she may eventually have to take should Soviet Russia deny her support in the event of German aggression. Similarly Egypt's independence is in danger. Thanks to the gallantry of the British Navy and the British airmen—and I wish to pay my humble tribute to these brave gallant young men, the British airmen, who despite numerical inferiority have achieved singular success during the last few months—the invasion of England has for the moment been averted and Hitler has not been able to lunch in London on the 15th August. England has proved herself to be a more stiff proposition than Signor Mussolini when he joined the war thought she would be. President Roosevelt's victory has heartened all lovers of liberty and Britain and all the countries associated with her or dependent on her and can look to that great Continent for increasing support. Reviewing the international situation in its proper perspective, who with a sense of realism can deny that there is—and I wish to emphasize this point—that there is a real danger to the integrity and safety of India. There are therefore in my opinion solid reasons why India must definitely wish Britain's success in this war. I am not one of those who think that isolation or isolationism in the modern world is possible. Countries that remained or tried to remain neutral were unable to do so, and even if India were an entirely independent country she would have had to strengthen her defences, she would have had to strengthen her position by alliances and effective defence arrangements. We who believe in democracy as the highest and noblest form of polity yet devised by man, we who believe in the right of big nations and small nations to live their own life free from interference by alien imperialisms, we who believe in the destiny of the individual and his right to self-expression in a State in which the antagonism between him and the community has been reconciled by his being made an active participant in the functions of government, we who believe in freedom of expression and freedom of speech as vital elements in human progress, how can we remain indifferent to what is happening in the world around us? How can we contemplate with equanimity a Fascist victory, for I do not hesitate to say that a Nazi-Fascist victory would be the greatest disaster that has ever befallen mankind. It is, therefore, a matter of the deepest regret for me to find that the danger with which India is beset is neither realised by Government nor by the people of this country. As one who wishes the success of democracy it is a matter of supreme regret to me that His Majesty's Government and the Government of India have failed to realize the psychology of the Indian people and convert this war into a people's war. They have failed to democratize the war effort. I would like, with your permission, to approach this question, the question presented by this Finance Bill from this point of view. I would therefore crave leave very briefly to review the reasons why the response from Indians, which I want to be enthusiastic and which I desire to be wholehearted, has not been as enthusiastic and as wholehearted as it should have been or as it could have

been. That takes me, Sir, to the constitutional issue, the settlement of which I regard as necessary for the enthusiastic co-operation which India deems essential for the success of this war. You will perhaps therefore allow me just to review briefly the present political situation in the country. I wish to emphasize that I speak as one who desires India to pull her full weight in this war. What was the position which faced us when war broke out? The constitution that was being worked in the provinces had failed to satisfy our aspirations and it had got many defects and shortcomings from our point of view. In the early part of August, 1939 it was clear to every reflecting man that war had become inevitable. No effort was made at that time, I am thinking of the pre-war period, to invite the co-operation of India by a preliminary discussion with the leaders of Indian political thought. I know that the constitutional position of India is not identical with that of the dominions and India could not have been consulted in the manner in which you have consulted the dominions formally but an informal discussion with the leaders of Indian political thought was quite possible. My point is that no effort was made to get into touch with the real leaders of Indian political thought before India was made a belligerent. Sir, I know that constitutionally India had no right to be consulted, but surely the executive government had means open to it to make Indians feel that they were not being ignored and were being invited to join this war as partners in a great enterprise; but unfortunately this was not done. After the war had been declared the first announcement that we had was that the federal scheme for the period of the war was suspended and that the constitutional issue would not be tackled during the war. Then followed a series of interviews and consultations between the head of the Government and the leaders of various political organizations. While the Indian National Congress raised the question of Britain's war aims and asked Britain to declare that India should be assured that she would be an independent country after the war the organization to which I belong, the Liberal Federation took the line that it was for supporting the war but that at the same time it wanted psychological conditions to be created for the successful prosecution of the war. The Muslim League which was not on friendly terms with the Congress had its own viewpoint wanted a veto over constitutional progress. His Excellency the Viceroy came out with a declaration in October, 1939 which was very halting and unimaginative in character. The line taken in that declaration was that dominion status was the ultimate issue of India's constitutional development, that the federal scheme would be open to modifications after the war and that it would be modified in consultation with the representatives of India and that minorities would be fully protected in any future constitutional arrangements. Unfortunately the declaration was so worded as to convey the impression that a virtual veto had been given to the Muslim minority over constitutional progress. I have often felt that the line taken by that eminent British statesman Viscount Samuel in the House of Lords was full of wisdom and I have often felt that if the problem of India had been approached in the spirit of his speech we would have a different India today. The Congress which had raised the question of the war aims was in too great a hurry to leave office and after relinquishing office there followed interviews and discussions between the Congress, the Muslim League and the head of the Government. At the Orient Club the head of the Government made a speech defining with greater clarity India's goal. It was hoped that a settlement was in sight, but even in that speech no definite time by which dominion status would be established, was indicated—

THE HONOURABLE THE PRESIDENT: It was indicated.

THE HONOURABLE MR. P. N. SAPRU : No, the words used were "at the earliest possible moment".

THE HONOURABLE THE PRESIDENT : What does that mean ?

THE HONOURABLE MR. P. N. SAPRU : There was no assurance that the instalment system would be given up and dominion status established by a certain time. What happened after that is known to us all. What happened after that declaration between the Viceroy and Mahatma Gandhi is not known to us all but that declaration was not able to achieve the object which the Government had in view, namely, to elicit the co-operation of the Congress Party or the active support of the Muslim League. Then came June and we all began to realize the common danger which we were confronted with. The Congress, which had been demanding a constituent assembly and complete independence said that it would be content with a national government within the framework of the Government of India Act of 1919—

THE HONOURABLE MR. HOSSAIN IMAM : Without any reference to the Government ?

THE HONOURABLE MR. P. N. SAPRU : Implied. The answer to that demand is embodied in the declaration made on behalf of His Majesty's Government and in the speeches of Mr. Amery.

Now, Sir, the point that I wish to emphasize, the point that I wish to stress, is that all these controversies, all these discussions could have been avoided if His Majesty's Government had at the beginning of the war shown some imagination and taken some such line as this. Something of this kind they should have said, "Gentlemen, we are fighting this war for no imperialist end. You know the dangers with which you will be faced if Nazism should unfortunately succeed. You are politically for democracy and social justice. So are we. We fully sympathize with your aspiration for full freedom. We assure you that immediately after the conclusion of the war, we shall invite the representatives of India selected in a manner which shall be in accordance with the principles underlying democracy and ask those representatives to frame a constitution for India. We wish to assure you that we have no desire to continue our domination over India and we hope and we trust that the results of your labours will be such as to enable us to enact a constitution which will give you free and equal partnership with the other members of the British Commonwealth. You ask us for independence. You know as well as we do that we are living in an inter-dependent world. Dominion status is virtually independence and it will be for you after you have attained your dominion status to determine your future. You know the implications of dominion status. We have full confidence that you realize the dangers of isolation just as much as we do. We are not working for the ascendancy of one race or another. We are working for the establishment of an Indo-British Commonwealth of Nations. Due to our historic connections with India, we have certain obligations and certain interests but we assure you that we have no desire to use these interests or these obligations to impede the progress of India towards the fullest measure of self-government. We assure you that these obligations shall be settled after negotiations with you, that we shall not in regard to them impose solutions upon you, that any arrangements arrived at in regard to these obligations shall take the form of a treaty between the representatives of the Indian people and the British Parliament. While desiring that the minorities should have adequate protection, while seeing that they shall have full freedom to live their cultural and religious life and their political

life in this country, we are not going to allow any minority to block the future or to be obstructive. We have interests in India but you may take it from us that we have no intention to allow these interests to block full self-government. The method of dealing with the constitutional issue shall be a democratic method but we cannot commit ourselves at this stage to the precise form which the representative body which will determine the Indian constitution shall take. As an earnest of our desire to see you free, we are going to reconstitute the executive machinery of India. You will realize that in the Act of 1919 there is no provision for direct responsibility of the Executive to the Legislature. But direct responsibility cannot and need not rule out responsibility in fact. We ask you, Mr. Bhulabhai Desai, we ask you Mr. Mohamed Ali Jinnah, we ask you Mr. M. S. Aney, to form what in effect and in form will be a national government."

THE HONOURABLE THE PRESIDENT : When are you coming to your own observations ?

THE HONOURABLE MR. P. N. SAPRU : Sir, these are my own observations. I think I have the right to speak in this House freely, but if what I am saying strikes you as nonsense, I will sit down.

THE HONOURABLE THE PRESIDENT : I never used the word "nonsense" but if the cap fits you, you can wear it.

THE HONOURABLE MR. P. N. SAPRU : I am giving you, Sir, what should have been done but was not done. That is my indictment of the Government. "In the Executive Council which will be your national government, there will be a clear majority of the new political elements represented by you. There will be a clear majority of the new political elements represented by organizations which are not to be found in the Executive Council today. You know that the Constitution Act of 1919 requires the presence of a certain number of officials in the Executive Council of the Viceroy. We are quite prepared to repeal these provisions. But perhaps you will realize that in war time the official who has experience in administration may have something to contribute. In the Cabinet in England we have had to include some permanent officials. Perhaps on reflection you will agree with us that these officials may be of some service to you. But we assure you that the official element will be appointed only after consultation with you to the Executive Council. You have had experience of the present service Members of the Viceroy's Executive and you will perhaps agree that they represent the better element in the Services of the country. We therefore give you this assurance that with the Government so constituted, the Secretary of State will not ordinarily and normally interfere. We say 'ordinarily and normally' because we have to satisfy the requirements of the Constitution Act of 1919. But your experience in the provinces has shown you how we have interpreted these words 'ordinarily and normally'. We desire, therefore, the direction of war effort to be in your hands. The portfolio of Defence which will be the most important portfolio in the country will be placed in the charge of an Indian Member enjoying the confidence of the country and you may be certain that in the peace that will follow you and the views of your Legislature will not be ignored. His Majesty's Government will continue to consult you formally and informally in regard to foreign affairs. We invite you, therefore, as partners to undertake the responsibility of conducting the war and we have full confidence in your desire, in your willingness, in your earnestness, in your sincerity, to stand by us through thick and thin."

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If a declaration had been made on these lines at the beginning of the war or immediately after, I venture to think that Britain's moral position in India would have been unassailable and the political parties in this country would have settled down to constructive war work. But, unfortunately, this was not done. There was no inclination in the initial stages of the war to admit a political element into the Viceroy's Executive Council. Even the offer which was made in August last was in a form which suggested that it was contemplated that the Indians so appointed would not be in charge of the portfolios that matter and that they would not be in a clear majority over the other elements of the House. Subsequent speeches of Mr. Amery have created doubt and suspicion in India as regards the attitude of Britain towards Indian aspirations for freedom. No doubt he has said that he has every sympathy with Indians' desire to frame their own constitution. But this seeming concession of the right of self-determination has been rendered nugatory by the proviso that the communities must agree among themselves as to the form of the body which will settle the constitution. What if they cannot agree? In other words, the Muslim League has been given a veto over the form which the representative body should take in future.

THE HONOURABLE MR. HOSSAIN IMAM: Should the Congress have the veto?

THE HONOURABLE THE PRESIDENT: Order, order. You will have a chance to speak. Please do not interrupt him.

THE HONOURABLE MR. P. N. SAPRŪ: The constitution so framed by this representative body will be accepted, so says Mr. Amery, subject to due provision for the fulfilment of the obligations which His Majesty's Government have in this country. Mr. Amery has nowhere defined with clarity what those obligations are. He has in one or two places in his speech indicated that he has in mind particularly the obligations of Defence and Foreign Affairs, and he has sought to draw a distinction between *status* and *function*. He has pointed out that there is a difference between *status* and *function*, and that so far as the Dominion of India is concerned, it cannot, in present circumstances, be vested with the same functions in regard to Defence and Foreign Affairs as the other Dominions. In other words, so far as the higher functions of Government are concerned, they will remain for an indefinite period—a period which will not be specified in any Statute—in the hands of the British Government and what is being offered by Mr. Amery is not Dominion Status of the Statute of Westminster variety but controlled self-government within an imperialistic structure. What he contemplates for India is not the status which is enjoyed by Canada or Australia or New Zealand or South Africa. I shall make a few remarks here about independence. I have said that there is virtually no difference between independence and dominion status. Given the choice, I would unhesitatingly prefer dominion status because I place safety first. But I want to be assured that I am getting the genuine article and not a spurious one. My whole criticism is that this free and equal partnership is not free and equal partnership, that the position has been worsened by Mr. Amery's distinction between status and function and that a clarification is needed of Mr. Amery's speech in regard to this distinction between function and status. Mr. Amery has gone a little further than the Viceregal declarations. He has given a complete veto to the minorities over future progress.

THE HONOURABLE MR. HOSSAIN IMAM: No.

THE HONOURABLE MR. P. N. SAPRŪ: There is no indication in his speech that he is opposed to claims for dividing India into various parts. In his latest speech at the English-speaking Union, he has used language which is calculated to encourage those who stand for the division of India into Hindu India and Muslim India. He has talked of greater autonomy for provinces; he has talked of a redistribution of provinces; he has talked of new types of executive; he has talked of a centre which has only some measure of control over Defence and Foreign Affairs as possible solutions of the Indian problem. He has talked of functional representation. That is Mr. Amery, the Secretary of State. The democratic Secretary of State for India is thinking in terms of some sort of a corporative State—

THE HONOURABLE THE PRESIDENT: But he spoke eight months before—

THE HONOURABLE MR. P. N. SAPRŪ: He spoke only the other day, Sir,—

THE HONOURABLE THE PRESIDENT: Listen to me. He spoke eight months before the Viceroy's speech at the Oriental Club when you were offered full dominion status of the Westminster variety which included even the right of secession if you wanted it. It was a God-sent opportunity which you refused to accept.

THE HONOURABLE MR. P. N. SAPRŪ: We shall agree to differ on that point.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): I do not wish to interrupt the Honourable Member's argument for any length of time, but I think that if he will look at the report of Mr. Amery's speech, he will find that after postulating these possible solutions of the Indian problem he has gone on to say that these are questions really for Indians themselves to settle.

THE HONOURABLE MR. P. N. SAPRŪ: That is the British way of doing things. I was just coming to that. At the psychological moment statements and speeches have always been made which have made a communal settlement more difficult. I am going to prove that also. I think it is wrong for the Secretary of State to encourage one party or the other in this country. Let there be no mistake about it. I value the freedom of this country very much. There is no sacrifice that I would not make in order to meet the wishes of my Muslim friends and in order to achieve the freedom of my country. But we shall never agree to the partition of India. Just as Abraham Lincoln was right in fighting for the unity of the United States, so, nationalist India would be right in resisting, if necessary with all the force at its command, any scheme for the partition of this country. The greatest boon, the greatest benefit, the greatest achievement of Britain in this country has been the unity of India. There is a party today which stands for the partition of India. Let my Muslim friends give up this talk of partition and they will find a different atmosphere. The Congress is not the entire country. There are many thinking men who are prepared to negotiate with them, who are prepared to consider with them in a rational manner their grievances. We have never ruled out new types of executive.

It may be that the coalition type of executive suits the genius of the Indian people, we have never ruled it out. But there is one thing which we have

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ruled out, which we shall rule out, which we shall fight against with all the strength at our command; and we are not wedded, as the Congress is, to non-violence, and that is Pakistan. Now, Sir, I can honestly say that I approach this question from the point of view of an Indian Nationalist. I have never desired to be unfair to any community. But let me just trace this question of the minorities a little closely. The Honourable the Leader of the House, who comes from my province and who is one of the most distinguished products of our University and of whom we are very proud, just said that Mr. Amery had nowhere blessed Pakistan or encouraged one minority or the other. Why is it that at the psychological moment British statesmen are in the habit of making speeches which make a settlement of the communal question difficult for us? Let me just trace the history of this communal question for a moment. In 1905 the Muslims, without any reference to the majority community, without any effort being made to see that the question was settled by Hindus and Muslims together, were assured by Lord Minto that they would have separate electorates and representation in excess of their numbers. In 1908 Lord Morley said that he did not like separate electorates; he wanted joint electorates with reservation of seats. Lord Minto said, "Well, I have blessed separate electorates; there is a definite pledge and you cannot go back on that", and Lord Morley had to yield. You will find that in the *Life of Lord Minto* by John Buchan. You will find that Lord and Lady Minto were quite happy at that Muslim delegation. Then came the Minto-Morley Reforms. Then came the Great War and in 1916 we were able to arrive at an agreement with the Muslim League. That was a great achievement. Now that agreement was given effect to in the Montagu Act of 1919. Then immediately after the Act came into force there was a demand for the revision of the Lucknow Pact by the Muslim community. They wanted a clear majority in the provinces where they were in a majority; they wanted the weightage which they had been given under the Lucknow Pact to be maintained. The Simon Commission was to report in 1929 and one of their terms was this system of communal electorates. The Simon Commission took this line. There is this pact of 1916; we cannot disturb this pact to the advantage of one community or the other. Muslims cannot retain the present heavy weightage they enjoy in provinces where they are in a minority and get majority representation in the Punjab. If they so desire they may have a voting register which will accurately reflect their population ratio in the provinces of the Punjab and Bengal. Whatever other criticisms there might be against the Simon Commission Report, I think the line they took in regard to the communal question was a fair one. But immediately after the Simon Commission's Report came the Government of India's despatch, the despatch of Lord Irwin's Government, and if my friend the Leader of the House will read that despatch he will find that it is a most extraordinary document. It says that the communal question is a question which the communities must settle. But after saying that, it goes on to dissent from the view of the Simon Commission that the Lucknow Pact cannot be disturbed and that Mussulmans cannot be given increased representation in the Punjab and Bengal and allowed to retain the heavy weightage that they have in provinces where they are in a minority. Then, after the Irwin despatch you have the Round Table Conferences, and there these two despatches were before the delegates. You have the Simon Commission supporting the old pact, you have a number of communalists in the Round Table Conference—practically every Nationalist Muslim is excluded from the Conference and you have the Government of India supporting the Muslims with all the influence of the late Sir Fazl-i-Husain in the Government of India. You have the Simon Commission supporting the Hindu and Sikh point of view, and both

communities know that there is going to be no real transfer of power even if they agree among themselves. Do you wonder therefore that the Indian delegates were unable to arrive at a settlement in regard to communal matters? Then immediately after—that is the British way of doing things—the publication of the Simon Commission's Report there appeared a series of articles in that Conservative organ, *The Observer*, encouraging the Muslims to be firm in their demand for a clear majority in the Punjab and Bengal. My Honourable friends will find that my statement is correct; they can read *The Observer* of those months. That is how things were done. Then, Sir, the communal award was given in two instalments; first came the instalment regarding the provinces and then the instalment regarding the Centre and the separation of Sind. But just two days before the issue of the latter the Hindus and some Muslim organizations were able to arrive at a settlement in Allahabad. But Sir Samuel Hoare was in a hurry to announce the Central award. Why could he not wait a few days and see what the reactions of this settlement were going to be on the Indian public. (*An Honourable Member*: What was the difference between the two awards, the Allahabad decision and Sir Samuel Hoare's?) In the Allahabad settlement the Muslims agreed to 32 per cent. only and in the communal award they were given 33½ per cent. representation at the Centre. In the Allahabad decision Sind was to be separated if it was financially possible to separate her. Under the award Sind was to be separated completely and unreservedly. These are the differences which made communal settlement difficult. Well, Sir, at the Joint Select Committee after the communal award had been announced, the Indian delegates were able to arrive at certain conclusions and they embodied these conclusions in a memorandum which was presented to the Joint Select Committee. They made a certain number of recommendations which, if they had been accepted, would have considerably improved the federal scheme. What was the experience of the Indian members? The experience of the Indian members was that every single proposal (and the men who were signatories to the memorandum, were most moderate—Sir Zafrulla Khan is a very moderate man and he was a signatory to the memorandum), every single recommendation of that memorandum was rejected by the Joint Select Committee which was presided over by no less a person than His Excellency the Viceroy, the respected head of the Government in this country. Well, Sir, therefore I do say that the real reason why there is a deadlock in this country is not because you have refused to promise independence but because you have given a virtual veto to the minorities and because you have refused to define what your obligations are.

Sir, I would like to say one word more about dominion status. The attitude of no compromise with imperialism is heroic and appeals to the dramatic instinct but leads us nowhere. We have today to face the danger of a worse imperialism than democratic imperialism. Democratic imperialism is liquidating itself: it will liquidate itself in the process of war. We all hope and pray that Britain may win. There will be free and equal partnership of nations after the war, if that happens. There will be no imperialism after the war in the sense of domination. That is my firm belief (*An Honourable Member*: In India?) Even in India there will be changes because you will have a government of the left and not the government of the right after the war in England. Therefore, I do say this to my Congress friends and I say this in all earnestness that the Ramgarh resolution in my humble judgment was a mistake and they should have shown, as they did show in June, greater readiness for co-operation in the war effort than they did in the initial stages of the controversy.

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Sir, I have spoken at some length upon the constitutional issue because from the point of view of the successful prosecution of this war I consider its settlement as essential. If you really desire the united support of India you must have a settlement of this constitutional issue. I always read with respect everything that that wise British statesman Mr. Lloyd George says or writes and there is no British statesman for whom I have greater admiration than Mr. Lloyd George. I was reading his article on the collapse of France the other day. He says that France failed because the Generals were Fascist and the soldiers were socialist. France had a government which was nominally left but which had no real sympathy with the aspirations for a better social or international order. He says that if you want a nation to make sacrifices which a war necessitates you must place before that nation the vision of a new deal, if you like that word, and a better and happier social order. It is only when you have a big vision, a high ideal, that you are able to get the highest and maximum effort. It is necessary to put the highest ideal before the people. I think that is a wonderful observation. I think it is a correct reading of the French situation. France did not fail merely because she was militarily defeated. She was perhaps internally rotten also. Fifth column activities thrive in countries which are internally rotten. Therefore, if you want to fight fifth column activities, and I am prepared to recognize that there are fifth column activities in this country, you must have the support of a large majority of thinking people in this country. (Hear, hear.) You must make them feel that this is not England's war, but it is India's war, and you have failed, I regret to say to make it plain that it is India's war. I can assure you that reflecting men realize that if this is a life and death struggle for England it is also a life and death struggle for India. Now let us for a moment examine the situation a little carefully. If unfortunately the war should go against England, God forbid that it should, Canada has the United States to support her. Germany can do nothing to Canada. Australia and New Zealand have the United States to support them and Germany can do nothing to Australia and New Zealand. Whom can we Indians look to for support? (*An Honourable Member*: God.) But God is always on the side of the big battalions and we might become the subject matter of partition among various countries. Therefore, it is wrong to think that any sensible Indian, outside the lunatic asylum, wishes the defeat of Britain. The interests of India and the interests of England happen to be identical at the moment. And therefore it is a great tragedy that there is this political discontent in the country. This political discontent which you have allowed to grow is bound to hamper war effort and I don't wish your war effort to be obstructed. I wish it to reach its maximum limit in this country. I wish this country to give its maximum support and I think, Sir, therefore, a political settlement is necessary.

THE HONOURABLE THE PRESIDENT: And therefore you will support the Bill!

THE HONOURABLE MR. P. N. SAPRU: No, Sir. I am coming to my reasons. I do not think, Sir, (you will perhaps allow a little digression here),

I do not think, Sir, that individual satyagraha or non-violence will save us. I am not a believer in the sovereignty, the absolute sovereignty of the State. I know there may be occasions when it may be the duty of an individual citizen in defence of some principle which he values, to resist the State by passive resistance. I am prepared logically to agree with that proposition. I have admired the manner in which British

Liberals like Mr. Dingle Foote have stood up for liberty of speech and for the right of fair treatment for the internees and conscientious objectors in Britain. But it is not free speech that we need today. What we need is a Government which will galvanize this country, which will put new life into the war effort in this country, which will create enthusiasm which I regret to say is lacking for the war in this country, which will warm the hearts of the people of this country, which will appeal to the heart and soul of the people of this country.

I myself, Sir, accept the Radical ideology. I was talking to a very distinguished British professor of economics and he said that a Liberal was a person who was a Leftist in ideology and a Rightist in method. I said, "I do not like the word 'Rightist', I would substitute the word 'Centrist'". So, Sir, having sympathy with Leftist ideals, it follows that I must have sympathy with the pacifist ideal up to a certain point. But honestly, Sir, I have never been able to understand the philosophy of satyagraha. How can you by courting imprisonment melt the hearts of your opponents and create a force which will give you what you want? Satyagraha and fasting may have a value in the spiritual sphere. I read today, Sir, that His Holiness the Pope is fasting. Well, all that may have meaning as far as the spiritual sphere is concerned. But in actual life, pacifism of that extreme type does not work. I believe, Sir, in pacifism in the sense that I want a super-state. I want as the result of this war the nucleus of a world organization which will be backed up by an international police. That kind of pacifism I can understand. But I do not understand this kind of individual satyagraha for which our great Mahatma is responsible. The point, however, that I was making is this, that individual satyagraha and the economic and political discontent that you have, if this develops, is bound to have a hampering effect upon war activity. If there is individual satyagraha there will be repression, and shockingly too severe sentences upon Pandit Jawaharlal Nehru and other leaders are only calculated to alienate the people further from the Government and we do not want the people to be alienated from the Government. I was, therefore, glad, Sir, that the Liberal opposition leader Mr. Graham White and others have associated themselves with a representation against the sentence passed on Jawaharlal Nehru. Now, Sir, the point that I was making was that it was essential in the interests of India, in the interests of the successful prosecution of the war that there should be a settlement here. The men on the spot, I regret to say, have failed. Therefore, let us try a new method of approach. It is no use saying that the last word has been said. There is no last word in politics. Lord Morley said that the partition of Bengal was a settled fact, but it was rescinded. It is no use Mr. Amery saying that he has said the last word and he has nothing more to say. Well, the last word has not been said. Further approaches must be made and it is therefore necessary that there should come out to this country at this juncture a goodwill mission from England. We want broadminded men to come out to this country to meet the leaders of the Indian people, discuss with them their difficulties and their anxieties—because a people that has domestic anxieties can never put forth, as Mr. Hore Belisha said the other day, its best effort. I want them to come out. We should have a delegation of men like Viscount Samuel, Mr. Graham White, Sir Stanley Reid, Professor Laski, Professor Keith, and my old friend Mr. Wilfred Roberts who distinguished himself greatly in the Spanish campaign. If men of this type come out to India, they will be able to view the Indian question from a broader vision and they may be able to make some contribution to the solution of the Indian problem. I do not think, Sir, the situation ought to be allowed to drift. Consider what the effect upon production, upon trade, will be if this individual satyagraha develops into a mass movement. Consider, Sir, what

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the effect upon the life and property of the people will be if the political and economic situation is allowed to drift in this country. I, therefore, Sir, would plead with all the earnestness at my command for a new approach to the Indian problem. And I would like, Sir, in this connection to pay a tribute to certain British papers. I find, Sir, that the *Manchester Guardian*, the *News Chronicle*, the *Daily Herald*, and the *Indian Statesman* have been approaching this question from a broad point of view. They say: Do not get disheartened, go on with your efforts, try and find a solution to the Indian problem, it is important from every point of view that the Indian problem should be settled.

Sir, I suffer from no phobias. I have no prejudices against the Congress or the Muslim League. I want to approach every question from an objective point of view. And the one great question that I have asked myself is this, whether it is in the interests of India that this present policy of drift should continue. There must be an understanding between the English people and the Indian people if we are to achieve preserve and strengthen the freedom which we so ardently desire in this country. Sir, I would like to say that, in my opinion, the demand for a national government within the framework of the present Government of India Act is not an impossible demand. You can give in your Executive Council the political elements a clear majority. There may be some minor changes which you can make even in war time in order to meet that demand. Sir, where there is a will, there is a way. Most far-reaching proposals were considered by the British Government in June last. Franco-British union might have materialized. An Anglo-American Federation is not beyond the realms of possibility. Our whole future, whether England wins or not, is at stake. It is not wrong of thinking Indians to raise at this moment the question of their future. I think it is right for us to raise this question of our future. But we should raise this question in this spirit that the question has to be settled. I do not think that any question is impossible of solution. I believe that in individual life and in national life we have to go through conflicts. But conflicts can be solved if there is the will to face these conflicts and the desire to find a solution for them.

I come now, Sir, to the question which you raised, namely, "What is the vote that you are going to give?" I have made my position in regard to the war absolutely clear. I have no criticisms to offer so far as the Finance Bill is concerned. From the point of view of orthodox finance—and I am not sorry that our Finance Minister is an orthodox financier—there are merits in the Finance Bill. The vote that I am going to cast, therefore, is not a vote against the merits of the Finance Bill. It is frankly a political vote. I would like to make the position in regard to my vote absolutely clear. It is not a vote for Hitlerism, because I can assure you, Sir, that there is no one who detests the Nazi ideology more than I do. Nazism stands for everything which is revolting to me. My friend says, "Study carefully". I can assure him that I have studied some books on Nazi ideology—I have not been to Germany. I am not sorry that I have not been there. But I can assure him that I could not stand Germany or Italy for a day. It is not a vote for Hitler or for Nazism. I do not wish our vote to be misunderstood. It is not a vote for restricting or impeding India's war effort. I want India's war effort to be ten times greater than what it is today. Because, Sir, we have to think not only of the defences of the Middle East, but we have also to think of our defences here. What if something should unfortunately go wrong with the Middle East Campaign? We shall be faced then with disaster in this country. There has been a great deal of controversy in Australia and in Canada over the correct policy in regard to defence. Mr. Curtin, the Australian Labour Leader, has been saying,

"Keep your reserves in Australia". Mr. Menzies has taken a different line and they have not been able to agree. We have some differences in regard to the defence policy also, which will be explained at length by our great defence expert, Pandit Hirday Nath Kunzru. The vote, Sir, is not for impeding the war effort. The vote I am going to cast, therefore, is not intended to impede or obstruct the war effort. I have said that I want the war effort to be intensified. It is not a vote intended to encourage Hitler or Mussolini in any form or shape whatever. We detest the dictatorships just as much as our friends oppose. The vote that we are going to cast has been determined for us by the attitude of the British Government towards certain broad questions. It has been determined also by the attitude of the Defence Department towards this House. Sir, when big things were happening in June last, I wondered whether I was a Member of the Central Legislature. I found the Parliaments of other countries meeting and discussing questions of great importance. But I am sorry that we actually met two months later than normally we do. That was the consideration that was shown to us, Members of the Legislature. Sir, I have moved Resolutions on the floor of this House, most moderate Resolutions, for very moderate reforms, and the Defence Department has come up with an emphatic "No". I remember years, Sir, when I was pleading with all the earnestness at my command for the constitution of an Advisory Council on Defence. I did not want that Advisory Committee to hamper the Defence Department. I wanted it to be an organization which would help the Defence Department, just as the Supply Department Committee would help that Department. But I found, Sir, my very esteemed and good friend, Mr. Williams—I am sure he was not a free agent—say "No". Our military chiefs and experts have no imagination, have no vision. I found my Honourable friend Mr. Williams resisting that moderate demand in the most Die-hardship fashion, in a fashion that even the late Duke of Northumberland would not have done in opposing any measure which affected his pockets.

THE HONOURABLE THE PRESIDENT: I may remind you that you have already spoken for an hour.

THE HONOURABLE MR. P. N. SAPRU: On this Bill I can speak for as long as I like and I will not repeat my arguments.

THE HONOURABLE THE PRESIDENT: I should like to say that there are many other speakers.

THE HONOURABLE MR. P. N. SAPRU: I will finish in about five or ten minutes, Sir.

The other day in this House I moved a very moderate Resolution about the University Training Corps. We were all interested in that Resolution. My Honourable friend Mr. Hossain Imam has a hundred differences with me in regard to communal matters, but he loves Aligarh and I love Allahabad, and we were both united in regard to that Resolution. And what was the answer that I got? A categorical "No". Sir, we have pleaded on the floor of this House for broadening the basis of recruitment. Not being a believer in non-violence, I have regretted that Britain has emasculated India. I think the Honourable Mr. Pantulu ought to thank the Government for emasculating the people of this country. I cannot, not being a believer in his creed. We have pleaded for a broadening of the basis of recruitment. Our demand has been ignored. We have pleaded (and this will be proved by the Honourable Mr. Kunzru, because I do not want to dilate on it further), for the

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rapid Indianization of the army and we have pleaded for that because we do not want you to put forward defence as an obstacle towards self-government. And the Muslim League has not obstructed us there. It has co-operated with us. There is a united demand here. Now, what is the answer that you have given to these united demands that we have repeatedly made on the floor of this House? How can I go to my own countrymen and say, "Put forward your maximum effort"? I happen to be a teacher, and I come into contact with about a thousand students every year, or perhaps more, and I have found an indifference in regard to the basic issues which this war has raised, which has really perplexed me, which has really made me anxious as regards the future. I want to speak absolutely frankly. I find that a different atmosphere prevails today than that which existed when the war started. I found then that our young men were not so indifferent as to what will happen to their country as they are today. They do not realize the dangers. I realize those dangers and I think I would not be doing you any service if I were not to mention these things frankly and straightforwardly. I want you to realize that there is an atmosphere in this country which is prejudicial to the safety and integrity of this country, and I think you will not be able to meet the situation in this country by the formula, "Well, the dogs bark; the caravan passes by". You have to change your note. Therefore, I want a Government which represents the people of this country at the Centre. I want an Indian Churchill to run this war, which means so much for us and which may mean so much for you.

Sir, in recording my vote I am following the example of the Secretary of State for India, Mr. Amery. Mr. Amery led the revolt against the National Government, and he was one of those who were responsible for turning that National Government out because it was not conducting the war in the most efficient manner possible. I say, Sir, that I want also a reconstruction of this Government because I think it is not conducting the war in the most efficient manner possible from the point of view of India, and it is as an indication of my dissatisfaction with the executive of this country, it is as an indication of my dissatisfaction with the war effort which that executive has put forward, it is as an indication of my sincere and honest feeling that the executive has failed to understand the danger inherent in the present situation, has never tried to approach the Indian question from the right point of view, that I have decided to cast my vote against this Bill.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, we have listened at some length to about a thousand arguments in favour of the Bill which ended with one rather impassioned and poor argument against it and the decision to vote against it. I would remind the Honourable Mr. Saprū that however much Mr. Amery assisted in removing the Chamberlain Government he did not vote against the supply of funds for the war.

THE HONOURABLE MR. P. N. SAPRŪ: Sir, may I just interrupt on a point of explanation? We have no method of raising questions of foreign policy except indirectly in this House.

THE HONOURABLE THE PRESIDENT: You started it by giving a review of the whole international situation. Now (to the Honourable Mr. Parker) you proceed with your speech.

THE HONOURABLE MR. R. H. PARKER: The Honourable Congress the Leader in this House said that he would be failing, or they would be failing in their duty if they did not oppose the Bill. He is much in the same street as Mr. Saprū. We feel on the contrary that we would be failing in our duty if we did oppose. So we start with a vital difference. Personally, one of my criticisms of this particular Bill is that I would have liked it to be brought in two months earlier and to have been made effective two months earlier. But that is a point on which I may be wrong. One thing I am glad of is that the Finance Member has not introduced retrospective taxation, as Sir George Schuster did some ten years ago. I think that at the time had a definitely bad effect on trade. What I would ask the Finance Member to do is to make quite sure that he is getting good value for the money he spends. That is a difficult thing to do but a very important one. On that particular point I was particularly interested when I heard Sir Ramaswami Mudaliar the other day saying that that point of view was being very actively examined in relation to the proposals relating to motor car manufacture.

The Honourable Mr. Ramadas Pantulu seems to think that industries are always built up by Governments. Now in most industrial countries, certainly in England and America, they have been built up by private money and private industrialists. You do not go to Government to start industries; you do it yourself. Take Bombay, what about the cotton mills? Did Government start the cotton mills? (*An Honourable Member*: Hampered their growth!) Yet they have succeeded.

Then the Honourable Mr. Saprū told us a lot about what Government ought to have done, how they ought to have offered this or offered that, or suggested this or that. But did Congress and the Muslim League come forward at the beginning of this war and say, "What can we do to help you"? Not one of you. Then I would remind Mr. Saprū that neither the Viceroy nor the Secretary of State has ever said that minorities can have anything they like. They have merely said they would have reasonable protection. I simply could not follow Mr. Saprū when he said he thought it was unfair for the Secretary of State to say that a particular question ought to be settled by Indians themselves. I thought your whole attitude was that you wanted to settle questions yourselves. Then I would remind him also that it was Mr. Ramsay MacDonald who made the communal award, not Sir Samuel Hoare, and that he did so at the specific request of Mr. Gandhi.

I gathered from what the Honourable Mr. Saprū said this afternoon, or for the matter of that, the Honourable Mr. Pantulu said this morning, or, as the Honourable Mr. Hossain Imam showed, that each of them wants freedom to rule over the other.

Then I come to the general question of the world situation. I would like to say a few words, not very many. It is a matter for grave consideration whether Britain has not done too little policing the world, rather than too much. If they had done it in China, Libya, and other parts of Africa, they would have been in a very much better state. Can you imagine that they would have been in the condition in which they are now? I can't. It rather makes me wonder when people put forward arguments of this kind whether they really know anything about the Nazis and Fascists. Have you stood in Berlin in a large crowd with Nazis around and Nazi tunes being played and a Jew standing on one side shivering, either with rage or fear, or both? It is terrible. Have you been in a Concentration Camp? I have. One thing was clear: you could not see those men—there were some thousands of them, not one of whom was there willingly—and watch the precision with which they did everything without realizing that this could only be the result of extreme

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ouelty—of decent men being treated in the basest possible manner. What did they do in Abyssinia? They deliberately murdered and expropriated the intelligentsia, the equivalent of people like Mr. Gandhi. Members of the Congress Working Committee, Mr. Jinnah, and perhaps I myself might be included. They raped their women; they took some of them as hostages to Rome, and generally treated them in the most abominable manner. Poland has been treated somewhat similarly. I have not been there but I know a good deal about it. There some of the women have been taken away to brothels for the use of German soldiers. If that is not bad enough, then I don't know what is. As regards the masses, they are being treated as slaves in Abyssinia, Libya and Poland and to a large extent in other conquered countries.

These are the people Mr. Gandhi wants the right to preach that there should be no war against.

I am only paraphrasing Mr. Gandhi when I ask the question—"Who lives if England dies"?

THE HONOURABLE RAO BAHADUR K. GOVINDACHARI (Madras: Non-Muhammadan): Sir, this country, fortunately has not so far felt the direct impact of war and the isolation which we enjoy would appear to have lulled us into a false sense of security. That isolation is, however, being diminished and circumstances are compelling us to take more notice of the war and to make adequate preparations.

This country, as a component part of the Empire, should bear its share of military and financial burden. We called the last war The Great War; and the present one is even greater. There is an almost cynical criticism of the smallness of our war effort while, at the same time, when it is sought to raise money by taxation to undertake a bigger effort, there is an outcry. In the present budget, what is the additional taxation? It is a surcharge on income-tax, a tax which the poor man does not pay. It is an increase again in the charges for certain postal and telegraphic services but care has been taken to see that poor man's means of communication are not affected.

At a time when those able to bear the burden ought to place taxable capacity and the credit of the country before their own individual interests. At a time when there is a feeling that our war effort is still inadequate for the protection and effective defence of this country, no reasonable person should be unwilling to shoulder the additional burdens. Are we in this hour of crisis going to be behindhand in our support to the Empire because of political considerations and should we not think of winning the war first and taking them up afterwards?

Speaking on the budget last March I said that we ought to prepare ourselves to shoulder additional burdens. We are now called upon to undertake them, happily still may I say on a moderate scale. If we value the security of this country, are we by these additional burdens required to make too great a sacrifice? It is in that light that I would commend the consideration of the proposal.

THE HONOURABLE MR. M. N. DALAL (Bombay: Non-Muhammadan): Sir, rising to oppose the supplementary Finance Bill I would make it clear, at the outset, that my objections are based, not on the ground that there is no need for such a measure; or that the estimates presented by the Honourable Member do not warrant any such proposals; but rather on grounds of constitutional as well as financial and economic principles.

It is, Sir, a well-known principle of Britain's own constitution, and inescapable corollary of any sound democratic constitution, that no taxation should be permitted without effective representation of the people who are to bear these burdens, and a corresponding responsibility in the Ministers of such Government to the representatives of the people in the Legislature assembled. It is, however, a sad and undeniable feature of our present constitutional system, at least in the Central Government of the country, that there is no direct responsibility in the executive government towards the Legislature. The presentation of such proposals, therefore, amount to no more than a mere formal routine, since the representatives of the people have had no voice in preparing these estimates; nor have they any power to shape, control or sanction them.

The situation, Sir, becomes all the more poignant, when one recalls that, every public leader in this country, of every shade of political opinion, has expressed the deepest possible sympathy towards Britain's struggle against Hitlerism, and all that it stands for in the denial of freedom to the smaller nations of the world. For, despite this unquestionable sympathy; and despite the desire,—more common in the popular mind than might appear in the speeches or writings of prominent personages,—to help substantially Britain in her hour of need, the bulk of the Indian people are unavoidably restrained, for reasons merely of national self-respect, from making this contribution, and even are obliged to oppose such proposals as those before us, simply because the representatives of the people, have had no part nor lot in initiating, approving, or sanctioning them.

I put this inherent inconsistency in the present position relating to this country's contribution in the present struggle, in all earnestness and solemnity before Government,—not simply as a cliché, but as a plea to facilitate more effective collaboration in the years to come. The war, we have been assured, Sir, on the highest authority, may last for years. And if it continues so long, would it be in the interests of carrying on the struggle successfully to victory, would it be in the fitness and propriety of things for the British Commonwealth of Nations, would it be in consonance with Britain's own claim to be a champion of world freedom and democracy, that we in India should be treated as mere pawns governed by Ordinances and certification, on the plea that there is no agreement between the main political elements in India's national life? If Britain really desires that India should, like other equal and independent members of the Commonwealth, put forth her maximum effort,—and, Sir, no one has the ghost of an idea as to what India's maximum would amount to, if only her people are satisfied and willingly co-operating,—will not British statesmanship realize the wisdom of satisfying India's just demand for national autonomy? Even if this be no time for sitting down to draft constitutional niceties to satisfy all political parties, the moment cannot be better chosen than today to offer this country—not repetitions of unmeaning formulae and obsolete shibboleths—but a substantial earnest of the intentions now declared to place India on the same footing of unequivocal equality with the other self-governing British Dominions, by accepting the principle of responsibility of the executive to the Legislature, commanding the unlimited confidence of the people of this country. Sir, I offer this plea, in all modesty and earnestness, and at the same time in all confidence, that, if the line of policy I have suggested is adopted—without any mental reservation or diplomatic subterfuge—the combined intelligence and resources of Indian and British statesmanship will take no time in turning the tables against the seemingly formidable forces of Nazism or Fascism.

[Mr. M. N. Dalal.]

This constitutional objection seems to be the strongest one can urge against the present proposals for increasing the contribution of India towards the sacrifices now having to be made by all those who are fighting the forces of reaction. I have, however, my own doubts as to the intrinsic soundness of the reason which has inspired the present proposals for additional burdens upon India. In war time extravagance rules everywhere. But if this extravagance is to be kept within decent proportions, if the hard won money of the taxpayer is not to be dissipated, there is every need to constitute some sort of a committee of control over all the war expenditure, on the lines they have adopted in Britain. The Standing Committee, *only* for the Supply Department will, it is doubtful, have effective control in saving needless expenditure.

Not only is one doubtful about the reasonableness and unavoidable character of much of this expenditure,—one is entitled to ask, whether, in justice and propriety, India can rightly be called upon to bear all the burden involved in the defence of India's "outer bastions." The arrangements with His Majesty's Government on this head, arrived at last year, seems to be wholly one-sided and disproportionate to the advantage derived by this country. I would, therefore, suggest that this arrangement needs to be reconsidered at the earliest convenient date.

Of the increased recurring burden aggregating about Rs. 25 crores in a full year, the Finance Member proposes, by his new measures of taxation, to meet 40 per cent. or Rs. 6 crores out of new revenues, and 60 per cent. by borrowing. It is, Sir, a question yet awaiting final decision whether the burdens caused by a war should be cast wholly on the generation which wages the war, or whether any appreciable proportion of that burden be thrown on the generations that follow. In other words, would it be the better part of statesmanship to finance a war like this as much as possible out of new tax burdens, or out of borrowed funds, thereby passing on some part of the cost of a war to the succeeding generations. I would not take it upon myself to answer this complex question, though I cannot help realizing that the generation which wages the war has to bear, besides a part in money costs, the entire sacrifice in blood and destruction of the resources necessary for the maintenance of ordinary civilized life; and that the succeeding generation often reaps the advantage exclusively of the struggle its forerunners waged. War taxes in the shape of the excess profits tax imposed last year; or the present surcharge on all categories of income, and increases in communication taxes constitute, in their aggregate, a burden, which, I for one, would consider disproportionately heavy at the present time.

I am the more emboldened in saying this, as I find considerable resources in the shape of money lying idle in banks, which might be utilized to finance the war. That would involve much less dislocation of the national economy than excessive and incessant taxation. The individual heads of taxation selected for increase by the Honourable the Finance Member also call for comment. Even if one conceded the hard but perhaps just necessity to add to the burdens of the direct income taxpayers, one cannot but question the increase to the postal rates, telegraphic charges, and telephone dues. No part of the Indian fiscal system has, in the recent past, aroused such strong criticism, as the refusal of the successive Finance Members of the Government of India to restore the half-anna postcard, however, it is comforting to note that the postcard rate is not increased further. Taxes on means of communication are, it is universally admitted, taxes on the spread of education, on progress in general, and on the expansion of the country's commerce and industry.

At this moment, when India wants to expand and improve its industrial and commercial possibilities; when the demands for an extension of public education in all stages and in all branches is so intense and universal; when the country's reawakening needs this invigorating stream of knowledge and information on every head, such taxation seems to be ill-conceived, uneconomical, and harmful to the best interests of the community in the long run. The yield from these taxes, as forecast by the Honourable Member, seems to me to be too slight to justify the increase, especially as there are such strong counter-arguments. This objection seems all the stronger when one recalls that the Government have not done much to develop the industrial resources, and thereby the wealth of the country at large. The war presents a most unexpected opportunity to develop our industries and improve our material resources, and in the ultimate analysis, all public revenues are derived from private wealth; and unless that wealth is increased, the sources of increase for Government would prove barren or inelastic to meet such emergencies as we are passing through today.

The opportunity presented by the war for the development of India's natural resources and industrial possibilities is rousing great public interest,—if only as a means to add to India's war contribution. A Conference of the representatives of the Eastern countries has been recently sitting, and is said to have presented reports of considerable value, as to the potentialities of India. I have no doubt Government will take every step in their power to implement the recommendations of this body. But in implementing the recommendations, we must be careful regards the inroads allowed to be made by external capital in this country, securing advantage and developing a vested interest which may only prove to be a hindrance and an obstacle to India's real advance in the near future. Suggestions have been put forward in the Eastern Group Conference,—that the several parts of the British Commonwealth should each specialize in particular industries, and not develop each its own resources to the best possible degree under the urge of war. I would look upon such suggestions as pernicious in the extreme, especially for a country like India, whose industrial development has been unnecessarily arrested and stunted; and whose unpreparedness in the industrial field might expose her in the future as she has been exposed in the past, to ruthless competition from foreign industrialists in her own markets to her own undoing. India has accepted the principle of national self-sufficiency in these matters; and whatever stands in the way of realizing that legitimate ambition must be condemned as inimical to the best interests of this country and its people in the long run, and as inconsistent with the honest desire to do our bit in achieving the final victory of the forces of freedom and democracy.

Sir, I request Government to reconsider the specific details which have given rise to so much criticism, and engendered so many misgivings in the minds of the people of this country.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Mr. President, before I proceed with the Bill, I wish to start by paying a tribute to the Leader of the Congress Party in our Council for the admirable moderation of the language used by him in opposing this Bill. I would also congratulate him on one more point which is this, that in listening to the speeches of the Members of the Congress Party in the other House, I got the impression that they thought that there was no danger to India. I am glad that the Leader of the Congress Party here has recognized that there was a great danger to India and also regretted that India was not fully ready to cope with the danger if it came to be actually faced with it. I join

[Rai Bahadur Sri Narain Mahtha.]

hands with him in this charge against the Government. Government's defence policy has been too short-sighted and too full of distrust towards Indians.

I also agree with him that it is none of our obligations to share with His Excellency the Viceroy the responsibility for a certified measure.

But, Sir, in view of the grave considerations involved, it is not possible to speak on the present Bill in any light-hearted vein, nor is it possible for me to cast a silent vote on this occasion. On the one hand there is more than half the world in a state of conflagration and there is hardly any one here or outside this House who is oblivious of the fact that the scene of war is drawing closer to India both from the west and north and from the east. There is, on the other hand, the vote of the Assembly which refused to take into consideration this measure. The vote of the Assembly may be of no value to the Government of India but it is of some consideration to us. The Bill was thrown out in the Assembly by a vote purely of the elected Members of the House who represented constituencies covering the entire length and breadth of British India. If the vote of the Assembly signifies anything it signifies this that there is discontent in the country over the present constitutional position of India and discontent over the reluctance of the Government of India in giving Indians their rightful control over matters connected with the defence of this country. I refuse to accept the proposition that the vote of the Assembly was a vote for Hitler or the totalitarian States, which nobody loves in this country; but, it was certainly a vote against British imperialistic domination on India.

In the speeches of Mr. Amery and those of the Viceroy in recent times it is easily possible to discern that none realizes better than they the importance of the Middle Eastern Front and, therefore, the inescapable necessity of turning India into a base for all purposes of supply. The Eastern Group Supply Conference and the Roger Mission all point in that direction. But none of these things warm Indian hearts because the whole design is only to see that England does not wane imperially; there is hardly anything to show that India as a country would gain any independent strength nationally. The vast changes that have rapidly been taking place all over the world should revolutionize our ideas of what the defence of the country requires. The patriotism of the people has to be stirred, young men of all classes must be trained to serve the country and the nation should be roused to make sacrifices in order to make the country self-dependent in the matter of defence. The fulfilment of such a task is only possible under a national leadership. The need of the present hour requires an Indian Defence Minister with effective power and clamours for it. Only an Indian Defence Minister and a policy of fullest trust in Indians can create trust, and win the unreserved and fullest response from the Indian people. As soon as the country is made to feel that it is called upon to decide vital issues that affect its future and that it has a real hand in shaping the defence policy of the Government of India it will not only give its whole-hearted and earnest support for the quick execution of such measures as are necessary for the protection of this country but also fight with full vigour alongside with Great Britain with that energy and enthusiasm which nothing but self-rule alone can generate for the cause of democracy and freedom.

Sir, loyalty without self-respect is neither worth offering nor accepting. The self-respect of India, the respect of Indian manhood, requires that Indians must be lifted to positions of real responsibility and be given at least military

self-government which will be regarded as an earnest and forerunner of England's desire to grant freedom to India and will unite England and India in an indissoluble bond of friendship.

I have no desire, Sir, to enter on the present occasion into a discussion of the question of Indianization or the question of high salaries—questions which I have on several occasions dealt with in the past. They are certainly standing grievances and not much has been done to meet our point of view in those directions. I would, however, utilize my time on the present occasion by saying a few words regarding the policy and attitude of the Muslim League towards the political future of India and the attitude of Government towards the minorities question. I would like to assure my Muslim friends that I am not entering into this subject in any spirit of carping criticism but merely in a spirit of enquiry. Pakistan is based on the two-nation theory of Mr. Jinnah, which, to start with, I would rather call a two-nation hypothesis. The idea is that in those parts of India where the Muslims find themselves in a majority, so far as population is concerned, they should have a State with something synonymous with independent sovereign powers. In putting forward this proposition the Muslim League, in my opinion, lands itself into self-destructive logic. Can it not, Sir, I ask, be argued with the same logic that since in India taken as a whole the Hindus form a substantial majority—68·24 per cent. on the 1931 census—India should be a Hindu State with power for Hindus only “synonymous with independent sovereign power”?

THE HONOURABLE MR. HOSSAIN IMAM: Do we deny the power to the minorities?

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: I will answer that point later. Let me make it clear once again that in putting forward this argument I am neither advocating nor making a demand for a Hindu State in India or in any part of it. One apprehension which has several times been expressed by the Muslim League is that a Hindu majority at the Centre would nullify the Muslim majority in certain provinces and a demand for that reason is made for very effective safeguards at the Centre. This is a very curious proposition indeed and amounts to asking for the statutory establishment for all practical purposes of the rule of a minority over the rest of India. Nowhere has the Muslim League demanded a State with an entirely Muslim population. There has been no talk of expatriation or repatriation. Muslims therefore will continue to live as they are at present living in various parts of India. India has provinces made out for the convenience of administration, whose boundaries have now

and then been changed. It is entirely an accident that the Muslim population of a particular province finds itself in a majority. If the boundaries are changed or readjusted the majority may turn into a minority, and the boundaries may be readjusted if the British rulers so desire, thus bringing the entire fabric of the Muslim League demand for a collapse. As the leader of the Muslim League said the other day in another place that the Muslims will live and die for Pakistan, I find it necessary to ask a few more questions and try to understand the position better. One would like to know what will be the position of the minority communities living in Pakistan? Will the Hindu in Pakistan be treated as a national or an alien? Will there have to be naturalization of citizens and both Hindustan and Pakistan have perfect liberty in the matter? What will be the relation of Pakistan and Hindustan and their relation with the Indian States? What safeguards will the minorities in Pakistan have against what the Muslim League calls danger to culture and religion? Will the Muslims in Hindustan be satisfied with the same rights

[Rai Bahadur Sri Narain Mahtha.]

and privileges as are allowed to Hindus in Pakistan? Or will the minorities in Pakistan be held as hostages against fantastic demands in Hindustan? In spite of so much agitation, I honestly feel that Pakistan is being used as a meaningless political slogan, good enough only as a slogan. But slogans are fraught with danger. Attempts should be made therefore to educate public opinion, both Muslim and Hindu alike, to the utter impracticability of the Muslim League demands. But, Sir, indications seem to be otherwise. In the speech delivered the other day by Mr. Amery at the luncheon of the English Speaking Union I find clear indications of an attempt to sow seeds of further dissension and disintegration in this country by suggesting that a weak Central Government and functional representation may be better suited to the needs of India. What surely he had at the back of his mind was not the need of India but the need of England in India. I deprecate any attempt on the part of Government to placate any community for their own political ends and to grant any section of the Indian community a virtual veto with regard to the political progress of India.

I admire Sir, the valour of Englishmen in the way in which they have withstood German aggression. My sympathies are fully with them. I want them to win the war. I want India to give them all the material support she can, but I definitely want Britain to change her attitude towards India. I do not believe in the argument that nothing can be done during the war. Why cannot we form a national government responsible to the present Indian Legislature in which only the elected and nominated non-officials can vote and the official group refrains from voting. The official group may be present and take part in the discussion when called for. This can certainly be done by a few amendments in the Government of India Act, 1935. It is very unconvincing to say that this is not the time to do it. When a few days before the collapse of France the British Prime Minister was prepared to alter the whole of the British constitution, why cannot this much be done in the case of India? Then, Sir, the constitution of 1935 itself, under which we are working today, was not heartily received by anybody. No political party accepted it. The British Government did not show any concern for the views of political parties then and is not likely to show any now unless it is for the purpose of finding out fresh arguments for deferring a move towards constitutional advance. Sir, the proposal to extend the Executive Council was made but nothing was said to show that the expanded Council would be responsible to the Legislature. The proposal to form a War Advisory Council was made and has now been practically buried. If Provincial War Boards can be formed to strengthen the war effort, why cannot the Central War Advisory Committee be formed? Individual Muslim Leaguers and the Hindu Mahasabha have joined the War Committee. Government have advanced no good reasons for dropping the proposal at the Centre. Obviously they were in a fix when they were asked to state what the constitution and powers of this Central Committee will be.

Sir, I have made my comments fully realizing my position and moved by an apprehension that while Government may say a lot about the various political parties in India they do not fully realize the gravity of the situation themselves. The present time is one when England should send out a goodwill mission to India to negotiate with Indian leaders and make it clear not by declarations but by earnest acts that whereas she undoubtedly is the champion of democracy in Europe, she also wants to confer on India what she wants Indians to go and fight for in Europe. Sir, I am a zemindar and I can only

hope to reap the benefits of what I have if there is orderly democratic Government in this country which recognizes the right of private property. I am the President of the Landholders Association of my district and in that capacity I have had a good deal of experience of the Congress Government and the Kisan agitation in Bihar. I am also the President of the Hindu Mahasabha of my district and I can claim to be aware of the communal situation in the country. I value the British connection with India. I want victory for British arms. I am even a member of the district and provincial War Committees, but I do not for the matter of that see the slightest inconsistency in asking for the improvement of India's constitutional position and her national defence. I consider that the Nazi victory will be a disaster to India and the world, but at the same time I feel that the present state of servitude and slavery is not worth living for. Britain may well say that she is fighting for the defence of all those essential conditions that make life worth living. The position is somewhat different with us. In our case those conditions do not exist. When we ask for them you say we want to bargain at a time when you are in a bad plight. Not at all. What we want is that you should make your intentions perfectly and intelligibly clear and do something in earnest now, so that we who want to help you, we who are already helping you to the best of our ability, may be able to get for you the fullest measure of support from the country which is impatient for the betterment of its constitutional position.

Sir, I am voting against the Bill, not to indicate my indifference to what is happening around us or in a feeling of security that the world conflagration will not, if unchecked, engulf India, not to dissuade or chill war efforts in which I am an active participant, but in condemnation of the constitutional and defence policy to which my country has been made subject. I vote against the Bill in token of my disapproval of the narrow and the short-sighted policy that has guided the British Government and the Government of India in dealing with Indian aspirations in the matter of constitutional advance and the defence of this country.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, as a businessman it is difficult for me to enter into this debate on the purely political plane and whilst I admit that many of the various arguments which have been produced have had their repercussions on my empire spirit, I shall not attempt to discuss them. I shall leave that to those better qualified to do so and will content myself with stating one simple fact, namely, that reason dictates to everyone of us that the salvation of India cannot be secured by the leverage of hostility to Britain and those who choose today to pursue such propaganda must be prepared for whatever consequences may come to them when we emerge from the present conflict scarred but victorious.

There are one or two aspects from the business point of view regarding the Finance Member's proposals which I wish to discuss. First of all, there can be no denying that the imposition of a surcharge on income-tax in the manner now decided is not sound finance and can be justified only on the grounds of expediency. I realize however that since war expenditure must be met there is no solid basis for opposition on the grounds I have indicated. At the same time it is evident that expenditure must continue to increase and in the course of time, perhaps very soon, the country will be faced with the necessity of finding ways and means of meeting it. Since this is so India's taxable resources will need to be adequately surveyed and plans formulated now to recoup growing expenditure in a way calculated to impose the least

[Mr. J. H. S. Richardson.]

disability on trade and commerce combined with the greatest possible yield. Expedients such as that resorted to on this occasion which bear harshly on members of the public with fixed salaries—and that is so for the great majority—should be deprecated as a basis for financing India's war effort. The need for such a survey and plan as I have mentioned has, I am sure, not been overlooked by Government and the commercial community hope that it will receive full and careful consideration and will include the survey of the limits of indirect taxation and taxation of luxury items which in present war circumstances should bear their full share.

On the other side of the picture the need for careful check being kept on all classes of expenditure is a matter which those who have to shoulder increased taxation and heavier burdens will constantly stress and in this connection the Government's agreement to appoint a Standing Committee to be attached to the Department of Supply is timely and commendable and we gratefully acknowledge the response of Government to public opinion in this respect. I am not sure, however, that public opinion will be satisfied if this Standing Finance Committee is merely to operate over questions of pay and appointments of officers and I hope Government will not seek to confine the Committee's work to these matters. It seems to me that here is an opportunity for Government to utilize the business experience and knowledge of those who will be associated with the Committee and if this is carried out with goodwill and co-operation on both sides I am confident a great deal of usefulness and assistance can be derived from that Committee's work.

Sir, I support the Bill.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY (East Bengal; Non-Muhammadan): Sir, although the Government said that we were to get dominion status of the Westminster type soon after the war, they did not think it fit as in the case of the other dominions to consult the Indian Legislature before launching India into the war. They might have intimated the fact of sending Indian troops outside to the Party leaders but that is hardly sufficient for the purpose of obtaining the approval of the Legislature. I therefore take this opportunity of protesting against such treatment and of expressing our viewpoint about the war. Before I do so, I may say that if the British Government had, as they say, they are willing to do, granted freedom to India, before the war began, she could have averted the war by appeasing Germany much more easily than Mr. Chamberlain trying in vain to postpone it merely as at Munich. However, as that is a matter no longer of any present bearing, I shall confine myself to a consideration of what under the present circumstances should have been the best attitude for India to have adopted. Almost every country in Europe and Turkey and Egypt has, in consideration of her insufficient economic and military strength, adopted an attitude of neutrality in this great war between two nations striving for world domination. Canada under the protecting wings of the United States and Australia being far away from the theatre of war and both being peopled by the same race could have afforded to join the war, but there is a strong party in South Africa which is for neutrality and Ireland though very closely situated has remained neutral.

Since then, three other powerful nations, *viz.*, the United States, Russia and Japan are also threatening to join the war.

Poor as India is, in her economic and military resources, it was therefore incumbent upon her to assume an attitude of strict neutrality and equip

herself, to the best of her ability, so as to make up her past delinquency as rapidly as possible.

This England has not allowed India to do, she has dragged India into the war to tap her poor resources, and to secure the services of her furnished people by the offer of pecuniary considerations and idle hopes, not so much for the defence of India, but that of the British Empire in which India acts the part of a belot. This is apparent from the fact that a very large part of her troops and war productions are being employed outside India, instead of being conserved for purposes of the defence of India.

Argument is advanced in support of this conduct, that the frontiers of India have now been extended up to Suez.

When Aden was being taken away from the military control of the Government of India argument had been advanced that Aden was beyond the military frontier of India, although Aden was occupied by and at the expense of the Government of India. Nor do I understand what does the British Government mean by saying that the frontiers of India now extend to Suez. Do they mean that Mesopotamia, Irak, Trans-Jordan and Arabia, after the dismemberment of the Turkish Empire during the last war, now form part of the Government of India and not released from the British mandate when native sovereigns were established in them? Are the rulers of those places mere dummies and puppets in the hands of the British Government like their confreres in India? Is that why although Egypt which has been attacked by Italy and Turkey in a huff are still declaring themselves neutral, yet these States dare not open their mouths? These are questions which do not concern India much and I leave them to my Muhammadan friends to elucidate and understand, but I do strongly object to Indian men and resources being used up for their defence specially when we are being threatened on the east by Japan and on the west by Russia. What I ask is, while Russia and Japan are hobnobbing with Germany and the latter has already diverted her attention from China and landed troops in Thailand, what steps have the Government of India taken to defend her frontiers? The speech of the Honourable the Finance Member is absolutely silent on the point. We cannot get aeroplanes before the demand of England is met, nor other machinery or plants from abroad, nor must we set up factories for their construction, because that requires attention and time which the Government can ill afford to spare. Under the circumstances, is it safe for India to send out her troops to a place where they stand the chance of being entrapped by the closing of Aden and outflanked by the Germans and Russians through Turkey and Afghanistan? The British Government boasts of her navy and relies on it for the protection of India. She has already given up the pretence of defending India by her army. What will the British Navy do if Aden is closed and India is attacked through her land frontiers on the east and west and her navy tied down by Japan at Singapore? I want further to understand what are the implications and results of the Eastern Group Conference recently held in India? Who bore its expenses, what scope for industrial development even for purposes of the war will be afforded to India and what help will any of them amongst whom India is an outcast get from the others in the event of being attacked?

Mr. Churchill committed a Gallipoli blunder during the last war. We have already had a Norwegian and a Dunkirk folly committed during the present war and I don't know whether the Indian troops will have to effect a march of retreat through the sands of Arabia and Persia if Aden is closed and Germany with the help of the Turks and Russians come down upon them.

[Mr. Kumar Sankar Ray Chaudhury.]

As India has been rendered too poor and too much unequipped to offer any substantial timely help, she should not fritter away her resources but conserve them for her own defence as the position now is, that if England loses, India having taken her side will be calling upon her the dire vengeance of the winner. We are lightheartedly asked, If England loses, what will happen to India? To that I would reply in the same vein, that we have been so long ploughing a lonely furrow, and we will then have John Bull yoked to us. If, on the contrary, England wins, there is great doubt as to how far the British Government's promises and hopes for the grant of freedom to India with already too many loopholes of escape left in them will be honoured in their fulfilment. We have already seen Mr. Lloyd George's proclamation about the right of self-determination of nations vanish into thin air, and the attitude of the British Government even now towards the offer of co-operation made by the Congress is a clear pointer to that direction. For if she were honest she would have acceded to the demand of the Congress and agreed to vest full powers and responsibility in the hands of the Cabinet and then seen whether we could come to an agreement and form a coalition cabinet or not. This England flatly refused to do on the mere excuse that it would prejudge the case even though the day of judgment is almost upon us. Instead of that, England, to speak in the words of Lord Halifax, like Hitler, "is pursuing a policy of combined cajolery and brutality *vis-a-vis* India".

THE HONOURABLE THE PRESIDENT: Honourable Members, I am sorry that other Members have not risen in their places to address the House today. I will now adjourn this debate till Wednesday next but I must inform Honourable Members who have not spoken today that there is no absolute guarantee that they will get a chance of speaking on Wednesday because Wednesday is a very heavy day and I shall call upon the Honourable the Finance Member about 3-30 P.M. to address the House.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern Non-Muhammadian): Sir, may I say before you adjourn the Council, the present occasion is one of extraordinary importance. You know, Sir, the considerable time which the debate took in the other House.

THE HONOURABLE THE PRESIDENT: I am prepared to sit till 7 P.M. on that day if you like.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What I submit is this. Suppose the debate is not finished on Wednesday?

THE HONOURABLE THE PRESIDENT: I shall finish the debate on Wednesday if we have to sit till 8 P.M.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Well, you can make us sit as long as you like, but what I was venturing to say was that if the debate was prolonged it could be carried on even to the next official day. There is no absolute necessity for finishing it on Wednesday. I admit you have allowed us full latitude today.

THE HONOURABLE THE PRESIDENT: I have already said that you can speak on that day. You will probably take more than an hour and a half.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I have no intention of doing so, Sir, notwithstanding your encouragement. But there are so many Members yet to speak.

THE HONOURABLE THE PRESIDENT: I have only said that I cannot guarantee that all those who have not spoken will have an opportunity of speaking. That is all that I have said.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: All the Members will not have a chance of speaking if you decide to close the debate the day after tomorrow. But what I am venturing to ask is whether it is necessary to do so. There is no reason why the debate must conclude on that day.

THE HONOURABLE THE PRESIDENT: The Honourable Member ought to know that it is not necessary that every Member present in the House must address the House and that the President should not close the debate till every Member has addressed the House. If the President feels that the whole case has been thoroughly discussed and thrashed out he has got the right, and there are many precedents before me, he has got the right to close the debate at any time.

The Council then adjourned till Eleven of the Clock on Tuesday, the 26th November, 1940.

COUNCIL OF STATE.

Tuesday, 26th November, 1940.

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

QUESTIONS AND ANSWERS.

NUMBER OF CADETS ADMITTED ANNUALLY TO THE INDIAN MILITARY ACADEMY.

46. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the number of cadets admitted annually to the Indian Military Academy and what is its annual output at present?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Before the war, the number of cadets admitted annually to the Indian Military Academy was 60 Indian Army cadets and 20 cadets for the Indian States Forces. The output for 1939 was 59 for the Indian Army and 12 for the Indian States Forces; that of 1940 was 116 for the Indian Army and 35 for the Indian States Forces. In addition 76 special entry candidates were commissioned after undergoing short courses at the Indian Military Academy during 1940.

NUMBER OF CADETS UNDER TRAINING AT THE INDIAN MILITARY ACADEMY, ETC.

47. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the number of cadets under training in the Indian Military Academy and in the Training Centre at Mhow, respectively?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): The number of cadets at present under training at the Indian Military Academy is 122 for the Indian Army, and 38 for the Indian States Forces. The number of cadets being trained at Mhow at present is 246 for the Indian Army and 20 for the Indian States Forces.

NUMBER OF RECRUITS ENLISTED IN THE INDIAN ARMY.

48. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What is the total number of recruits enlisted in the Indian Army in (a) India and (b) each province, since the war broke out?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): A statement is laid on the table.

Statement showing total numbers recruited from 1st September, 1939 to 30th September, 1940 by provinces.

Province.	Numbers.
North-West Frontier	5,506
United Provinces	12,227
Punjab	48,036
Rajputana and Central India	5,381

Statement showing total numbers recruited from 1st September 1939 to 30th September 1940 by provinces.

Province.	Numbers.
Delhi	406
Madras	9,898
Bombay	7,656
Bihar	710
Central Provinces and Berar	899
Bengal	113
Nepal	3,346
Hyderabad	7
Coorg	42
Assam	1
Sind	137
Baluchistan	8
Grand Total	94,228

NUMBER OF BRITISH OFFICERS IMPORTED FROM ENGLAND FOR THE INDIAN ARMY.

49. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Have British officers been imported from England since the 1st September, 1940 for appointment as officers in the Indian Army, excluding the I. M. S.? If so, how many?

(b) Have any officers belonging to the Special Unemployed List who were retired in 1934 been recalled since the 1st September, 1940? If so, how many?

(c) Have selected British warrant officers been appointed as commissioned officers in the Indian Army since the 1st September, 1940? If so, how many?

(d) What are the other sources from which British officers have been obtained for the Indian Army, excluding the I. M. S., since the 1st September, 1940, and what is the number obtained from each source?

(e) What is the total number of British officers appointed to the I. M. S. since the 1st September, 1940, and how many of them are retired officers of the I. M. S.?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) Yes, 239.

(b) Officers of the Special Unemployed List did not retire. Three hundred and twenty-two have been recalled, in accordance with the terms on which they were placed on this List.

(c) Excluding promotions to departmental commissions, the number of warrant officers promoted to commissioned rank in the Indian Army is 34 of whom 14 were for service with the Auxiliary Force (India).

(d) Emergency commissions granted in India, of which the number up to the 1st of October was 1,041.

(e) Ten British officers have been appointed to the I.M.S. since 1st September, 1939 and 31 retired officers have been recalled.

NUMBER OF INDIANS GRANTED EMERGENCY COMMISSIONS IN THE I.M.S.

50. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) How many Indians have been granted emergency commissions in the I.M.S. since the 1st September, 1940?

(b) What is the number of non-statutory Indians and Anglo-Indians, respectively, who have been granted emergency commissions in the Indian Army, excluding the I. M. S., since the 1st September, 1940?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) 419.

(b) Records are not available of the number of Anglo-Indians included in the earlier batches. Among those selected for emergency commissions by the last two boards, 10.9 per cent. were Anglo-Indians.

NUMBER OF INDIANS IN THE ARMY IN INDIA RESERVE OF OFFICERS CALLED UP.

51. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How many Indian officers belonging to the A. I. R. O. have been called up since the 1st September, 1940? How many of them are Anglo-Indians?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : One hundred and ninety-nine Indian officers belonging to the Army in India Reserve of Officers have been called up since September, 1939. None are Anglo-Indians.

It is possible that some Anglo-Indians who entered the European wing of the Army in India Reserve of Officers before the formation of the Indian wing may have been called up but the figures are not available.

MR. P. R. CRERAR, TECHNICAL OFFICER, SUPPLY DEPARTMENT.

52. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Will Government state the date on which Mr. P. R. Crerar, Technical Officer (Chemist), Supply Department, left Spain, the date of his arrival in India and the date of his appointment as Assistant Chemist P. S. O. C. (I.) Secretariat?

(b) Was he offered the post of Assistant Chemist in the P. S. O. C. (I.) Secretariat, after he came to India or while he was in Spain? What are the special qualifications for which he has been appointed Chemist in the Supply Department? Is his salary Rs. 1,200 per mensem?

THE HONOURABLE MR. H. DOW : (a) Mr. P. R. Crerar left Spain for England in December, 1938. He arrived in India on 23rd March, 1939, and took up the appointment of Civilian Technical Officer (Assistant Chemist) on the Secretariat of the Principal Supply Officers' Committee (India) on 27th March, 1939.

(b) The appointment was offered to Mr. Crerar while he was in England. His salary is Rs. 1,500 per mensem. The recital of his technical and practical qualifications is too long for me to give in answer to a question and I therefore lay a statement of them on the table of the House, merely saying that he has entirely justified his selection for the post which he now holds.

Statement of the qualifications of Mr. P. R. Cramer, B.Sc., A. I. C., Deputy Director, Chemicals Directorate in the Supply Department, as extracted from his application for appointment under the Government of India, dated 19th January, 1939.

Institutions at which the applicant was educated—

- (1) Bachelor of Science . . . Degree (London University) Chemistry honours, physics subsidiary 1925 internal. (Inter-B. Sc. Chemistry, Physics, pure mathematics applied mathematics).
- (2) A. I. C. Elected to . . . Associateship of Institute of Chemistry 1926, exempted examination after obtaining honours degree in Chemistry.

(3) *Subjects in which the applicant has specialised.*—Industrial Chemistry : chemical and metallurgical engineering, together with sufficient knowledge of allied sciences and administration to be able to obtain a true economic perspective as opposed to purely technical outlook. Had gained considerable practical experience by working with a number of firms in England, on the continent and in India.

(4) *Nature and extent of practical experience.*—Prior to July, 1927 pupil with G. Nevill Huntly, fuel expert of Victoria Street, and Hornsey Gas Co., with object of specialising in fuel technology, carbonization of coal, water-gas production, ammonium sulphate production, coal tar distillation effluent disposal. July, 1927—March, 1929 Chief Chemist Oleo, Anglo Espanola de Cemento Portland, Spain, where he was responsible for actual process operations and quality of cement produced. The plant produced 40,000 tons per annum. Resigned when Spanish Syndicate bought plant. September, 1929—March, 1933 Assistant Chemist Rio Tinto Co., in charge of special analytical and research section of large central laboratory mainly occupied with investigation work on recovery of elemental sulphur from smelter fumes, sulphuric acid manufacture from pyrites, flue dust control precipitation, impurities in copper, corrosion, purity of mine air, etc. Resigned during trade depression to take up position in India. April, 1933—November, 1936, after two months studying modern ideas in England proceeded to India as Chief Chemist and Chemical Engineer to Bundi Cement, Ltd. (130,000 tons per annum) and consultant for Punjab Cement, Ltd. (60,000 tons per annum). He was responsible for the actual process of manufacture, quality of product which had to comply with B. S. S. requirements, direction of research (which led to development of water proof cement stated by Government Test House, Alipore, to be better than imported British cements). Survey of quarries (as much as 60—90,000 tons of rock were blasted loose by electrical detonation at one time) and also carried out extensive tours in northern Indian plains, Himalaya foothills and to Sind Desert to examine possibilities for industrial development. February—April, 1937 research chemist to Messrs. Chance Bros., glass manufacturers of Birmingham, mainly to work on refractories and liquid glass flow in furnace. After a short while, he was offered another appointment with the Rio Tinto Co., after consultation with Messrs. Chance Bros. April, 1937—December, 1938, Assistant Superintendent of gold froth flotation concentrator, where with the chief, worked out practical operation of unique process of treating low-grade gold proposition in the world. Staff 150 men, handling 1,100—1,200 tons per day by cyanidation activated charcoal absorption and froth flotation.

MR. S. S. VENKATAKRISHNAN, TECHNICAL ASSISTANT, SUPPLY DEPARTMENT.

53. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What are the qualifications of Mr. S. S. Venkatakrishnan, Assistant Technical Officer, Supply Department ? Is his salary Rs. 250 per mensem ; if so, why is there so great a difference between the salaries of the Technical Officer (Chemist) referred to in the previous question and the Assistant Technical Officer ?

THE HONOURABLE MR. H. DOW : Mr. Venkatakrishnan, who is now designated as Technical Assistant, is a B.Sc. (Engineering) of the Benares Hindu University. He served as an apprentice with the M. & S. M. R. and the Bombay Electric Supply and Tramways Co., Ltd., for about a year and had also one year's practical training in the Madras Electricity Department. His appointment in the Supply Department carries a pay of Rs. 250 per mensem in the first year and Rs. 275 per mensem thereafter. The Technical Officer (Chemist) who is now designated Deputy Director (Chemicals) has technical qualifications of an entirely different kind, and long practical experience, and the work on which he is engaged in the Department is of an entirely different

character, and of a far more responsible kind. Government, therefore, cannot see that the salary paid to this latter officer affords any criterion of the pay to be given to a junior officer working in an entirely different branch.

TECHNICAL SECRETARY, BOARD OF SCIENTIFIC AND INDUSTRIAL RESEARCH.

54. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What are the qualifications of the Technical Secretary of the Board of Scientific and Industrial Research and what is his salary ? In which year and from which University did he take his doctorate ? What was the last appointment held by him and what was the salary attached to it ?

THE HONOURABLE SIR ALAN LLOYD : He is a D.Sc. and a Fellow of the Institute of Chemistry and the Institute of Physics, both of Great Britain. He took his doctorate degree from the Bombay University in 1936. He is employed on a salary of Rs. 700 per mensem in the scale of Rs. 700—50—1,000. Before joining his present appointment he was a Special Fellow in Nobel Institute, Stockholm, on 300 Crowns per mensem.

MAJOR J. E. FOSTER, M. G. O. BRANCH, A. H. Q.

55. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) What is the appointment held by Mr. J. E. Foster and what is his rank ? Is he employed under the Defence Department ? What are his emoluments including allowances ?

(b) What are his academic and professional qualifications ? What are the public examinations that he has passed ?

(c) Was Mr. Foster in the employ of Messrs. Jessop & Co., and of Messrs. Martin & Co., at any time ? If so, what was the nature of the appointments held by him ?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : (a) Major J. E. Foster is employed in the office of the Master General of Ordnance, Army Headquarters, as Deputy Assistant Director of Mechanization on Rs. 1,430 per mensem.

(b) He has not passed any public examination nor does he possess a degree of any University, as his studies were interrupted by the Great War, 1914—1918. He has, however, an experience of 20 years as a ground engineer with various firms in the United Kingdom and in India.

(c) He was employed as a senior electrical and mechanical engineer with Messrs. Jessop & Co. and as a resident engineer of the Agra Electric Supply Company with Messrs. Martin & Co.

MANUFACTURE OF KHAKI DYE FROM POMEGRANATE EXTRACT.

56. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Has the attention of Government been drawn to the criticism in the columns of the *Hindustan Times* of the proposal to produce khaki dye from pomegranate extract ? Will Government state the amount of khaki dye produced from this source so far ? Is it better as a dye than mineral khaki ? If not, why has research been started in this connection ?

(b) Will Government state which of the substances required for the production of mineral khaki are either not being manufactured or not being manufactured in sufficient quantity ?

THE HONOURABLE SIR ALAN LLOYD : (a) The answer to the first part of the question is in the negative. The remaining parts : One : Government have no information as to the amount produced. Two : Government are advised that it is not better as a dye than mineral khaki. Three : So as to be prepared against a possible shortage of mineral khaki dye.

(b) Bichromates are the principal ingredient in the manufacture of mineral khaki dye and at present sufficient quantities of bichromates are being manufactured or imported into India to cope with the demands for khaki dye.

SUPERIOR OFFICERS IN THE SECRETARIAT OF THE EASTERN GROUP CONFERENCE.

57. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How many superior officers are there in the Secretariat of the Eastern Group Conference ? Have Indian officers been excluded from it ? If so, why ?

THE HONOURABLE MR. H. DOW : There are in all six superior officers working in the Secretariat of the Eastern Group Conference, from which Indian officers have not been excluded.

NUMBER OF INDIAN PILOTS UNDER TRAINING.

58. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What is the number of Indian pilots who are being trained by the Civil Aviation Directorate and the Air Force authorities in connection with the recent scheme for the expansion of the Indian Air Force ? How many of them are Anglo-Indians ?

THE HONOURABLE MR. A. DEU. WILLIAMS (on behalf of His Excellency the Commander-in-Chief) : At the present moment 35 candidates are being trained at the various flying clubs by the Civil Aviation Directorate and 43 Indian pilots are being trained at Service Training Schools in India. None are Anglo-Indians.

MEASURES TAKEN TO PROTECT BOMBAY AND KARACHI FROM AIR ATTACK.

59. THE HONOURABLE MR. G. S. MOTILAL : (a) What measures have Government taken to protect the cities of Bombay and Karachi from apprehended air attack by enemy air force ?

(b) How many anti-aircraft guns, fighters, searchlights and other weapons of defence have been provided ?

(c) Whether any anti-airraid barrages and other new devices used in England are also kept ready for use in Bombay and Karachi ?

(d) What other measures do Government contemplate to adopt against possible air attacks ?

(e) Have Government provided any air raid shelters in the cities of Bombay and Karachi ? If so, how many and where ?

(f) Are Government aware that black-outs have led to a number of fatal accidents by motor cars and other vehicular traffic ? Do Government propose to adopt any remedial measures against such accidents ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a), (b), (c) and (d). It is not in the public interest to answer these parts of the question.

(e) Public air raid shelters have not been provided in Karachi or Bombay.

(f) The Home Department have no information that black out restrictions have caused any increase in the number of fatal accidents. The suggested remedy is careful driving and care on the part of pedestrians.

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill to amend the Indian Sale of Goods Act, 1930, which was passed by the Legislative Assembly at its meeting held on Monday, the 25th November, 1940. •

(The Honourable Rai Bahadur Lala Ram Saran Das and the Honourable Mr. P. N. Saprú were not present to move their Resolutions.)

THE HONOURABLE THE PRESIDENT : Honourable Mr. Dalal.

THE HONOURABLE MR. M. N. DALAL (Bombay : Non-Muhammadan) : Sir, I am not moving the Resolution.

RESOLUTION *RE* SUPPLY DEPARTMENT.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadan) : Mr. President, I beg to move :

" That this Council recommends to the Governor General in Council that immediate steps be taken to reorganize the Supply Department with a view to safeguard and promote Indian industries by—

- (a) the employment in important posts of an adequate number of Indians drawn from the services and from the business organizations ;
- (b) proper administrative control of the different sections of the Department ; and
- (c) the enforcement of the policy clearly laid down in regard to the development of Indian industries when the Indian Stores Department was constituted."

Sir, the House is well aware of the importance attached to the Supply Department by the people of this country. The interest taken by the Honourable Members themselves is further proof of the fact that it is realized both by the country at large and the Legislature that this Department which is of immediate importance in regard to the development of industries in this country is even of greater importance with regard to their future development. I shall, therefore, make no apology for dealing with questions concerning this Department today.

Sir, I shall deal first with the personnel of the Department as that is the first question that my Resolution raises. I put a question on this subject in March last. Since then I gather from a reply given by the Honourable Mr. Dow to a question of mine on the 19th November that the staff of the Department has been added to and there are 41 officers more now than there were on the 4th March last. Let us see on what lines the expansion of the Department has proceeded. One of the questions in connection with which the Department was criticized in March was the very inadequate employment of Indians in it. Let us see whether that complaint has been remedied. So far as the main Secretariat of the Department is concerned, there are certainly more Indians in the superior posts than there were in March last. There are two more Indian I.C.S. officers, I believe, in it and the Controller General

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of Purchase is also an Indian, the previous Controller General of Purchase having been appointed to another post in the Department. In the Directorates General of the Department, however, that is, the Directorate General of Supply and the Directorate General of Munitions Production, the state of things is worse than it was in the Supply Department in March last.

Sir, I was rather surprised when I read in the papers that this Department was going to be reorganized. When I became aware of the full particulars regarding it I thought that it was a virtual dethronement of my Honourable friend Mr. Dow. He was formerly the monarch of this Department. But he has now been given two Grand Wazirs who seem to exercise all the real power and to place him in the same position with regard to themselves which I believe the Supply Member occupies with regard to him. Let us see what the activities of these Directors General are. Let me first turn to the manner in which their Departments have been staffed. The Director General of Supply is Brigadier Wood, who was formerly the Secretary of the Department of Supply. Then there are two Deputy Directors General and a number of Directors—of Textiles, Timber, Miscellaneous, and so on—and there are a number of Deputy Directors. But these are all Europeans. The beautiful whiteness of this Department is spoiled only by one spot. There is an Indian officer on special duty. With his exception there is no Indian occupying what I would call a superior post in the Directorate General. The appointments made in the Directorate General of Munitions Production tell the same story. The Director General is our old friend Sir Guthrie Russell. The House will not therefore be surprised to learn that his Department too consists almost wholly of Britishers. According to the list supplied by the Honourable Mr. Dow, there are two Deputy Directors General and Directors of Factory Expansion, Civil Production, and so on—all are Europeans. There are a number of Deputy Directors and among them there is one Indian. The Officer on special duty is a European, so is the Metallurgist. We see therefore that the expansion of the Supply Department has practically led to no increase in the number of Indians in it. It has rather aggravated the complaints that we formerly had against this Department. But this does not complete the tale. The Department has organizations under its control in the provinces. It has in the first place Controllers of Supplies. They are six in number and three of them are Europeans and three Indians. This *prima facie* seems to be a very fair arrangement, but the Controllers of Supplies in the three important centres of Calcutta, Bombay and Cawnpore are all European. There is another set of officers under the Control of the Department called Advisers. Their activities too are carried on in the provinces. They may not be limited in their functions to one province, but what I mean is that these officers do not form part of the headquarters secretariat. Well, we have a number of Advisers, for instance the Wool Adviser is Mr. Watt of the Lalimli Mills of Cawnpore; the Leather Adviser—I had almost called him the Leather King—is Mr. Inskip of Messrs. Cooper Allen & Co. of Cawnpore. I should like to ask why, when Government have a Harness and Saddlery Factory of their own at Cawnpore, they have appointed a man belonging to a private firm as their Adviser? Their Harness and Saddlery Factory is a very efficient concern. The public would have thought naturally that they would utilize their own experienced officers at Cawnpore. I should like to know why Government, setting aside their own officers, have in this matter appointed the representative of a private company as their Adviser at Cawnpore? There are a number of other Advisers. I need not go into the whole number. Only one of them who is concerned with steel is an Indian, and I understand, at any rate it is feared, that efforts are

being made to have even that Adviser replaced by a British Adviser. Again, Sir, as regards tents, while there is no Adviser in respect of them, it is rumoured that there soon may be a Tent King also, just as we have a Wool King and a Leather King. As I have already said there are a number of Advisers, but with the exception of one they are all British and their Deputies also are non-Indian. I should like to know how it is that Indians have been almost completely excluded? Is it that no qualified Indian was forthcoming or is it that the Government of India being the successor of the East India Company still takes good care to see that the commercial interests of the Europeans are placed above the interests of the people of the country. Sir, the manner in which the Department has been staffed requires a good deal of explanation, and I am afraid that Government will not be able to advance any valid justification for the manner in which they have treated Indians in respect of the superior posts in this Department.

Now, Sir, I should like to say one word with regard to the qualifications of some of the men who have been appointed to this Department. Take the Director General of Supply, Brigadier Wood. I have nothing to say against him on personal grounds. It would be impertinent of me to say anything with regard to his professional qualifications, but I think I may be permitted to say, having met him once or twice, that he appeared to me to be a very able officer. I do not doubt his professional ability or his general ability. But what I want to know is what is his particular ability for the post that he occupies? What are his qualifications for dealing with questions relating to supplies of various kinds, which so far as I can see are not connected to any large extent at any rate with the supply of war stores. One can easily name half a dozen Indians who would have been quite suitable for being appointed to this post, and could perhaps have been appointed more economically also. Government want to speed up production and organize the Department in the most efficient way, but they appoint to a key post a man who so far as one can see has no special qualifications for it. In any case I venture to submit that men with far better qualifications would have been easily available in the country had the interest of the country been the sole concern of Government. Now, let us take our old friend Sir Guthrie Russell. He got four extensions I believe as Chief Commissioner for Railways and now he will be Director General of Munitions Production I suppose till the end of the war. I do not grudge him his good fortune, but again, what are his special qualifications for the post? He is a railway engineer and he may be a very competent man for the post. I do not say that he is unfit, that he has not the qualifications entitling him to his present appointment, but if Government intended to give even one important key post to an Indian they could easily have appointed an Indian to be Director General of Munitions Production. If for any reason their choice was to be limited to railway engineers I could name competent Indians who could be selected, Indians who had been railway engineers and who had held high positions. But I do not want to mention any names. I have no doubt the House knows that there is dearth of suitable men possessing qualifications of the kind that our friend Sir Guthrie Russell does. Sir, I shall give just two or three illustrations more. In the main Directorate there is one Major Ormond, a practising Barrister before his selection, who has been appointed as Director of Indents on Rs. 1,500 per mensem. We have been told that his professional income was much more. I accept that; but I should like to know what were his qualifications for being appointed as Director of Indents. He might have been a very good barrister. He may be a very excellent man personally; but why has he been appointed as Director of Indents? Again, Sir, there is a Director of Co-ordination, a Britisher, who, I have been told, belonged, before his

[Pandit Hirday Nath Kunzru.]

appointment to the Air Conditioning Corporation. He has been appointed on a salary of Rs. 1,500 a month. My last illustration refers to the Director of Textiles, who has been appointed on a salary of Rs. 2,250. I understand he has been taken from a private firm. I should like very frankly to mention here an allegation that I have heard repeatedly in business circles here. I cannot vouch for its accuracy but since it has exercised the mind of Indian business men here I venture to draw the attention of Government to it. It is said that in addition to his salary he gets a commission from his old firm on the orders placed with it by Government during the war, orders which can only be placed with it on the recommendation of this officer. I should be glad to know—

THE HONOURABLE MR. H. DOW : What is the name of the officer ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I have not given his name but if the Honourable Member wants it I can—

THE HONOURABLE MR. H. DOW : What is his designation ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Director of Textiles and if he wants his name it is D. M. Passmore. I hope the Honourable Member will be able to tell us that this allegation is not true. I do certainly hope that for the good name of the Government of India that they have not allowed anything which would justify the allegation that I have brought to their attention.

Now, Sir, I will pass on to the second part of my Resolution, the need for exercising proper administrative control. I understand that the Directors General occupy the status of Additional Secretaries to Government. If this is so they can pass orders in the name of the Government as the other Additional Secretaries can. Nevertheless I should like to have further information regarding the full extent of their powers. Are cases dealt with by them referred to the Member in charge or even to the Secretary of the Department ? If they are not why has Mr. Jenkins, who was till recently the Chief Commissioner of Delhi, and a very efficient Chief Commissioner too, been appointed as Secretary of this Department ? What is the function of the Vice-President of the Board of Supply or the Supply Member himself if their Additional Secretaries are independent of them ? I want to know in particular what type of cases these Additional Secretaries take to the Member in charge, and in what cases power is finally delegated to them to act on behalf of Government. I want this information particularly because it was stated recently in the press that further decentralization in respect of the powers of the Directors General was under consideration ? I do not know whether this statement is true or not, but the general belief is that their powers are already enormous and the rumour that they might be further increased has naturally created a great deal of anxiety. Lastly, I should like to say a word or two with regard to the organization of the Department of which my Honourable friend Mr. Dow is the Vice-President. Of the two Directors General one has his office in Delhi and one in Calcutta. Well, I should like to know how the Government of India are exercising the control that they should in respect of the activities of the Director General of Munitions Production who has his office in Calcutta ? I hope that the Government has not been divided into two parts : one part functioning in Delhi under Lord Linlithgow and the other in Calcutta under Sir Guthrie Russell. Sir, the

arrangement, I must say, is of an extraordinary character. I hope Mr. Dow will forgive me if I say it is utterly absurd. It has been thrust on us in the name of urgency of supplies for the war, but it is hard to believe that there are any sound reasons that can be urged in favour of this system.

Now, Sir, one word with regard to the last part of my Resolution, the enforcement of the policy that was laid down by Government regarding the Indian Stores Department. We know that this Department owes its existence to the recommendations of the Indian Industrial Commission. When it was established it was laid down roughly speaking that its function would be to act as a purchasing and inspecting agency on behalf of the Central Departments of the Government and to scrutinize the Home indents of all these departments. Our complaint for a long time has been that the Central Departments of the Government of India have not made full use of this Department, but I understand from what has appeared recently in the papers that the Department has not given satisfaction to British businessmen. I refer, here, Sir, to an inquiry instituted by the Associated Chambers of Commerce, of which our Honourable friend Mr. Richardson is President, at the instance of the Bengal Chamber of Commerce in regard to the manner in which the Indian Stores Department is at present proceeding. I understand that the complaint is that its procedure is dilatory and vexatious and results in slowing up war production and supply. Now, outwardly, Sir, there is dissatisfaction both with the Supply Department and the Indian Stores Department, but the Upper Indian Chamber of Commerce has let the cat out of the bag by saying in a communication addressed to its member bodies that "the accusations seem to be directed primarily at the Indian Stores Department". Now, what I should like to know, Sir, from my Honourable friend Mr. Richardson, if he cares to speak during this debate is as to whether this statement is true and, if so, to let us know more definitely what are the charges that the European community has to bring against the Indian Stores Department ? From such facts as have come to my knowledge, it does not appear to me that the Department has either been extravagant or dilatory. I know of one important article dealt with by it and I have taken more than ordinary interest in it because it concerns the city of Cawnpore in my own province. I am referring, Sir, to tents. I understand that, when the war broke out, large orders were placed with the Cawnpore mills. In March, 1940, however, the Indian Stores Department, through which orders were placed, invited tenders. The result was, I am told by the businessmen themselves, that the price for March orders was less by 10 to 15 per cent. than the price for previous purchases and that the price for April, 1940 was still lower—I understand it was 10 per cent. less than the March price. And now I understand that competitive rates are being offered by 48 factories in different parts of India. I do not think I need give more illustrations, Sir, but if any more illustrations are necessary, I would refer to the case of motor bodies which had to be manufactured in this country. I know something about it as I frequently go to Bombay. I have been told that the Government of India, but for the efforts of the Indian Stores Department, would have had to pay a substantially higher price than they actually did. If this is true—and I have no reason to doubt the accuracy of this statement because it has been made to me by people acquainted with the motor business—it reflects considerable credit on the Indian Stores Department. My Honourable friend Mr. Dow laughs superciliously. Let him have his laugh. I do not in the least mind it so long as he can assure us that the Indian Stores Department has acted economically and efficiently.

In view of these facts, Sir, I should again like to ask, why there is dissatisfaction with the Indian Stores Department ? From the facts that have

[Pandit Hirday Nath Kunzru.]

come to my knowledge I see no cause for dissatisfaction. It can be accounted for only by political prejudices. I think I should in this connection bring to the notice of Government the dissatisfaction of the Indian business community with the Supply Department. I have already spoken of the manner in which British officers have been appointed to almost all the important posts in the Supply Department but what I want to refer to now is the dissatisfaction among Indian businessmen which is due to the feeling that they are being discriminated against and that they are getting much fewer orders; I mean orders of a much lower value, than the European firms. Colour is, of course, lent to their allegations by the manner in which the Supply Department has been staffed, as I have already said more than once. But I have been given facts relating to the orders placed in Madras which tend to show that the feeling in Indian business circles is not unfounded at any rate to a large extent. I understand that in Madras a very large proportion of the orders has been placed with European firms.

THE HONOURABLE SIR ALAN LLYOD: May I ask if the Honourable Member refers to orders placed by the Indian Stores Department or other orders?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: That I cannot say. I wish I had the information asked for at my disposal but I have not got it.

THE HONOURABLE MR. H. DOW: I have already placed that information at the Honourable Member's disposal in answer to a question, I gave him the figures of the orders placed by the Indian Stores Department. Practically all these orders have been placed by the Indian Stores Department, with which the Honourable Member was just now expressing a great deal of satisfaction—quite rightly too.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I don't remember when the Honourable Member gave me this information. He may have done so, however. His memory may be better than mine.

THE HONOURABLE MR. H. DOW: It was only 24 hours ago.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Yesterday. Well, we have not got the detailed replies to questions that were given yesterday.

Then again, Sir, I will give one more illustration which refers to the Directorate of Contracts which is now under the Supply Department. I understand that its tenders are not published, while the Indian Stores Department still publishes the results of its tenders in the *Indian Trade Journal*. In particular cases it may withhold these results from publication but as a rule it publishes them, but the Directorate of Contracts refuses altogether to publish the results of tenders received by it. Apart from this, I am told that it has made a European firm at Lahore its sole purchasing agency for certain kinds of foodstuffs, such as wheat, barley, rice, etc., and I understand that has been done without inviting tenders. I know, Sir, that what has been done cannot be undone. I don't want, therefore, to go on dealing with what has happened in the past. But it behoves us to see that the policy pursued in future is such as to give no cause for dissatisfaction to the people of this

country. What has happened so far has created a fear that the Indian Stores Department might be abolished. We feel, on the other hand, that it should be enlarged and entrusted to a much larger extent with the purchase of the requirements of all the Departments of the Central Government. We further suggest that the results of tenders should, as a rule, be published. And lastly, we ask that the Advisers of Government should be appointed in such a way as to safeguard Indian interests. The Advisers are all concerned, it is true, with manufacturing industries while Indians are mostly connected with the raw materials which these industries require. But, when the prices of manufactured articles are fixed, it is obvious that the prices of the raw materials required for them are fixed by implication. This is the main cause of the complaint of Indian businessmen against the present arrangement. I brought it to the notice of my Honourable friend Mr. Dow, in March last. I bring it to his notice again and I suggest that if the present Advisers are to be retained, there must be associated with them Indian Advisers who are connected with the supply of raw materials—

THE HONOURABLE MR. SHANTIDAS ASKURAN: With business and industrial experience.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:—required for the industries in which Government are interested.

Sir, I have nothing more to say except to express the hope that in view of the importance of the activities of the Indian Supply Department in respect of the present and future industrial development of this country, Government will take adequate steps to carry out the proposals made in my Resolution. Industrial advancement is the only foundation on which the future prosperity of the country can be built up.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, before I go on to develop my remarks on the Indian Supply Department I should like, with your permission, to congratulate the Honourable Mr. Dow on his promotion to the high position of the Governor of Sind. (Applause.) We have attacked the Department of Supply; we have attacked the head of the Department of Supply for his policies; but I can assure him that there is no ill-will on this side towards him. He has been, Sir, a valued colleague of ours in this Council and we wish him all success as Governor of Sind. We hope he will be able to restore peace and order in that unhappy province.

Sir, the Honourable Mr. Dow showed himself responsive yesterday, in the statement that he made in this House, to popular opinion. He agreed to the appointment of a Committee for the Supply Department and the Committee will be composed of elected Members, as Government will support elected Members only. We, on this side, Sir, are always thankful for small mercies, and as the Honourable Mr. Dow came into trouble with a certain section of the House because of our attitude, I think we are bound to stand by him in the stand that he took in regard to this matter—

THE HONOURABLE THE PRESIDENT: You are taking the opportunity today to talk about a matter on which you did not talk yesterday.

THE HONOURABLE MR. P. N. SAPRU: No, Sir.

THE HONOURABLE THE PRESIDENT: Then please proceed with your speech.

THE HONOURABLE MR. P. N. SAPRU : I was only saying that we fully share the responsibility with him for the statement that he made. The responsibility really was ours, not so much his, because there would have been pressure on him from this side to make the statement that he made.

The Supply Department, Sir, is a very important Department from our point of view. It is one of the key Departments at this moment. Whatever our political differences might be, it is essential for us to win this war and upon the efficient manner in which this Department works will, in a large measure, depend the success of India in this war. Services in connection with the Supply Department are in connection with the war, and the interest taken by non-official Members in the Supply Department shows that they are not indifferent to what happens to this country or to the war. The Supply Department is not a mere Department of administration like the other Departments. It is a Department upon the efficiency of which would depend in some measure the outcome of the present conflict. I would say, therefore, that every one who is doing work in the Supply Department is doing national work, is doing patriotic work. We should impress this upon every one who is doing work in the Supply Department that he is doing some patriotic work, that he is doing some national work, work which will earn him the thanks of the country and as he is doing this patriotic work and as he is earning the thanks of the country for this patriotic work, I say he ought to be prepared to make sacrifices and he ought not to expect or demand a salary higher than what he was getting before. I think it will serve no useful purpose if I were to deal here with the salaries of officers before and after their appointment in this Department. I would emphasize the point that we must all be prepared in war time for some sacrifice and men who do work in the Supply Department should be prepared for sacrifices. I am sure their sacrifices will be appreciated by the community at large.

Then I should like to pass on to another question, namely, the question of Indianization in the Supply Department. Sir, I have a statement before me—I am not going to read the names of the officers—of persons drawing a salary of Rs. 800 or over in the Supply Department. I find that in the Department of Supply there are 13 men, and out of those 13 only 5 are Indians. Then in the Department of the Director General of Supply there are I think 14 men, and all of them are Europeans. In the Office of the Director General of Munitions Production there are 32 persons, and as far as I can see only four of them are Indians. I am not referring to the Indian Stores Department, the supplies for which we vote. This is the position in regard to Indianization so far as the Supply Department is concerned. It is a very unsatisfactory state of things from the Indian point of view. You want Indian co-operation, you want Indian help, but the help and the co-operation that you can get can be only on terms consistent with the self-respect of India, and you must therefore give an opportunity to the Indian to serve in this key Department also. I do not accept the view that efficiency is the monopoly of any particular race. You can get efficient Europeans and you can get efficient Indians, and I do stand for the view that in his own country the Indian has a superior claim to employment than the European.

Then I should like to refer to the system of recruitment to new posts in the inferior positions in the Supply Department. Perhaps the Honourable Mr. Dow will correct me if I am wrong, but my information is that the services of the National Service Committee have been utilized for getting recruits. The National Service Committee, as the House knows, was established to help in the recruitment of Anglo-Indians and Europeans for army purposes. We on this side of the House objected to this Committee because we found

nothing national about it. The one national feature of it was that the nationals of this country were excluded from the purview of the Act which brought this Committee into existence. There is therefore objection on our part to recruitment through this National Service Committee. I think you ought to utilize the services of the Public Service Commission for the purpose of your recruitment. The Public Service Commission is a very impartial body. It has a European President, it has a Muslim member and a Hindu member, and its reputation for integrity and efficiency and fairness and justice stands high. I think, therefore, its services should be utilized for recruitment, and that ought to put matters right.

I do not want to refer to individual officers, but I think there is an age when we must all retire, and I do not like that there should be positions reserved for certain people. I think, so far as the Director Generalship of Munitions is concerned, it was possible to get an Indian Civil Servant of experience to run the Department of Munitions. You do not necessarily need an engineer, a very distinguished and eminent engineer, to run the Department of Munitions. If you so wished you could have taken an Indian Civil Servant of experience for the post. Also I find, the Honourable Mr. Dow will correct me if I am wrong, that there are far too many Anglo-Indians in the minor and clerical staff of the Munitions Department. I would like also to say that the impression ought not to be allowed to go abroad that there is any discrimination in the matter of contracts and supplies between the nationals of this country and the Europeans. I would, therefore, suggest that the purchases should be through the Indian Stores Department. That Department is to some extent under our control. We vote its supplies. Why should the military authorities control and regulate supplies? In my opinion the Director of Contracts should be a civilian. We do not want military men to dissipate their energies over work of this minor character. We want our friends like Colonel Sir Hissamuddin to go to the front and fight for us. We do not want them to waste their time over work which can be done with greater efficiency by civilians. Sir, we believe in the division of labour. I emphasize this point because I want these key positions to go to Indians, because I want you to make India feel at this moment that you trust India and Indians.

Now, Sir, I come to another point. The work of purchase for His Majesty's Government is in my opinion commercial work. It is not a work for which we need the services of the Defence Department. I think that for purchases made we should continue to charge, as has been the practice in the past, our usual 3 per cent. commission. I do not know exactly what is the position in regard to this commission business at present. Perhaps the Honourable Mr. Dow will enlighten us on this point. I do not say that we should make a profit out of these purchases, but I see no reason why we should dispense with this commission for purchases through this country by the United Kingdom or the Dominions or the other parts of the British Empire. If the Department is organized on these lines and we get an assurance that all these matters

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will be the subject of review by a standing committee on which our elected Members will find representation, I am sure it would command the confidence of the country. It is necessary that the Supply Department, which is a very important Department at this moment, should inspire the confidence of all sections of the community and not only of certain sections of the community, and it is from this point of view that I would urge the Honourable Mr. Dow to accept this Resolution. It is not intended to be a vote of censure: it is intended to help him in organizing the Department on a proper basis.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadan) : Sir, let me congratulate the Honourable Pandit Kunzru on his foresight in bringing forward this Resolution at this particular juncture. I give my wholehearted support to the objects he has set out in the terms of the Resolution. Sir, it is beyond controversy that in this country the repeated demands of the people for an active policy of State assistance to foster our industrial development met with refusal throughout the last century and right up to the commencement of the last Great War in 1914. It was only during that war that the Government of India realized how helpless India was, both in regard to her normal requirements and as a military asset to the Empire without any industrial development worth mentioning. Sir, we had the spectacle in the early stages of hostilities of the Government of India appointing Sir Thomas Holland to preside over the Department of Munitions. During a critical period of that war, Sir Thomas Holland was appointed Chairman of the Industrial Commission which toured the country and produced a report with far-reaching recommendations. The question of fiscal policy alone was left over by the Holland Commission to be considered after the end of the war. Sir, it is a well-known fact that with the return of normal times many of the recommendations of the Industrial Commission were put into cold storage. A Fiscal Commission, however, was appointed, presided over by that distinguished Indian, the Honourable Sir Ibrahim Rahimtoola. There was a majority report and a minority report, the latter signed by the Chairman and some of his Indian colleagues. It is not necessary for the purpose of this debate to describe in detail the halting policy adopted by the Government known as discriminating protection. Sir, so far as the Indian business community is concerned, it firmly believes that considerably more rapid progress could have been achieved in regard to our industries, if the Government had shown a willingness to take a more active interest and more vigour in support of established and new industries. There should have been, soon after the return of peace conditions, a well-planned, long range policy for exploiting the resources of India in the interests of the people. Sir, I will not go into the sorry episode of the repeated but futile efforts made by non-official Members of the Central Legislature to help such essential industries as ship-building and in more recent years the manufacture of aircraft and of railway locomotives.

Sir, I acknowledge with gratitude that within the last few months the Government of India have shown a greater realization of the need for all round industrial progress. We welcome the establishment of the Industrial and Scientific Research Board and the signs of active interest it has shown, since its inception, in various directions. I have already referred, Sir, with appreciation, to the assurance given by the Honourable the Commerce Member and the Honourable Mr. Dow that all possible steps will be taken to assist the manufacture of aircraft and automobiles in this country. The question, however, Sir, which interests us most is, as I ventured to point out in my speech on the Finance Bill, how far are the interests of Indian industries going to be safeguarded in the policy of active assistance which the Government of India intend to follow during this war? From that point of view, Sir, we cannot conceal our anxiety in regard to the Department of Supply. If there is one matter which has cropped up more frequently than any other in the course of the debates on the Finance Bill in both Houses of the Legislature, it is in regard to the Department of Supply. Here is an enormous department which has grown up under the stress of war conditions, with unrivalled opportunities of helping the industries of India by organizing the purchase of Indian goods, both manufactured as well as in their raw state. Indian businessmen cannot help viewing with misgivings the relationship between the Indian Stores

Department whose past policy towards Swadeshi industries has encouraged us to place confidence in its methods, and this new Department of Supply. The Indian members, Sir, have expressed, rightly in my opinion, its suspicions when recently the Indian Stores Department was placed under the control of the Supply Department. A fear has already arisen that this may prove to be the thin end of the wedge. Unless prompt steps are taken, efforts may even be made for the abolition of the Department.

Sir, it is for the Government to come forward with authoritative evidence to remove the many suspicions to which expression has been given during the last two weeks in this House as well as in the other House. I have read, Sir, with interest and care, the observations of the Honourable Member in charge of the Supply Department in reply to various allegations made in another place. Sir, some of us are not satisfied with the plea that because this Department had to be organized under abnormal circumstances, it was not possible to appoint a larger number of Indian officers to key positions. I hope, Sir, that this policy will not continue in the future and that it does not imply distrust of Indian officers of the Government of India.

Another point, Sir, to which reference has already been made in the debates in the other House, is the abandonment of the tender system generally by the Supply Department. We are all of us willing to make many allowances for work which has to be rushed through in war time. A certain amount of waste and extravagance may indeed be inevitable in such circumstances. But, Sir, I sincerely hope that the responsible officers in charge of the Department and the Honourable Member himself will not allow the war to be made an excuse for yielding to the clamour of vested interests and the imposition of unfair handicaps on Indian industries and Indian business. Every effort should be made to invite tenders through the *Indian Trade Journal* and for the fullest publicity possible regarding the requirements of the Supply Department.

In this connection, Sir, I would like the Honourable Mr. Dow to kindly inform this House whether a certain percentage of the contracts are given to parties who, the Indian Stores Department know, do not possess factories of their own. These people place the orders with manufacturers who might not be able to get orders direct from the Stores Department. I daresay that, if these orders are placed direct, the middleman's profits will be saved.

THE HONOURABLE MR. H. DOW : Sir, this is an extraordinary allegation. Is the Honourable Member aware that it is the Stores Department itself that places these contracts?

THE HONOURABLE MR. SHANTIDAS ASKURAN : And do I understand from you, Sir, that the orders are not given to persons who have got no factories and who place them with manufacturers?

THE HONOURABLE MR. H. DOW : That is not the allegation you made.

THE HONOURABLE MR. SHANTIDAS ASKURAN : No, no. I am not making an allegation. I have only given the facts.

THE HONOURABLE MR. H. DOW : I will deal with it in the course of my reply.

THE HONOURABLE MR. SHANTIDAS ASKURAN: Sir, now that the Indian taxpayer is called upon to bear the full charges of the enormous establishment of the Supply Department, it is more than ever necessary that strict control should be exercised over its various sections. We would like to be assured that there is no duplication of the work in consequence of lack of co-ordination. I hope, Sir, that the Standing Committee which is being appointed will be given every facility to investigate the various complaints that have been made against the present methods and policy adopted by the Supply Department.

Sir, in supporting the Resolution, I venture to express the hope that the Government of India will accept it and carry it out in the spirit in which the discussion has taken place.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Mr. President, the Resolution before the House is not a drastic measure. It does not outright condemn the Government's action; I am afraid, Sir, all the misunderstanding that exists about the Supply Department is due more to its secrecy than to any inherent defects of its own. The Supply Department deals with a great number of items and its activities are ever on the up-grade. Naturally the common man is worried and wants to know how the things are being carried on. At the present day, in the democracies as apart from the autocracies of the dictator nations, the safeguard which has been imposed is that everything should be before the public eye. I appreciate the difficulties of the Department. The Department, when it was first formed before the beginning of the war, was a very, very small Department. I remember having met Mr. Dow before the war when he was first appointed to this Department at Simla. Then he had a small office in Gorton Castle and nothing much to go upon. The Department has increased and the complaint which we as Indians have against this Department is, firstly, that its personnel has got too many Europeans and Anglo-Indians. That, Sir, may be due to natural causes, to the fact that our head officers being Europeans knew more Europeans than Indians to fill these posts that were being created. But that is no excuse for doing the same thing now when we have had breathing space.

Secondly, Sir, the trouble is that in expanding this Department it is feared a lot of duplication has resulted. The Department is divided probably into four or five major heads. First, there is the Department of Supply proper. Then there is the Department of the Director General of Supply. Then you have got the Indian Stores Department. Then you come to the Directorate of Contracts. Then you have got the Controller of Supplies. And in addition to these, you have the advisers and liaison officers and others. The Honourable Pandit Kunzru has referred to different kings, the Wool King, the Tent King, the Textile King. I am not aware of the exact procedure that is adopted in the Supply Department and therefore cannot say whether they act as kings, ministers, or ministerial officers. But a question arises, what is the control exercised by the Supply Department proper and the Finance Department? This, Sir, is a very pertinent question and I think it is about time that we considered the matter in all its implications. It is no condemnation of the Department to ask that it should be ventilated. When the matter is properly sifted, I think it will be found that Mr. Dow's Department is not half so bad as it has been painted. Sir, there can be no two opinions on item (c) of the Honourable Pandit Kunzru's Resolution—that the policy laid down in regard to the development of Indian industries when the Stores Department was constituted should be enforced. The difficulty at the present moment is

that the division of functions between the Directorate of Contracts and the Indian Stores Department is arbitrary. We are following the old system which existed before the war. The Contracts Directorate was in charge of certain supplies for the army. That is being continued. It might have been a good policy then when the requirements were small, but it is open to question whether the continuance of that system at the present time is advisable. I for one, Sir, would stress two or three points for the consideration of the Supply Department on its reorganization. Firstly, Sir, I have a strong objection to the re-employment of people who have already retired or giving extensions to those whose period of service is at an end.

THE HONOURABLE MR. R. H. PARKER: Even in war time?

THE HONOURABLE MR. HOSSAIN IMAM: In war time you may have one or two officers who have special qualifications but here I have a list of 19 people ranging from a salary of Rs. 100 to Rs. 2,800 who have been retained after having qualified for pensions. You cannot say that all these people could not be dispensed with. This information is given in reply to question No. 42 in the Legislative Assembly. I agree with the Honourable Mr. Parker that there might be exceptional cases, but they should be rare and not the ordinary rule.

Secondly, Sir, I wish that in order to give India a greater sense of responsibility and a greater opportunity of serving, the number of Indian officers in the higher ranks should at least be a half. Indians to be recruited need not necessarily belong to the Services. You have taken people from outside among the Europeans and so you can take outsiders either from the business or the public life as you like for the posts which carry exceptional responsibilities.

Thirdly, Sir, I should like unnecessary posts to be abolished. I could not understand what exactly the functions of the Controller General of Purchase are. You have in the Supply Department which deals with all the purchases a Vice-President, War Supply Board, a Secretary to the Department of Supply, any number of Joint Secretaries, Deputy Secretaries and Assistant Secretaries, and in between the Secretary and his Joint Secretaries and Deputy Secretaries you have a Controller General of Purchase. When the purchases are not made by the Supply Department, what are the functions of the Controller General of Purchase? He seems to be a fifth wheel. There are in the Supply Department three Deputy Secretaries, two Under Secretaries, one Joint Secretary and one Secretary. I think that for an administrative controlling department the number of functionaries is rather too big. It should be capable of reduction as you have decentralized some of your work. I am not a believer in greater and greater centralization. Centralization has its advantages. I have heard of instances in which stores to the value of a few rupees to be purchased by the Supply Department have cost more in communication and telegrams to the Supply Department and from the Supply Department to others than the cost of the article themselves. These are the disadvantages which probably prompted the Supply Department to decentralize some of its functions. There should be, in my opinion, an equitable settlement between the advantages of centralization and its disadvantages. To a certain extent, in an extensive Department, it is necessary that there should be also decentralization. The Honourable Mr. Shantidas Askuran has brought out a very important point, that there is duplication of work. Improve, as far as you can, from your experience—I do not blame you for duplication in the past, but its continuation would be a slur on you. You

[Mr. Hossain Imam.]

should, however, be open to improving the Department by learning from your errors. To err is human. But a wise man, after making his mistake, corrects himself and a fool persists in it.

Well, I am personally interested, Sir, in seeing that the debate is not prolonged too long so that I will not lose the opportunity of moving my Resolution. Therefore I shall now conclude.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official): Mr. President, I thought that the necessity for moving this Resolution did not exist any longer. We have seen yesterday, that the Government themselves agreed to appoint a Standing Committee, consisting only of the elected Members, to go into the working of the Supply Department, and I thought it will not be too much to hope, that with a magic wand in his hands our friend, the Honourable Dr. Kunzru, will do miracles when he is elected a Member of that Committee. Now that, by weeding out the nominated Members, my Honourable friend has successfully conspired to make his election to this Standing Committee sure and certain, I thought that he will wait and see how affairs in the Supply Department stood before he moved his Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Sir, is this all in order? What has this Resolution got to do with the possibility of my election to the Supply Committee? That question is not relevant at all.

THE HONOURABLE SIR RAMUNNI MENON (Nominated Non-Official): He is only advertizing it.

THE HONOURABLE SIR MUHAMMAD YAKUB: I wanted to give prominence to your conspiracy, and your successful conspiracy too.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I do not want your kind efforts.

THE HONOURABLE SIR MUHAMMAD YAKUB: I know that you have got more kind and bigger friends than myself who have already supported you in your conspiracy.

THE HONOURABLE THE PRESIDENT: Please come to your speech on the Resolution.

THE HONOURABLE SIR MUHAMMAD YAKUB: He interjected and I had to answer. Sir, my Honourable friend has taken great pains in enumerating the defects in the administration of the Supply Department. Well, so far as these defects go, my Honourable friend Mr. Dow himself made a clean confession on the floor of this House yesterday that there were some valid grievances and some exaggerated complaints against his Department, and I thought that when the accused has made an open confession in the House, my friend the Honourable Mover will not be so hard upon him and will not insist upon his pound of flesh. But the trend of the whole speech of the Honourable Mover of this Resolution is that he seems to have no confidence in Englishmen, and that he is suspicious of all Englishmen from top to bottom without making any discrimination. Mr. President, if confidence begets confidence, non-confidence and suspicion also begets non-confidence and

suspicion, and if my friend says that he has no confidence whatsoever in any Englishmen, how can he expect that they will have confidence in him? Mr. President, we are always told that the Government did not take our politicians and the members of the Opposition into their inner counsels and in their confidence. But, when we see the difference between the attitude of the Opposition in England and that of the Opposition in India, we will find, whether our Opposition deserves to be taken into confidence or not. In England, you will find that Mr. Attlee, the Leader of the Opposition, is now the Deputy of the Prime Minister and he is trying his best to prosecute the war—with a greater zeal, perhaps, than the Prime Minister himself. But what is the condition of affairs in India? We find that as soon as war was started our politicians, those who were responsible for the administration of the country, tendered their resignations. The Opposition in the Central Assembly withdrew from the task which was placed before them. Instead of prosecuting the war and helping the Government, what are the members of the Opposition doing? Instead of sitting at their office tables as Ministers, they are now going to jail to have some rest. Is that the way in which they want that Government should have confidence in them or do they deserve that the world should say that Indians who were placed in positions of responsibility are fit to discharge their responsibilities as they ought to do?

Mr. President, I will be only too glad if more Indians are appointed to the Supply Department, but, Sir, I would like to see that these appointments are not made the monopoly of one community or one nation and that care would be taken that a fair and just share is given to all the communities and all the nations who live in this country. The Honourable Mover says in his Resolution that immediate steps be taken to reorganize the Supply Department. Now what does this mean? Reorganization means dislocation and suspension of work for a long time. In the present war conditions, when to lose a single minute means a great danger to our country, can any patriotic Indian say that the whole work of the Supply Department should be dislocated and suspended while new officers are appointed?

THE HONOURABLE THE PRESIDENT: At the end of his speech he made it clear that he was speaking about the future. He said lot by gones be bygones.

THE HONOURABLE SIR MUHAMMAD YAKUB: Does my Honourable friend mean to say that effect to his Resolution should be given after this war is over and we have another greater war like the present one? If he does not want it for the present then the whole object of his Resolution is gone. If he wants that the reorganization should take place during the present war, then I think he wants to dislocate the whole administration of the war and would be endangering the defence of the country to a great extent, which I think cannot be expected of a patriot like the Honourable Mover of the Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Of what use then is the culprit's confession, to which you referred?

THE HONOURABLE SIR MUHAMMAD YAKUB: After confession, Sir, the accused always gets a technical punishment, and I will not be sorry if my friend Dr. Kunzru would be satisfied by giving a technical punishment to the accused, and after he has given him a good thrashing on the floor of the House, will not insist on pressing his Resolution to the vote.

With these remarks, Sir, I am sorry I cannot support the Resolution as it stands.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, I welcome the invitation which my friend the Honourable

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Pandit Kunzru has extended to me to explain the attitude taken up by the Associated Chambers of Commerce of which I am the President. But before I do so, I must take this opportunity also of comparing the attitude of my friends which they took up yesterday, when it was evident they were doing all they could to stop the voting of the money over the expenditure of which they are today evidently evincing so much concern.

Now, first of all let me say a word about Indianization. The appointment of so many Europeans to the Department of Supply is a matter with which my community has, so far as I am concerned and so far as I know, had nothing to do. We are not opposed to Indianization. We—and I am speaking so far as my own firm is concerned and my own Chamber of Commerce—have done all we can to train and put responsible Indians in supervisory positions. It has not always been a success, but neither is the appointment of a European or anyone always a success. But we have done what we can and that is our intention. We are second to none in that respect and we have shown our sympathy in this matter by what we have done in regard to the Appointments Board of the Calcutta University and also the Government Commercial Institute. They are but two illustrations of many which I could quote in respect of this matter. If responsible Indians and Indians with ability can be found to fill some of these positions, we are not against it. But it must be people with ability. It must be people who will by their work do nothing to impede what we consider is the primary consideration and that is the war effort.

Turning to the other matter, I would like briefly to tell the House the history of the Associated Chambers' inquiry. In June last after the collapse of France, the agitation for Government to use to the full India's industrial war effort was increased, and along with Indians we Europeans did all we could to bring to the notice of the Government our feeling that they were not using this industrial capacity to its fullest extent. Government had its reasons, which they explained to us and which very much helped to allay our criticism. But it was evident after the collapse of France that the matter was very very serious indeed and drastic alterations were required in the Department of Supply in order that this industrial effort should be used to its utmost. One of the chief things which we urged was this very question of decentralization which has been mentioned. We found in our transactions with the Supply Department a terrible handicap in their being far away in Simla on the one hand and we being in Calcutta, or wherever else the orders were being placed, on the other, with no real contact and business control. It was an impossible state of affairs, and it was evident that decentralization must take place if the effort was to be encouraged and made successful, I will leave Mr. Dow to go into further explanations if he wishes, but that was our point of view, and we welcome the decentralization which has since taken place.

Now, regarding the complaints in which connection the Bengal Chamber of Commerce started this enquiry. After the decentralization we were asked by one of the Directors of the Supply Department to meet him and put before him any complaints that we might have regarding the working of the Department. It was therefore necessary for us to write and ask our members what complaints they had and in consequence of certain representations which were made to the Chamber we asked members to let us know what they could regarding the impediments which stood in the way of bringing India's war effort to fuller capacity created by difficulties which business circles were reported to have experienced in their relations with Government departments particularly the Department of Supply and the Indian Stores Department. Here

let me say that unfortunately we did not also put in the letter the Contracts Directorate. It was quite unintentional and I assure the House that we had no biased intention in the matter. It was not purely against the Indian Stores Department that these complaints were to be made, but I will deal with that a little later on. The impediments which we had in mind were in three parts. First of all there was rigid and unnecessary insistence on minor contract provisions framed under peace time conditions and quite unsuited to the urgent requirements of the present day. Secondly, the complicated procedure connected with the submission of tenders and the fulfilment of orders. Thirdly, the vexatious and time-wasting incidents attributable to a variety of causes ranging from departmental red tape to inexperience, neglect, inefficiency or unapproachability on the part of the staff of the Department concerned. These were the matters on which we asked the members to report to us. From what I have heard since it is quite evident to me that these complaints and troubles were not only being experienced by European firms but were being experienced by Indian firms as well. Matters which have been referred to this morning show that it is not we alone who are concerned in this matter. It is you also and we hoped to go forward together in this matter and present to the Government those complaints in order not to obtain an answer but a cure. Anyone can produce an answer. Ask my friends of the Indian Civil Service who are always clever in producing an answer from the files! (Laughter.) We want to cure these matters and it is with that sole object that this enquiry was instituted. Now how did this question of doubt regarding the associated Chambers' action arise? So far as I can see it arose because in a letter which the Upper India Chamber issued and which was published in a Delhi paper, they said this:—"Although it is not so stated by the Bengal Chamber of Commerce it would appear that these accusations are primarily directed against the Indian Stores Department". It is quite clear from that letter that the Bengal Chamber of Commerce, as I have already said, did not make this statement and I am not responsible for anything which the Upper India Chamber reads into the letter and quotes something which we did not say. The Honourable Pandit said that the cat was out of the bag. The cat was never in the bag. What are the results? The results are that the other Federation of Chambers has taken up the matter on this misunderstanding thinking that we were asking for the abolition of the Indian Stores Department. We are not doing anything of the kind. We did not ask for the abolition of anything. We are asking for a cure of the various evils: that is all and nothing more. I am very sorry to see, I must say, and I think it a great pity that in it has crept the question of racial discrimination. The other Federation is conducting its enquiry on another line and has based it on a statement made by the Honourable Mr. Dow at Mysore when he said that the War Supply Board had issued orders worth Rs. 50 crores, and consequently from the Federation's point of view there was a genuine feeling held by some in the commercial community in India that the industries controlled predominantly by Indian nationals have not received their due share of the orders placed by the Supply Department. I have no complaint whatever in regard to my Indian friends urging their desire to receive a full share of these orders. There is nothing wrong in it at all. (Hear, hear.) My own opinion is that in the course of time and perhaps even now the Supply Department orders will be sufficient and more than enough for all concerns capable of fulfilment. Therefore it is regrettable that this enquiry has been instituted on a racial basis and I deplore it. I know of no European firms which have tried to get orders at the expense of Indians. As I have already said there will be plenty of orders for all concerned and this figure of Rs. 50 crores is entirely misleading. I thought it included such matters as sand bags and other very large items. However as I have

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said I have no wish to find fault with my friends who urge their case. But in doing so I would like to emphasize the fact that I feel they are making a mistake when they say that the existing machinery of the Indian Stores Department is entirely in order and does not require any revision whatever. In face of this how can you go forward to the Government with complaints? I know that this procedure is wrong and requires some amendment. If on the other hand you pass a Resolution saying that it is not faulty that seems to me to be entirely contrary to truth. I hope my friends would believe me when I say that it is purely our desire to alter things from the ordinary peace time routine which is unsuited and will not be successful, to war time routine. It is only that which we are urging. I believe we have in that respect their entire sympathy and agreement. I think from what you have said there is only this misunderstanding, which I hope my endeavours and explanations will efface.

THE HONOURABLE MR. H. DOW (Nominated Official): Sir, I should like to begin by saying how glad I am of this opportunity to deal with some of the criticisms made against the Department of Supply. There is a section of opinion which would have us think that India is not interested in the war, but it must be clear to all Honourable Members that the amount of attention both in this House and in another place, and on the part of all business interests and in the public press of the country, which has recently been devoted to the Supply Department, affords a complete refutation of those who pretend, who affect to believe, that India is not interested in the war effort. I do not feel any temptation to make in defence of my Department that kind of speech which when made by an officer of Government or by a member of the Muslim League is called an "outburst", and when made by another party is heralded as a "clarion call". I want to give, if I can, a plain unvarnished account of the development of the Supply Department, by way of leading up to the specific points which the Honourable Pandit Kunzru has made.

Before the war, there had been for many years in existence a body known as the Principal Supply Officers Committee, of which the members were high military and civil officers of the Government of India. They had worked out what the supply organization should be in the event of war. They had collected a great deal of valuable data regarding Indian sources of supply, and in that connection I may say that they had done a great deal to encourage and develop those Indian sources of supply. But the events of the last few years before the war, and particularly of the few months before the war, had caused grave doubts in the minds of some of the members of that Committee as to the adequacy and workability of the organization which had been proposed, and eventually it was decided to place an officer on special duty to report on what the war organization should be and to plan it in some detail. I was the officer selected for this post, which was a post for which I had, and required, no staff at all other than purely clerical assistance.

But within a week, Sir, the war was upon us. Government took a decision which I submit in the circumstances was inevitable. A war supply organization had to be got going at once, and it was decided to put into working the organization which had already been planned, unsatisfactory as some of us felt it to be, and to improve it in the light of experience as we went along. The present war supply organization is entirely different from the one with which we started, and to the uninitiated I have no doubt that the present organization seems quite different to some of the intermediate steps by which

it was reached. If this war is a long one, as most of us think it will be, the final organization will perhaps be something very different still. What I think I may claim for the Department is this. Firstly, the Department did get to work at once. In the first two months of its running the Department had dealt, as I have stated before in this House, with purchases of no less than Rs. 14 crores—a figure which Honourable Members may compare in their minds with the ordinary average annual purchases of the Indian Stores Department for the preceding three years of Rs. 7 crores. We dealt with Rs. 14 crores in two months.

THE HONOURABLE MR. HOSSAIN IMAM: Through the Indian Stores Department or the Contracts Directorate included?

THE HONOURABLE MR. H. DOW: The Indian Stores Department and the Contracts Directorate, but it is mainly Indian Stores Department.

Secondly, I think it can be claimed that the changes in organization that have been made have been made smoothly. While changes in organization were being made, we have not held up the essential work of getting on with the war.

And thirdly—and here I come really on to the subject of the Resolution—I think it may be claimed that the changes made have taken serious account of the public criticisms that have been made,—and particularly, if I may say so, of the three things which the Honourable Member has specifically brought to our notice,—(1) Indianization, (2) proper administrative control, and (3) the encouragement of Indian industry.

To deal first with the subject of Indianization. As I have said, the Department started from nothing. The first thing it did, inevitably I think, was to take over the small staff of the Principal Supply Officers Committee. That staff was entirely European.

Secondly, His Excellency the Commander-in-Chief agreed to hand over to the control of the Supply Department for the period of the war, the whole organization of the Director of Contracts. At that time, there were six officers in the Department, five Europeans and one Indian. I gave the figures the other day of the appointments since made. There are now 11 more Europeans; there are 10 more Indians. And these Indians are commissioned officers in the army. I think the House has every reason to regard that as a satisfactory degree of Indianization. His Excellency the Commander-in-Chief, when it was put to him, readily agreed that the expansion of the Contracts Directorate afforded an opportunity for creating additional commissioned posts for Indians in the army; and, as I say, out of 21 appointments made since the Directorate was taken over by the Department of Supply, there have been 11 Europeans and 10 Indians,—practically a 50 per cent. Indian recruitment, and the percentage of Indian officers in the Department has gone up from 16 per cent. to nearly 40 per cent. When it is remembered that the Directorate is a purely military organization, and was almost a purely European organization, Honourable Members opposite will admit that this is not a record of which the Department of Supply need feel ashamed.

Now, Sir, I come to the Secretariat proper. I did not wish to make reference to any individuals but in one instance I must now do so. The first thing that I did was to try and secure the services of the two officers who, within my knowledge, had given the greatest amount of thought and attention in peace time to problems of war supply. One of these, Sir, was Sir James Pitkeathly. The second was Colonel Wood, now Brigadier Wood, who was

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then serving with his regiment near the frontier. That was the original ground for Colonel Wood's selection in the Department and I think it was a reasonable ground. I may say that there is no officer in the whole Department whose services have been more valuable to the Department, and no officer who is giving the Government better value for their money.

I produced a statement of staff in March last which provoked some criticism. But, even in that statement, Sir, 50 per cent. of the officers in the
1 P. M. Secretariat proper were Indians. In other words,

the number of Indians was fully up to the proportion of Indians in the I.C.S. Since then I have produced another statement which shows that three out of seven appointments since made are of Indians. Two of the Europeans concerned are the Secretary to the Department and the Joint Secretary. I should like to explain that it is not so easy to get suitable Indian officers as the Honourable Member perhaps supposes. For the post of Joint Secretary a European was selected only after we had entirely failed to get an Indian officer out of other Departments. The Honourable Member has doubtless noticed that the other Europeans are not people brought in at the head of the department: they are the two most junior appointments.

I come now to the Indian Stores Department. That, again, is a Department which the Supply Department took over as a going concern. Not right at the beginning of the war, because we tried to make as little interference with existing arrangements as possible. There has been no attempt on the part of the Supply Department to set up any new organization to do work which an existing organization was already doing perfectly well. At the beginning of the war, the Indian Stores Department had 13 European officers and 47 Indian officers. At present it has only 11 European officers and has 84 Indian officers. Are there any complaints about that from the point of view of Indianization?

The next considerable category of staff which is now under the Supply Department consists of the Ordnance factories staff. The Department has recently taken that over, and again it is quite obvious that it had to be taken over as a going concern. I suppose nobody is going to suggest that we ought to have started by dismissing all the European officers, or even any European officers, employed in those factories, for the sole purpose of putting Indian officers in their place.

I then come to the staff of the two Directors General to which perhaps most attention has practically been given by the Honourable Mover of this Resolution. As regards the Director General of Munitions Production, some of his staff has inevitably come from the Railways because it was only in that Department that the experience required was available. Some of it has also come over with the Ordnance factory staff proper and from military sources. Generally speaking, his technical staff deal with heavy industries and engineering, which, as you know, are very largely in the hands of European firms. The technical knowledge which is necessary in these appointments—I do not say that it is a monopoly of Europeans in this country, but inevitably most of the experts in these matters are Europeans, and it is no use putting in these posts any but the best men that can be got. You will also find that competent Indians in this line of business are mostly doing a great deal better for themselves, with their scarcity qualifications, than they are likely to do in the Supply Department. It is very difficult indeed—not by any means easy, as Honourable Members opposite seem to suppose—to get Indians who are technically qualified for much of the work that is to be done in the Department.

The Director General of Supplies, who deals with matters other than the heavy industries and Ordnance factories, has also of necessity to have a good many technical men. I am perfectly ready to admit that when the Department was first started and competent officers had to be got in a hurry, I was thinking mainly of other things than Indianization. I was thinking of getting people who could do the job properly and could get it going as quickly as possible. But since these early days I can claim that we have been responsive to criticism made in this House and outside. I placed on the table of this House only the other day a list of further appointments made since last March and I think that roughly 50 per cent. of these were Indians—it was 21 or 22 out of 43. I do not, therefore, think that the record is a bad one.

I now come to the Provincial Controllers. The Honourable Member has admitted that 50 per cent. of those are Indians. It is true that he went on to say that the more important posts were in the hands of Europeans. That again, Sir, is inevitable for the reasons which I have given in dealing with the Director General of Munitions Production staff. The Controller in Calcutta has to know the ins and outs of trades which are largely in the hands of Europeans. That does not apply to Bombay, but at the time when this appointment was made, shipping difficulties were very much to the fore, and it was those difficulties which led to the appointment being made as quickly as possible, and the appointment made was, I think, in the circumstances, the best that could be made.

Lastly, Sir, he has referred again to the Advisers. It has been pointed out repeatedly both in this House and in another place that these Advisers are the free choice, as far as we can secure it, of the industries they represent. Their utility depends almost entirely on their having the confidence of the industry they represent. If they cease to retain that confidence, it is open to the industry to say we do not want this man, we want somebody else. But it is no use appointing a man simply because he is an Indian if he has not the confidence of his industry. In the case of the steel industry, which is as you know an Indian concern, we have from the beginning had an Indian Adviser. The Department has no objection to accepting an Adviser, whether he is an Indian or European, as long as he has the confidence of the industry that he represents. In the case of Leather, I have been asked why the Superintendent of the Government Harness Factory was not appointed as our Adviser. Well, if we had appointed him, we should obviously have had to appoint somebody else as Superintendent of the Harness Factory. In any case I do not see that this is relevant when the Honourable Member is discussing questions of Indianization, because that Superintendent is also a European. So it would not have met his point, and it would not have our needs because as Superintendent of the Harness Factory he has not to be in that close touch with the whole of the leather trade which is absolutely necessary in the case of our Adviser. I was also asked why we did not appoint an Adviser for tents. The answer is that we have more work in the matter of tents than we could justifiably call upon a non-official Adviser to do, and we therefore have appointed within the Stores Department our own officer to do this, and that officer is an Indian.

The question of salaries has been touched on, but in view of the statement which was made by the Honourable the Finance Member in the other House, that he proposes to permit the members of the Standing Finance Committee to go into all individual cases, I do not propose to go into any details here. It would obviously be improper for me to do so. I should only like to say that there is no possible objection to that on the part of this Department, and the Department welcome the announcement. But I must take exception to a suggestion which was made by the Honourable Mr. Sapru. I am quite aware

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there is a large body of opinion in this country which holds that the salaries of superior officers in this country are generally too high. It is unreasonable to expect me, simply speaking on behalf of one Department, to tackle that general proposition, but I am concerned to have it proved that the general level of salaries in the Supply Department is not higher than that in other departments of Government, and I am quite confident myself that if proper inquiry is made that will be the result.

THE HONOURABLE MR. HOSSAIN IMAM: Would he explain why the salary of the Deputy Director General of Supply is greater than the Director General's?

THE HONOURABLE MR. H. DOW: I could explain that, but it would rather break the thread of my argument: if the Honourable Member will put down a question I will try to answer it on another occasion.

Sir, in the last session of this House there was one outrageous suggestion made by the Honourable Leader of the Opposition that a special cut ought to be put on the salaries of military officers who were recalled to duty. That suggestion was dealt with by the Honourable Finance Member very effectively. But the Honourable Mr. Sapru has made a very similar suggestion here, that is that officers working in a department which has to do with the prosecution of the war should for some reason or the other have a special salary cut or at any rate should have special reduced rates of salaries, merely I suppose to rule it into them that they were doing war work. Sir, I think that is an outrageous suggestion. The officers of the Supply Department have very little to gain by joining the Department except a great deal of very hard work and very long hours.

THE HONOURABLE MR. P. N. SAPRU: On a point of personal explanation, Sir. I do not think that they should get less salary than officers in other departments. I said that they should not get any increments because they are doing national work and that is their best reward.

THE HONOURABLE MR. H. DOW: I am glad, Sir, that the Honourable Member has already thought it well to modify what he did say to that extent. But certainly what he said in this House was that we ought to be content with a lower scale of salaries because we were doing work which was useful to the war. I think I am entitled to say that this is an outrageous suggestion, that a premium should be given to officers in other departments, a premium because the work they are doing is not directly useful to the prosecution of the war.

Now, Sir, I come to the second part of the Honourable Mr. Kunzru's Resolution, the securing of proper administrative control over different sections of the Department. It seemed to me that he was not very lucid on that point. No attempt was made to show that there was no proper administrative control over the various sections. As regards financial control I think there is no Department under a tighter control. We have officers of the Finance Department working in the various branches of the Department. There is a separate Finance Officer working in the Director General of Munitions Production's office, there is one with the Director General of Supply, there is one in our own Secretariat, there is one in the Contracts Directorate, and there is one in the Indian Stores Department. But I gathered that his principal difficulty was that he does not believe in decentralization, or at any rate thinks that we are taking this a great deal too far. On that point he

has been very largely answered by the Honourable Mr. Hossain Imam and by another speaker. He wanted particularly to know what class of cases the Directors General were able to dispose of themselves. I am not sure, but I think he objected in fact to the Directors General having in certain matters the powers of Government. Well, Sir, even an Under Secretary in the Government of India has the full powers of Government to the extent that he feels competent to exercise them. It is quite impossible for me within a short space of time to answer all the questions I have been asked, and go into details of the class of cases which the Directors General would normally deal with. They have with them not only officers of the Finance Department that I have mentioned but also regular officers of the Secretariat. It certainly was one of the objects in carrying out the reorganization under which the Director General of Munitions Production has gone to Calcutta that he should, as far as we feel he safely can exercise the powers of Government and enable things to be settled there without unnecessary references to headquarters. I do not know whether the Honourable Pandit Kunzru realizes that the greater part of our Ordnance factories, and almost the whole of the steel production, and of the engineering industry is located in or around Calcutta, and that the Director General has an advisory committee consisting of leading business men of Calcutta. As I have said, he has also full secretariat and financial assistance, and it surely is to the good that this measure of decentralization should have been carried out to enable work to be done more speedily. Another point which I might mention in connection with the administrative control is the way in which public opinion is brought to bear on the Department at every stage. We have an advisory committee with the Director General of Munitions Production. There is no single advisory committee with the Director General of Supply, but it is known to all of us that in the normal working of his branch there are a large number of what are in effect advisory committees constantly working with different sections of his office. Each local Controller has an advisory committee with him on which non-officials are represented. Lastly, we have just agreed to have a Standing Committee of the Legislature.

The Honourable Mr. Kunzru's third point is the development of Indian industries. The debate has taken a somewhat different turn from what I had anticipated it would do. There are as you know certain rules laid down for the Supply of Articles for the Public Service. Preference is given, first, to articles produced in India in the form of raw materials or manufactured in India from materials produced in India: secondly, to articles wholly or partially manufactured in India from imported materials: thirdly, to articles of foreign manufacture held in stock in India; and only lastly, to articles manufactured abroad and specially imported. I think no suggestion is made that an attempt is being made to go behind these rules. I hope not, because in these times it would be traitorous to the Empire for the Department to be deliberately trying to import goods from abroad, goods which are readily available in this country, at a time when the saving of shipping space is of vital importance. On the contrary, the Department has given an enormous impetus to the production of goods of all classes which were previously not made in India and can now be made. The purchase of these goods is made by open or limited tenders, and there is a growing of cases in which special negotiations are necessary. This last class has given rise to some suspicion and I shall refer to it later.

The suggestion, however, has been made that even in the supply of indigenous goods the Department somehow gives a preference to supplying firms

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which are not Indian. So far as I am aware the strictest impartiality is maintained, and no firm is at a disadvantage to compete for business or to secure orders by reason of its ownership or control being Indian. It is because this fact is entirely irrelevant, that no records whatever are maintained of the nationality of the supplying firms. I recently had a question put to me asking the nationality of such firms, and I endeavoured to explain why the information cannot be supplied. We have of course a record of important supplying firms, but there is no record of their nationality. It is obvious that many firms are partly controlled by Indians and partly by non-Indians. In the case of those concerns whose shares are freely quoted on the stock exchange, the proportion of capital owned by Indians and non-Indians varies from day to day. Also, are we to go by the ownership or the capital or the nationality or the managing agents? Honourable Members are aware that recently in the case of the Bombay Steam Navigation Company there was a controversy going on, in which it was maintained by one protagonist that this company was a British concern although 95 per cent. of its capital was Indian and the majority of the Directors were Indians, and, on the other hand, Indian business men of equal eminence maintained that it was purely an Indian concern. It will be quite clear from what I have said that it will be quite impossible, without an inquisitorial procedure and the laying down of a highly contentious criterion, to establish the nationality of the firms which have taken up the Supply Department's contracts. And this is required to be done merely to establish the truth or falsity of assertions made, so far as I am aware, without one jot or tittle of evidence to support them.

Sir, there is another point which was raised by the Honourable Mr. Kunzru to which I feel I must reply. He spoke as if there was a sinister plot going on to discredit the Indian Stores Department. Another Member spoke of the "charges" against the Indian Stores Department. Sir, the Indian Stores Department is the sword arm of the Supply Department (Hear, hear) and it would be most absurd for the Supply Department to try and weaken that sword arm just when it needs it most. It is perfectly true that from time to time the procedure of the Indian Stores Department comes up for review, and changes may be made. That is equally true of any other branch of the Supply Department. The Honourable Mr. Kunzru spoke as if he thought that the Indian Stores Department now has nothing or little to do with the giving of contracts.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The Honourable Member is not right there. He is misinterpreting me.

THE HONOURABLE MR. H. DOW: The Honourable Member will have a right of reply. The other day I explained that the contracts given by the Supply Department had run into the figure of about Rs. 56½ crores, and that Rs. 44 crores of that had been put through the Indian Stores Department. Now, Sir, if there is this discrimination against Indian firms, how can he at the same time defend the Department which is responsible for making that discrimination? These contracts are placed through the Indian Stores Department. The personnel of that Department, as I have explained, is almost entirely Indian. It had, when it was taken over by the Supply Department, an Indian at the head of it who is certainly the last person to be associated with any discrimination of this kind in favour of Europeans. I know no—

THE HONOURABLE MR. HOSSAIN IMAM: Is he anti-Indian?

THE HONOURABLE MR. H. DOW: No, Sir, and I know no reason why such a question should be asked. Now, Sir, this scandalous imputation that favour is being shown to Europeans by the Indian Stores Department is made by the Honourable Member who in another part of his speech has shown himself a warm defender of that Department. I do not know how he reconciles the two things?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: But I have brought no charge against the Indian Stores Department. It was very ingenious of the Honourable Member to say that I had brought any charge against the Indian Stores Department. I was referring to the demand of the European community as disclosed in the communication sent by the Upper India Chamber of Commerce to its member bodies.

THE HONOURABLE MR. H. DOW: The Honourable Member spoke at some length about the discrimination which he feared was being made in the matter of giving contracts to Europeans rather than Indian firms, and I am entitled to point out that if that aspersion is made, it is a very serious aspersion against the Indian Stores Department which is the Department which gives out those contracts, and I am entitled to defend the Department against any such charge.

Sir, we were also told by the Honourable Mr. Shantidas Askuran that, in regard to many articles, contracts had been given to firms although the Indian Stores Department had reported that those firms were totally unable to execute the contracts. Isn't he aware, Sir, that these contracts are given out by the Indian Stores Department itself? It is an extraordinary suggestion that the Indian Stores Department is itself giving contracts to people whom it reports to be entirely unfit. The Honourable Member seemed to think that some outside authority was giving these contracts to undeserving firms in spite of the advice of the Indian Stores Department: nothing of the kind is going on.

Sir, I mentioned earlier that there is a certain class of cases which is removed from time to time from the tender system. It is no use, for example, calling for tenders for certain articles of steel that are required: we know perfectly well there is only one firm that is capable of tendering. And Members will readily be able to picture to themselves a large number of cases in which we cannot simply call for tenders and obtain what we want in that way. But this class of cases now comes under the expert scrutiny of the Controller General of Purchase, who was lately in charge of the Indian Stores Department. He is an Indian officer of long experience in the Finance Department, and is now installed right in the heart of the main supply secretariat, in order to give his attention very largely to advising the Department on that class of cases.

Well, Sir, I have dealt with, I think, most of the main points. I have no complaint against the criticism that has been made in this House, and I should in fact like to acknowledge here that not only in this House but generally outside, the Supply Department has on the whole had a good press. At a time when the Congress Party was still disposed to look with favour on the war effort of India there was even in that quarter a general disposition to admit that the Supply Department was doing its best. For reasons which it would be impertinent for me in my position to go into, that Party has recently decided not only not to aid India's war effort but to do what it can to actively discourage it. The Supply Department exists for the purpose

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of maintaining and developing India's war effort, and it is therefore not surprising that the Department has suddenly begun to *stink* in that Party's nostrils. I hope that the Supply Department will take this derisory epithet and turn it into one of honour. The proudest title of our army in the last war was that of the " Old Contemptibles ", which was conferred on it by its enemies. It is a source of pride to the Department that it stinks in the nostrils of those whose object it is to discourage resistance to the forces of darkness and barbarism which now threaten to engulf the world. I believe that all my officers are with me in the desire to become more and more a source of offence to these enemies.

The Council then adjourned for Lunch till Three of the Clock.

The Council re-assembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Mr. President, I do not want to prolong the debate but there are certain points in the speeches of the Honourable Mr. Richardson and the Honourable Mr. Dow which call for a reply. I am sorry that the Honourable Mr. Richardson is not in his seat, but the House will remember that he disclaimed any desire on the part of Europeans to prevent the appointment of Indians in the Supply Department and expressed his regret that racial feeling had crept into the discussion of this subject. I am glad that he was able to say authoritatively that there was no desire on the part of the Associated Chambers of Commerce to diminish the importance of the Indian Stores Department. But the fear that the European Chambers of Commerce were dissatisfied with the Indian Stores Department was the result of the communication issued by the Upper India Chamber of Commerce. Mr. Richardson said he was not responsible for it. We did not know what his attitude was. But, as the statement was not contradicted, we assumed that it represented the opinion of all the European Chambers of Commerce. Had it been contradicted, there would have been no occasion for any reference to it in this debate. As for the racial feeling that according to Mr. Richardson has been expressed during the course of this debate, I ask him to ponder over the figures mentioned by me. Had there been a Federal Government and had it appointed persons to the Supply Department in such a way—as to exclude Europeans as practically Indians have been excluded now—what would have been the feelings of the British community? Would not the action of the Federal Government have been regarded as a sure sign of anti-British feeling? Would it not have been made use of not merely in this country but also in England to show that the transfer of power into Indian hands was a great mistake and that the first use that the Indians had made of it was to harm British interests?

THE HONOURABLE SIR MUHAMMAD YAKUB : As they were doing during the Congress regime.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Congress is on the brain of my Honourable friend, and I am afraid he has got into the habit of making interjections that are almost always irrelevant. I do not, therefore, propose to take any notice of his present interjection.

THE HONOURABLE SIR MUHAMMAD YAKUB : Not more than you do, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But, to proceed with what I was saying, it would have been surprising if in the existing state of things, the state of things disclosed by my speech, Indians had remained quiet and not brought their grievances, well-founded and acute grievances, to the notice of this House and of the Government. They have been too patient. That is the only fault they can be charged with.

Sir, my Honourable friend Mr. Dow has proceeded very cleverly in dealing with my Resolution. In the first place, he dwelt on the Indian and British personnel employed in the Contracts Directorate. Then he gave us figures regarding Indians and Europeans in the Indian Stores Department. Frankly, I do not think that it was fair on his part to do so. The reason is this. In answering on the 19th instant my question in reply to which he laid the statement regarding the recent reorganization of the Supply Department on the table he said :

"The required information is given in the attached statement. The staff taken over from the Defence Department (Army Headquarters and Air Force Headquarters) have not been included".

It was further obvious from the course of the debate and from the fact that I was quoting figures only from the statement supplied by the Honourable Member that I was referring not to the Contracts Directorate or to the Indian Stores Department but to what I might call the Supply Department proper, apart from the two Departments that it has taken over and which existed before it came into existence. There was nothing wrong in my omitting to take those Departments which he did not include in his own statement into consideration. Indeed, I think I was perfectly right in doing so. Not content with dealing with those Departments which he knew were really not in issue, he has, in order to show that a substantial percentage of Indians is employed in his Department, included in his reckoning persons who do not occupy high posts. I made it clear in the course of my speech that I was referring to the occupants of superior posts only. Now, my Honourable friend said that in the Supply Department, even in March, 1940, there were 50 per cent. Indians, and that after the reorganization, even in the Directorate General of Munitions—am I right—the percentage of Indians to the total personnel was 50.

THE HONOURABLE MR. H. DOW : I did not say that. I was referring to the Secretariat proper.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Well, as regards the main Secretariat, I pointed out that two or three more Indians had been employed in it. My complaint referred mainly to the Directorate General of Supply and the Directorate General of Munitions. My Honourable friend has not dealt with that, but by taking into account Indians who cannot fairly be regarded as holding superior posts made out that 50 per cent. of the personnel in his Department is Indian. If the superior posts only are taken into consideration I make bold to say that the statements I have made cannot be challenged.

I should like to say a word about his defence of the manner in which the Controllers of Supplies and Advisers were appointed. He said with regard to the heavy engineering industries that they were largely in the hands of Europeans, although they were not by any means a European monopoly, and that therefore it was not surprising that a European well acquainted with such industries should be appointed as an Adviser. I should like to ask him then what are the reasons on which Government have employed

[Pandit Hirday Nath Kunzru.]

two European Inspectors in connection with the mica business? Are Indians interested and heavily interested in this business or not? I know that they are not satisfied with the present arrangements and I should like to know on what grounds in this connection too only Europeans have been employed? I draw the attention of my Honourable friend Mr. Richardson to this fact because he deplored this morning that racial feeling had crept into the discussion of this question. Take again, Sir, the Controller of Supplies in Bengal. Mr. Dow said that as the Department was organized in a hurry it was almost inevitable that those people should be appointed who were conversant with the state of things in Calcutta. Now what is the previous experience, what are the special peculiar qualifications of the Controller of Supplies in Bengal for the post to which he has been appointed? His name is Colonel Marriot. He was on the Special Unemployed List. That means I suppose that he is one of the 400 officers who were retired in 1935. He was getting a pension of about Rs. 600 according to the information supplied to me by Mr. Dow. He was appointed Deputy Director on a salary of Rs. 1,530, but is now getting about Rs. 2,100. Can this appointment be justified in any way? Had an Indian been appointed in that manner let the Europeans present ask themselves what their feelings would have been. Would they have had any trust in the Department responsible for making such an appointment? I am sure they would have been indignant. Yet we have shown more patience. We have not accused the Vice-President of the War Supply Board of any improper motives. But no one here has the right to complain if we bring such appointments to the notice of the House and strongly protest against them.

The illustrations I have given show the absolutely unconvincing nature of the reply given by the Honourable Mr. Dow in defending the appointments that have been made. The position, generally speaking, that he took up was that the best available men were employed, and he made this remark particularly in connection with the appointment of a British officer as Joint Secretary in the main Secretariat. I do not know what search he made for a suitable Indian officer. But the remark that suitable Indian officers are not available has become too common here. It is a stock reply to all objections raised owing to the exclusion of Indians from responsible positions. I was sorry to hear even my Honourable friend Mr. Richardson use that stock argument. No Indian, however ardent an advocate he may be of Indian rights, would ever suggest that an inefficient Indian be appointed even to a minor post. To tell us therefore that only suitable Indians can be appointed to responsible posts is to insult us. We are aware of this when we ask for the appointment of Indians to responsible positions, but we decline to believe that suitable Indian officers cannot be had for posts like those we are discussing or for any post whatsoever.

Sir, I should like to say just one word with regard to the question of control over the Directorates General of Supply and Munitions. Mr. Dow took my remarks to mean that I was against decentralization. He was absolutely unjustified in drawing any such conclusion from my remarks. Decentralization is necessary not merely in war time but in peace time. Excessive centralization is always bad. But we cannot in the name of decentralization accept any arrangement that may be made, and if in the name of decentralization at the present time the Directorates General of Munitions have been made virtually independent of the control of the President of the Supply Board, I say the arrangement is one that is indefensible. I am quite certain that decentralization can be reconciled with proper control.

I gave illustrations to show what I meant when I criticised the present system and I think we are entitled to have a more satisfactory answer from Mr. Dow than he has so far given.

I do not think there is anything more in Mr. Dow's remarks that calls for a reply, but perhaps I may refer, before I sit down, to the accusation that he brought against me that I had no confidence in the Indian Stores Department. That was a very ingenious argument. I think he used it only because he had nothing better to say. Our complaints, or rather the complaints of Indian businessmen is that Indians are not receiving orders in the volume which they are entitled to expect by virtue of their position in the business world. This feeling can be satisfactorily allayed only when the necessary figures are made public; but the Honourable Mr. Dow says that there are no figures to be placed before the public and that no statistics have been prepared showing the nationality of those to whom contracts have been given. I made a suggestion in this connection the other day which I would venture to repeat today. The number of firms to which contracts have been given is not large. He can easily publish their names and state the total value of the orders placed with each of them. In that case only I think will he cease to be troubled with the complaints that have been voiced time and again in this House.

Sir, although the reply given by Mr. Dow was not as satisfactory as I would have liked it to be I still hope that in view of the importance of the matter he would be prepared to accept my Resolution. He has himself acknowledged that the Department was organized in a hurry and has very frankly said that when he organized it he was not thinking of Indianization. Apart from this he has shown himself to be friendly to the Indian Stores Department and he desires to set at rest the suspicions that are entertained by Indians regarding the Supply Department's activities. This is what leads me to hope that he will yet see his way to accept my Resolution and thus give satisfaction not merely to this House but also to the wider public outside it.

THE HONOURABLE MR. H. DOW: Sir, I have very few remarks to make. Sir, the Honourable Pandit Kunzru has suggested that in my presentation of the case as regards Indianization I was rather unfair. The burden of his complaint was that as he had not referred to in his opening speech to the case of the Contracts Directorate of the Indian Stores Department, therefore I ought to have left them out too. The Contracts Directorate and the Indian Stores Department are both integral parts, and very important parts, of the Supply organization, and I would ask the Honourable Pandit Kunzru, if the facts had been otherwise than I have shown them to be, whether he would not have referred to these organizations? If, for example, the facts had shown that since the Contracts Department came under the aegis of the Supply Department, there had been no progress in Indianization but that the Department have gone back; if he had been able to show in the case of the Indian Stores Department, instead of fast progress being made in Indianization there had been a setback, and that we had appointed a large number of European officers and decreased the number of Indian officers, would he not have referred to it?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: On a point of personal explanation; because I did not know that Indians had been employed to a larger extent in the Contracts Directorate as pointed out by the Honourable Member this morning, yet I refrained from dealing with that Department because I regarded it as separate from the Supply Department.

THE HONOURABLE MR. H. DOW : I can understand that. But I do not regard it as separate from the Supply Department : it is an integral part of the Department. As I say, if the Honourable Member had been able to show that instead of more Indianization taking place, the reverse process had been in operation, does anyone believe that he would not have referred to it ? When the reputation of the Department in this respect is sought to be denigrated, I am entitled to show that there are certain white spots. There is one other point. He said that I have shown in the statistics a number of persons who did not hold very high posts. When I am asked to produce a statement, the form of the statement is settled by the person who asks the question, and I am bound when I am asked for an answer in a particular form to give the answer in that form. As to the fact that a large number of Indians in the Supply Department are in lower posts, Honourable Members will realize that when the country is embarking on a policy of Indianization, which after all is comparatively recent, it is only natural that a larger proportion of the new posts occupied by Indians should be at the bottom and not at the top. Even Napoleon did not start as a Marshal of France, and had to work his way up.

The Honourable Mr. Kunzru referred to one of the Controllers of Supplies, who is a retired officer, and he thinks that because this man bears comparatively humble rank in the army—a major—he is highly paid because he is now getting in Calcutta total emoluments of Rs. 2,100. The gentleman in question left the army of his own accord some years ago. He went into business in this country and at the time war broke out he was summoned back to service. He was at that time earning a sum in private life very considerably in excess of the salary which he drew from the Military Department when he was recalled. There is nothing peculiar in that : it is the case of a very large number of military officers, possibly of most of them who are recalled to military service. This particular officer had considerable experience in the Department of the Master General of the Ordnance in regard to stores and he also had experience of ports and embarkation work. They were qualifications which, at an early stage (and he was one of the first officers who joined the Department), were very necessary for us to obtain. What, I suggest, was more natural than that we should get this officer from the army to which he had been recalled and employ him in the Department ? He there drew when he started the pay of a staff officer of his rank, the pay that he would have drawn in the same rank had he been actually working in Army Headquarters, —which I think was something in the neighbourhood of Rs. 1,570 a month. He is one of the most zealous and hard-working and useful officers that we have, and when he was transferred to Calcutta on promotion he went to a place of increased responsibility for which he had shown himself thoroughly fit. He had to break up his home here. He has been sent to a more expensive place and a worse climate, and I am not prepared to admit that the small increase in emoluments that he thus obtains is at all unreasonable.

Then the Honourable Mr. Kunzru asked whether if an Indian had been similarly appointed he would have been treated so generously. I can certainly say that he would. And indeed it is, I think, the first time that the allegation has been made, in respect of the Indians who have been appointed to this Department, that in matters of pay they have been given smaller increases or treated less generously than the European officers of the Department.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I did not say that.

THE HONOURABLE MR. H. DOW : No, Sir. I said that this allegation had not been made. But in speaking of this particular appointment the Honourable Member did suggest, or I understood him to suggest, that if an Indian had been appointed he would not have been treated so generously.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I said his appointment would not have been received so favourably by persons who deplore the expression of views which seem to be based on racial grounds.

THE HONOURABLE MR. H. DOW : Well, Sir, I accept the explanation that is made, but I must say that I was not aware that this particular appointment had been received either with favour or otherwise on any side of the House.

Another particular case referred to in which he considered that what I said this morning was unsatisfactory was the appointment of a Joint Secretary. A European officer has been appointed to that post. I may say that the immediate reason for appointing an officer in that capacity was the great influx of work connected with the Eastern Group Conference, and that this officer, in addition to his duties as Joint Secretary in the Department was to be Secretary to this Conference. I am glad to be able to give a fuller account of this because there was a question put down in the name also of the Honourable Mr. Kunzru this morning suggesting that there had been a desire to exclude Indians from the Secretariat of this Conference. From the beginning we tried to get an Indian officer as Secretary to that Conference. I hope that will dispose of the allegation. We were unable to get a suitable Indian officer. I can mention two of the officers, Indian officers, whom we tried to get. One of them was Mr. Pillai, Joint Secretary in the Commerce Department. The Commerce Department, as I can quite easily understand, felt themselves unable to spare his services. The next officer that I tried to get was Mr. Gorwalla of the Communications Department. The same objection, which I can quite understand and sympathize with, was raised by that Department. The Indian officers of the I.C.S. are valuable officers and they are very difficult to get hold of. It is difficult, indeed, to get hold of any officers in the I.C.S. either from other Departments of the Central Government or from other provinces, and as a matter of fact the officer finally secured was at the time on leave and was specially recalled to take up this post. Every effort was made to get a suitable Indian officer in the post.

Lastly, I must refer again to this question of the Indian Stores Department. Suggestions have been made that there is some deep-laid plot in the Supply Department for disintegrating and disbanding the Indian Stores Department. The Indian Stores Department has only been handed over to the Supply Department for the period of the war, and an undertaking has been given to the Honourable the Commerce Member that the Indian Stores Department at the end of the war will be handed back to him. Any major changes proposed in the organization of the Indian Stores Department, which are at all likely to affect its organization and character at the time it is handed back, are placed before the Honourable the Commerce Member before they are put into effect and the Honourable the Commerce Member is able to satisfy himself that they are not going to affect the permanent organization of the Department when it goes back to him. That, I suggest, ought to dispose of the suggestion that we do not want to strengthen, rather than to weaken in any way, the hands of the Indian Stores Department.

But the war has presented new problems. It is not to be supposed that the Indian Stores Department can deal with the vast masses of business which it has to deal with now compared to what it handled in pre-war days,

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without some changes in its organization. But the changes that are made are no indication, on the part either of Government or of any body of European business men, of a desire to weaken in any way the Stores Department. The Honourable Mr. Richardson pointed out certain complaints which European Chambers were asking to be investigated and referred to letters which have emanated from the European Chambers of Commerce. I may say that I have recently been down to Bombay, and I have had exactly the same kind of complaints made by representative associations of Indian business men, such as the Millowners' Association. I have heard these complaints in letters from both Europeans and Indians, and if there were no heading to these letters, there would not be a shade of odds in attempting to guess whether these letters had emanated from the European or the Indian business community. I think it is a pity—I make no insinuation about it, because I feel convinced that it is only lack of information that has been responsible—that such a suggestion was made in the first instance. There are difficulties of course which have to be faced. An institution of the size of the Supply Department, which has grown up quickly, is not likely at this early stage at any rate, to be entirely without growing pains.

Sir, I began by saying that I was glad of this opportunity of meeting some of the criticisms that have been made against the Department. Criticisms from all sides of the House have been fair in intention. I think that in some cases they have been mistaken, and I have tried to show what some of these mistakes are. But I do realize that they have been made with the object of making our contribution to the war more efficient. The Department has profited so much by criticisms that have been made in the past, that it would be most ungracious, as well as most unwise, for me not to pay very careful attention to what has been said in this House. (Applause.) If I had been asked to make a statement of the principles on which we are trying to run the Department, I feel that I should have included in it much of what the Honourable Mr. Kunzru has put in his Resolution and some of what was in the Honourable Mr. Sapru's Resolution which was not moved. I should like to say that if the Honourable Mr. Kunzru will accept a small emendation, which I suggest, to his Resolution, and which is mainly a matter of phraseology and does not, I think, go to the root of his Resolution, I shall be very pleased to accept it on behalf of Government. The wording which I suggest to the Honourable Member is this :

“ This Council recommends to the Governor General in Council that early steps be taken to secure that the Supply Department is so organized as to safeguard and promote Indian industries by.....”

and the rest of the Resolution as framed by the Honourable Member.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, I gladly accept the change suggested by the Honourable Mr. Dow, because, as he himself has said, it does not affect the purpose of the Resolution in any way.

THE HONOURABLE THE PRESIDENT : Resolution moved :

“ This Council recommends to the Governor General in Council that early steps be taken to secure that the Supply Department is so organized as to safeguard and promote Indian industries by—

- (a) the employment to important posts of an adequate number of Indians drawn from the services and from the business organizations ;
- (b) proper administrative control of the different sections of the Department ; and
- (c) enforcing the policy clearly laid down in regard to the development of Indian industries when the Indian Stores Department was constituted. ”

Question put and Motion adopted.

RESOLUTION RE SUPPLY OF RIFLES AND AMMUNITION TO MILITARY SCHOOLS.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, the Resolution that stands in my name runs as follows :

“ This Council recommends to the Governor General in Council that service rifles and ammunition be given free of cost to all military schools in India. ”

Sir, in this connection I had asked some questions in 1938 and I got the information from Government that Anglo-Indian and European schools were supplied with rifles and ammunition free of cost. The answer was like this :

“ Service rifles and ammunition are supplied free to the following schools in India ”.

There are about 25 schools mentioned and these are all European or Anglo-Indian schools. Sir, in the Bombay Presidency we recently, i.e., about four or five years ago, started a military school, namely, Bhonsla School, with a view to train candidates for the Dehra Dun Military Academy. The object of the school is to train youths of all castes and creeds in India in military education so that they may equip themselves for being suitable candidates for the Military Academy at Dehra Dun. There is also another school which was started after the last war in Poona which is called the Shivaji Military School. The management of these schools applied to Government to supply them with rifles and ammunition free of cost as they have been supplied to the Anglo-Indian and European schools in India. I do not know on what ground their request was refused, but I submit that at least in this matter there should be no racial discrimination. We have heard a lot about racial discrimination in the last Resolution and I believe Government would avoid this vicious principle at least in matters of education. It may be said, as I find from the reply given to me in 1938, that these 25 schools—the list of which has been given—maintain cadet companies of the Auxiliary Force in India, and therefore these service rifles and ammunition were given free of cost to them. But I submit that these two schools are also started with the view of giving suitable candidates to Dehra Dun and therefore there should be no distinction between them and the others in this matter. I took up this question at this time particularly because I find that they are not getting a sufficient number of young men for emergency commissions, for which they have to get men—if my information is correct—from Ceylon, Hong Kong, Saigon, Burma, etc. They are importing Europeans from there for emergency commissions.

THE HONOURABLE LT.-COL. SIR HISSAMDUDIN BAHADUR (Nominated Non-Official) : The last time I saw them there were 160 Indians as emergency commissioned officers with not a single European among them.

THE HONOURABLE MR. V. V. KALIKAR : You can get any amount of Indians—suitable Indian boys—and therefore I say why do you want to import Europeans from outside ? Let Indian youths take their proper share not only in the defence of their country, but let them be enthusiastic about defending the Empire. That is my point. My point is that the Government should not put obstacles in their way if they really desire to defend their country. You can get a sufficient number of boys in India for entering the officer ranks. If the management of these two schools have started in right earnest to give you suitable candidates, instead of putting obstacles in their

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way you should encourage them. You should try to create enthusiasm amongst them and make an impression on them that you are sympathetic. I do not think it is a controversial matter. I believe it is a very small matter and the Resolution is a very innocent Resolution. I am very sorry, Sir, that I have to come to this House to say these things in the form of a Resolution, but as the Government did not yield to the demand of the management of these two institutions, I had to come here and ask Government to change their policy and accept the Resolution as moved by me.

With these words, Sir, I move the Resolution.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadian): Sir, I desire to give my whole-hearted support to the Resolution moved by my friend the Honourable Mr. Kalikar. The Resolution does not really need much explanation. What it asks is that service rifles should be supplied free to all military schools. The Honourable Mr. Kalikar has explained that service rifles and ammunition are supplied to Anglo-Indian and European schools free. There is a list of about 25 such schools which get free supplies of ammunition and service rifles. He has referred to two schools which have been started for military training. There is one in the Bombay Presidency and there is also another, the Bhonsla Poona School in the same Presidency. It appears that the management of the Bhonsla School applied to Government to supply them with free ammunition and rifles and the request was refused. Now, Sir, why is there this racial discrimination? Why is the Anglo-Indian, who is a European for certain purposes and who becomes a statutory native of India for certain other purposes, given preferences over the Indian? Why is the Anglo-Indian youth treated as a sort of real son and the Indian youth treated as a step-son? I should have thought that in matters of this kind there would be no racial discrimination. We are told every day that there is no racialism in this country. Here is one instance of racialism which has been brought to the notice of the Government by the Honourable Mr. Kalikar, and we want an explanation from the Defence Department, which has never shown any real desire to co-operate with us, as to why there is this discrimination? Either you must supply rifles to nobody—I can understand that position—or you must treat the Anglo-Indian and the Indian schools in the same manner. These schools are feeder schools for the Dehra Dun Academy. These schools are training the youths for the Dehra Dun Military Academy: they are doing good work. Therefore they have a claim on us.

There is another point to which reference was made by the Honourable Mr. Kalikar and about which I would like to say just a word or two. Europeans are being imported from various parts of the colonial empire, from Hong Kong, Ceylon and from Burma, which is no part of India, for service in British India for emergency commissions. Now, Sir, we have a sufficient number of young Indians to supply you with the material for these emergency commissions. I think my Honourable friend Sir A. P. Patro, loyal as he is to the British Empire, but disloyal as he is to his own country, may say that there is not sufficient material in this country to supply you with good emergency commission officers. We who believe in the Indo-British Commonwealth of Nations take a different point of view. We say you have got good material in this country. One great charge, one great indictment that we have against you is that you have not utilized even in war time the manhood of India for service in this war. Sir, I consider it wrong that Europeans should be imported from the British Isles—it is bad enough if we do import from the British Isles—I consider it wrong all the more that Europeans should be imported from that tiny little island of Ceylon, which will not admit our

people on equal terms, and from Burma which has not been too friendly to us after separation, and from various other parts for emergency commissions in India. These are really the things which have determined our attitude towards the big questions raised by yesterday's discussion. I would like a clear answer from the Defence Department. It is our test Resolution and we would like to see how the Defence Department deals with this Resolution.

With these words, Sir, I support the Resolution.

THE HONOURABLE THE PRESIDENT: I want to point out that I have noticed a tendency in this House of Honourable Members making personal attacks on each other which is not only undignified but entirely unparliamentary. Also it is prohibited under the Standing Orders of the House. I wish to draw the attention of the Honourable Members to this matter and I hope that in future this objectionable practice will cease.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official): Sir, I do not want to exhibit my want of sense of responsibility or of seriousness in the debate. It has been the characteristic of certain Members of this House, as you have rightly pointed out to take everything in a light-hearted manner of the type of buffoonery. Here we have got a very serious subject, namely, the recruitment of young men into the military line and the preparatory schools should be encouraged. The Honourable Mover referred to one institution, namely, the Shivaji School at Poona. That school was organized by the contributions and patronage of four of the Mahratta rulers and princes. The contributions so made enabled them to have a very fine building and well equipped with all the necessary equipment for military training supervised and controlled by a European who has had military service and whose services were secured for the purpose of training the young men. He and his assistant are there in order to train young men. We have seen the school ourselves and we saw the young men from various parts of India; they came from Madras, from the Central Provinces and also from several districts of Bombay. Thus this institution is not of a mushroom type, nor one of those schools recently started by political agitators in the name of giving them military training. On the other hand it is opened on very sound foundations governed by responsible persons, who are also responsible for the conduct of the young men. They teach up to the matriculation or school leaving standard during this period. There are several standards: one of the standards is that after two years they have to go through the riding course. They maintain a stable which supplies these young men with animals to do riding in certain hours of the week. Not only riding but with dummy rifles which they have prepared, they have to undergo a course of training. This institution, in addition to military drill and riding, has also other equipment, namely, running with necessary baggage. These are the matters which were demonstrated to us. When the Adjutant General of India was present demonstrations were given by the boys and he was perfectly satisfied with the physical training, discipline and physical character of these boys. If such an institution is to be denied the right of being given training in the matter of munition rifles it will be a great pity. On the other hand I do not agree with him when he said that 25 institutions are already supplied and they are making racial discrimination. I do not think there is any such suggestion in that because those institutions were organized long before this and the headmaster of the institution applied for such liberty and the supply of arms long before this institution was started and there is a continuous supply. As we know in officialdom tradition becomes everything. They have supplied this to the new institution, therefore they look upon it with suspicion, and they would like to have

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more satisfactory grounds for sanctioning free munition rifles. That may be the real cause of any racial discrimination. In fact, the question then discussed was what are the schools that should be recognized for the purpose of military training and, I think, should act as feeders to the Military Academy. That was the question that was discussed at the time and during the discussion we had to see institutions like these and to be satisfied whether there was sufficient organization, sufficient stamina and stability in the institutions. We saw that this was one of the institutions that could maintain itself along with institutions managed by European headmasters. Therefore, if proper application is made, I am sure the military authorities will try to recommend to the Government that this is one of the institutions that they must support. Not because of any racial discrimination. I think the suggestion is quite wrong. Because those institutions which in evidence I saw belonged to various parts of Northern India and there were Christian missionary organizations some of them. Therefore, there is absolutely no doubt that no danger is going to come from it. All that is wanted is that the Indian Academy should receive such young men who have received preliminary training and had such military discipline earlier so that they may qualify themselves for entrance in this. And this is one of the institutions which answers the purposes of the Government. Therefore, if this institution is denied, I should indeed be very much disappointed with the conduct of the Government.

THE HONOURABLE MR. A. DEO. WILLIAMS (Nominated Official): Sir, I feel that I cannot do better than to follow the example of the Honourable Mover of this Resolution from the point of view of brevity, of temperance and, if I may say so, of relevance; and to disregard the heat which has been imported into this discussion since the Honourable Mover resumed his seat. Now, I hope to be able to convince the Council that there is no question, there never has been any question whatsoever, of racial discrimination.

But as a preliminary I think it is necessary to get it clear as to the classes of schools to which Government do issue these arms free of charge. There are, broadly speaking, two classes. There are the schools which might be properly described in the language used by the Honourable Mover as "military" schools. I refer, for instance, to the Lawrence Schools at Sanawar and elsewhere. Now, these schools are run by Government for the children of British soldiers, not necessarily as recruiting grounds, though it must be acknowledged that they make very good recruiting grounds. These schools do receive arms free of charge.

THE HONOURABLE MR. HOSSAIN IMAM: They are open to all classes of Indians?

THE HONOURABLE MR. A. DEO. WILLIAMS: I am coming to that. These schools are for the sons of European soldiers. Now, in this respect there is absolutely no question of discrimination inasmuch as a similar series of schools—the King George's Royal Indian Military Schools at Ajmer, Jullundur and Jhelum,—are run for the children of Indian soldiers and these institutions also are issued—(An Honourable Member: Is the King George's School open to all classes of Indians?) I don't say all classes of Indians, but they are open to Indians—and they are also issued with these arms. So I maintain that, so far as what Government would describe as "military" schools are concerned, there is no discrimination whatsoever.

I now come to the other class of schools, the class of schools of which particulars were given some time back in answer to a question. They are some 25 in number and they maintain what are described as "cadet companies" which are affiliated to units of the Indian Territorial Force. But there is a distinction here again. The "military" schools keep their own rifles; these schools do not keep their own rifles, though they have the use of them. The rifles are kept in the magazines of the units to which they are affiliated. In every case, the basic requirement of Government is that these rifles should only be issued in cases where there will be efficient officers and efficient instructors. Therefore, before any school can become affiliated in this manner, it must satisfy certain requirements. The boys must be of a certain age. The school must be prepared to provide officers in the opinion of Government suitable to instruct and take charge of the cadets. The schools must provide and pay for instructors. Further, the school must be situated within a reasonable distance of the depot of the unit to which it is to be affiliated in order that the boys may get to the depot to get their rifles out and return them the same day. These are all requirements on which Government must insist and have insisted in the case of each of these 25 schools, before the school in question can have a cadet company affiliated to the Territorial Force. It may be, it is, a fact that these schools are regarded as European or Anglo-Indian schools. Some of them may take in Indian boys. As to that I do not know. But there is absolutely no bar if—I am afraid I must say "if"—any Indian school can satisfy these conditions, to its putting in an application for affiliation; and I can give an assurance to the Honourable Mover that if these conditions are satisfied, Government will most certainly give the most favourable consideration to the application—subject always to one over-ruling consideration, and that is the requirements of the present war. I am not trying to put the Honourable Member off. Government are willing to give the most favourable consideration to any such application.

As regards the two institutions named by the Honourable Mover, the Shivaji School and Dr. Moonje's School, I am not in a position to say whether they fulfil these requirements. I am not sure; but I had the impression that possibly the boys are not sufficiently old or that they are not in a position to provide their own officers or instructors. But I have stated the requirements which have been fulfilled by 25 schools who have these "cadet companies" and I have given the assurance that, if any Indian school can put forward a concrete application and show that it has these qualifications, it will receive very favourable consideration.

THE HONOURABLE MR. V. V. KALIKAR: I am glad, Sir, to learn from my Honourable friend Mr. Williams that there is no question of racial discrimination. He wants certain conditions to be satisfied and then Government will consider the demand of these schools. So far as the Shivaji Institute is concerned, I am very glad to find support from a certain quarter from which we never get it. I am very thankful for this support. So far as the other school is concerned, I may inform the Government that the school was started about five years ago. They have got boys who are of the age which Government requires. They have engaged retired Viceroy's commissioned officers on the recommendation of the Defence Department of the Government of India. If the Government of India have not got a sufficient supply of rifles on account of the war this time, I hope they will consider the application favourably after the war or as soon as possible after the Defence Department gets a sufficient supply of rifles and if they can spare those rifles for the Institute.

[Mr. V. V. Kalikar.]

Sir, as the Government reply is very conciliatory, I beg leave of the House to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION *RE* NATIONALIZATION OF ESSENTIAL AND KEY INDUSTRIES, ETC.

THE HONOURABLE THE PRESIDENT : Honourable Mr. Hossain Imam, your Resolution is likely to take a very long time for discussion. I would, therefore, advise you to read your Resolution today, so that you will not lose your priority, and your own speech on the Resolution and the discussion on the Resolution can proceed on the next non-official day.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Thank you, Sir. It is rather late, and I would also like to postpone my speech to the next non-official day.

Sir, I move :

"Whereas it is necessary to stimulate the war efforts and to get the maximum results from the slender resources of India, and whereas it is desirable that extraordinary methods be adopted, this Council recommends to the Governor General in Council the following measures for adoption as far as practicable and advisable :

- (a) the nationalization, at least for the duration of war, of all the essential and key industries ;
- (b) the imposition of a 100 per cent. excess profits tax on a more equitable basis than the present ;
- (c) the suspension for the duration of war of the consolidated payment to the provinces on account of the income-tax and railway receipts ;
- (d) the revaluation of gold in the Reserve Bank at 140s. per ounce ;
- (e) the Indian Sterling Loans to be made eligible as Rupee papers for the issue Department of the Reserve Bank of India and the proportion of Government Paper to be increased from 25 per cent. to 33 per cent."

The Council then adjourned till Eleven of the Clock on Wednesday, the 27th November, 1940.

COUNCIL OF STATE.

Wednesday, 27th November, 1940.

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

STANDING COMMITTEE FOR THE DEPARTMENT OF SUPPLY.

THE HONOURABLE THE PRESIDENT : With reference to the announcement made by me on the 25th November, 1940, regarding nominations to the Standing Committee to be attached to the Department of Supply, I have to announce that the following Honourable Members have been nominated for election to that Committee :

1. The Honourable Mr. J. H. S. Richardson.
2. The Honourable Pandit Hirday Nath Kunzru.

There are two candidates for two seats and I declare them duly elected.

INDIAN FINANCE (No. 2) BILL—continued.

THE HONOURABLE SIR A. P. PATRO (Nominated Non-Official) : Sir, after the question has been so well discussed and ably stated in the other House by Sir A. Ramaswami Mudaliar and Sir Muhammad Zafrulla Khan, who have explained in lucid terms the position of the Government in regard to many matters that have been raised—we may not agree with them, but still the position has been stated so well—it seems to me it will be a waste of time to repeat most of those arguments in reply to the points raised by the Opposition here. This Bill is mainly and essentially a Finance Bill. It is intended to raise additional revenues for purposes of the war. It is needed for the defence of India and to crush Nazism. The important object of this Bill is to expand war effort. In the speech of the Finance Member introducing this Bill several matters were raised as a background to the purposes for which this new taxation would be devoted. But I must say that none of those proposals for using this additional revenue create any enthusiasm in the country. The fact is that India wants not merely a land force to be developed, but wants her self-defence to be established on a permanent basis. So the policy of the Government of India in regard to the use of this money and similar amounts that may be raised hereafter, whether they would be devoted to making India's defence more stable and permanent and whether the Defence Department would hereafter be controlled and supervised by the people of this country, that is what the country expects with the monies raised by fresh taxation—to be devoted to the permanent benefit of Indian defence. As it is, we find that the monies raised are mostly devoted to the purpose of strengthening and improving the land army only. It is a great pity and we Indians look upon it as a great grievance that Britain did not view the military matters in India with the same interest as they were careful to give to political and constitutional questions. The point is this, even in the draft Instrument of Instructions to His Excellency the Governor General His Majesty the King has said that the defence of India must to an increasing extent be the

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concern of the Indian people. That was drafted in 1935. In 1937 the Instrument of Instructions was altered and said that India should be so worked up in the matter of defence and other matters that she would form an equal partner in the British Empire. Now, from time to time, these instructions were issued by His Majesty in the Warrant of Instructions. The Instruments of Instructions, unlike those that preceded the present Instructions, form part of the Statute, and they do not detract from the spirit of the Act of 1935. They form part of the Act and have the force of an enactment. That has been said by the British Government as well as by the Government of India. Sir, non-Congressmen also feel that the handling of matters relating to India by the British Government after the war was declared has not been very satisfactory. Nor do we feel that the attitude of the Congress and the Muslim League is in any way more satisfactory. The point is this. We do believe in the sincerity and good faith, we believe in the honesty and integrity of the Britisher when he declares that India would receive full consideration of her constitutional status after the war then everything would be thrashed out. But in the meanwhile India's duty is that she should assist the British Government and co-operate in the war effort. To use the language used in another place, he would be a traitor who would not whole-heartedly throw himself into the war effort to crush Nazism, because I believe that India's future, political and constitutional, India's material development, all depend upon the success of Great Britain. Therefore he who endeavours to throw obstacles in the way of the war effort or he who discourages the war effort is not a true citizen of India. He is playing into the hands of the Fifth Column. He is encouraging the enemy when he says India is not with Great Britain. On the other hand, I may assure the House that so far as a few of us have gone about to see how the war effort was working in the districts and villages I would assure the House that the people do really believe in the goodness of Great Britain. For them "Whoever be the Government or Party, whoever be the ruler, all that they wanted was that their lands should yield more, that there should be timely rain and supply of war and good harvests and less taxation". That is what they wanted. That is the attitude of the peasants and the ryots, namely, he does not care for this party or that party being in power. All that he cares for is that there should be material prosperity in the country, that his fields should yield more than what they yielded before, and would be content to have it. Therefore it is not at all correct to say that India is in any way behind in war efforts. The peasants, the ryots and the cultivators do understand as intelligently as Honourable Members in this House and they know that it is very necessary for their own safety and for their own defence of their homes and villages that Britain should be supported and succeed. In this connection it is said in the speech of my Honourable friend Mr. Ramadas Pantulu, whose general attitude and whose moderate tone in this matter I welcome very much and he has so reasonably placed the case for his side, though we differ from him in many of his opinions. The Honourable Mr. Ramadas Pantulu said that there is an amount of force used and coercion applied in the country for raising funds for war effort. I differ from him and I would draw his attention to the fact that three of us went about the villages to see how far there is truth in the charge levelled against the Government of Madras that there force was used. We found absolutely no foundation for it. It is a question of jealousy because it has been successful. The Governor of Madras has been successful in convincing the people that they must help in the war effort and it was explained to them at large gatherings of thousands. The Governor's personal efforts have influenced the people

and they have contributed to the war fund in the villages. Therefore it seems to me that it is not at all due to any force of the officers, in fact that officers were only used as merely savings banks and collecting agents; beyond that there is no truth in the suggestion made. I have asked those honourable and honest gentlemen who made those charges whether they could point out any instance or instances where such *zulum* was exercised by the officials, and they simply smiled and were unable to point out one definite case where they found such influence was used. Such have been the tactics of a particular party who claim the monopoly of all patriotism. Because they have failed in their dishonest efforts they have had recourse to such subterfuge and say that force is being used. The position in many villages show that funds have been raised voluntarily by the people and not by the influence exercised by the Governor. It is to the credit of the Madras Governor that he has been free from all such things. He is a straightforward soldier and a statesman, and I am sure that the Congressmen realize that the charges are false. Reference was made to these charges during the course of discussion in this House from the speech of the Honourable Mr. Sapru and the Honourable Mr. Ramadas Pantulu. We find that three points have been agreed to, namely, that the first and foremost agreement is that war effort is necessary, and the second is that India is inseparably connected with Great Britain and that in her defeat will be a disaster, and the third is that Britain must succeed. This Finance Bill cannot be criticized on merits. I will put it in this way that the first agreement is that the Finance Bill is accepted on its merits. Secondly, that the war effort is necessary, and, thirdly, the Nazism must be crushed. Accepting these three propositions the next question is how is Nazism to be crushed? That is the vital point. We all say and express our feelings that Nazism should be crushed and Britain should succeed; but how could Britain succeed without any assistance in men and money? Therefore, Sir, it seems to me that there is inconsistency in the position taken up by some of the Honourable Members. I quite realize the position taken up by the Honourable Mr. Ramadas Pantulu that supplies may be refused when grievances are not redressed. So far as the general position is concerned this is correct but applied to the emergency and extraordinary circumstances that proposition does not hold water. Here the position is that supplies are asked for in the interest of emergency in order to save yourselves from the cruel attack of the enemy. You have all read the reports of the great destruction and the great havoc caused by Nazism. I might with the indulgence of the House refer to the damage and the loss which our Honourable President has suffered in this matter. His beautiful house, well constructed, and one of the finest buildings in the fashionable locality has been destroyed. That is lost. Property is gone and that is before our eyes an illustration of the kind of destruction that is taking place owing to Nazi aggression. Similar aggression is near us. It is wrong to believe that war is not near us: war is coming nearer you and the danger is threatening at our door. To say that until our grievances are redressed we are not going to give any help is most criminal, nothing short of criminal. In the first place the demands of Congress changed from time to time according to the changed times. The first demand was that there should be a constituent assembly to frame the constitution. Secondly, it was modified in a way and they said that there should be independence and that independence should be established by India herself. Thirdly, that it would be enough if there was a declaration that independence later on will be implemented after the war. They wanted a declaration on paper and an assurance on paper. Later on it was modified and they said the demand would for a national government and the national government was to prepare the constitution

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without the aid of the British Government altogether. Therefore, without British assistance or British co-operation the constitution was to be prepared by the constituent Assembly. National government was to be instituted and inaugurated immediately. How it should be composed and what are its functions and whether there is an agreement among ourselves and as to who should compose this national government are questions that were left unsolved or even indicated. I am not opposed to the formation of national government. No thinking Indian could deny the right to himself, namely, to have a national government of the country. But we shall have to see as practical politicians and statesmen how far a constructive suggestion has been made, how far this national government, without the co-operation of the Muslims and the other sections of the Hindus, could be built. That is the real proposition that we have to consider ourselves. As I started saying, they are very earnest, the Viceroy and the Secretary of State, they are sincere when they make the statement that they are prepared to keep the door always open for Indians to come to an agreement among themselves and to put forward a scheme which they will accept and therefore the burden is upon us to come to an agreement and to place it before the Parliament. But then have we come to an agreement yet on the matter? How could, therefore, a national government be run smoothly and to the benefit of the people if incongruous elements, conflicting elements, are to be there, and if conflicting claims are also present in the cabinet, is it possible that such a Government could be worked at all? Therefore, even for temporary purposes, even during the war, it would seem that such a proposition is very impracticable. A national government! It is no doubt a very happy phrase or catchword, it is a happy phrase to lure the youth of the country into saying, "Here is a national government: we want it". The youth of the country are captivated by these attractive shibboleths. The experienced men and politicians and statesmen ought to realise that in the circumstances of the country it is not possible at all to frame a practicable form of national government without agreement among ourselves first, without an understanding as to how the relevant rights, political and economic, of the various groups which constitute the Indian nation should be formulated and definitely stated. This is the position, therefore it is no use making this charge and stating that these grievances have not been redressed and therefore we will refrain from voting supplies. Another grievance that has been advanced is—and it is not so much, I am glad to say, pressed by the Honourable Mr. Ramadas Pantulu—he is very reasonable in the matter. He said, "Yes, India should not be dragged into the war without being consulted, without her consent, and therefore it is not desirable that the Congress should co-operate with such a Government which refused to take India into her confidence". Before I answer that question, namely, on the constitutional point as he has wisely relegated it to the background, I would not raise it again and say that from the constitutional point of view there are difficulties, and secondly, if the end justifies the means, if at the time there was no consultation possible and it was only by correspondence that consultation could then have been held, and it was announced in the other House that actually the Leader of the Opposition had been given intimation of what the Government was going to do. Therefore, with his knowledge of the thing, Government is not altogether to be blamed, though it would have been better if the Legislature were consulted before the matter was put through. Anyhow, there we stand, that whether consultation or no consultation, the danger is on us now. Mr. Sapru reviewed the situation yesterday at great length, the situation in the east, the middle east and the far east and the west, and so on. That

should convince him at once to vote for the Bill instead of saying that he would not vote for the Bill, in spite of his conviction, in spite of the review which he gave us of the events that are taking place in different parts of the world and that the war danger is upon us, namely, if Indo-China is taken by Japan, then Burma and Bengal will be swallowed up next. If that is the danger that India is to be threatened with, then it seems to me that it would be extremely wrong that he should not vote for the Bill. And having intelligently canvassed all events, it would be foolish of anybody that they should not be able to subscribe to this Bill. Sir, as I said, the attitude of the non-Congressmen with regard to the British handling of matters was unsatisfactory. Nor are we satisfied with the attitude of the Congress and the Muslim League in the matter. The two demands that have been put forward are that a national government and a government consisting of all sections of the people should be formed. If that is agreed to, if that is formed by us ourselves, there would be no difficulty whatever. It is not at all relevant, no doubt, for the purpose of this Bill. I started by saying that the Bill is purely a financial Bill. It is only intended to raise certain taxes to meet an emergency, namely, the war effort. Therefore, having understood that it is a purely financial measure, all other questions are irrelevant to this and do not serve any purpose. We have seen very briefly how far this national government could be practical and we have seen how far this question of the previous assent of the Legislature is necessary for the purpose of sanctioning the taking out of troops outside India and bringing India into the war. These matters do not at all go to the root of the matter and they are at present not very urgent, at least not so urgent but we have got to find money for it. It is true it has been said by the Finance Member that India has to find Rs. 20 lakhs a day, in other words about Rs. 75 crores a year, for the purpose of financing the war. He has warned us that Rs. 20 lakhs is not the limit, the last figure, but that more money would be needed for the purpose of carrying on the war. And therefore, when we have got this warning we have got to get the finances. When a poor country raises such an amount, the proposals must be full. It has been asked how this money can be spent? When India is called upon to raise Rs. 20 lakhs a day or Rs. 75 crores a year, it is asked in some quarters why Britain is spending £9 million a day and why not India make a sacrifice with her 400 million people. On the face of it, so absurd a question requires no answer. England's revenue per head is very large and cannot be compared with India's income, which is only a few annas per head of the population. And it is further suggested if the Dominions have the right of voting or rejecting supplies, why cannot India have the same right?

It is one of the greatest weaknesses of the Congress that it is not able to see beyond its own nose just as the bureaucracy of India are not able to see matters beyond their own nose. The bureaucracy of India are the greatest sinners in bringing the administration and the political situation to their present state. It is their neglect to see the real condition of things, their want of contact with the people and their failure to take the people into their confidence that has brought this country to the present state. Here you ask for money. But have you made any arrangements as to how this money should be spent? It is suggested that we have to make greater sacrifices. We are prepared to make sacrifices to crush Nazism. But the expenditure in the Dominions is controlled by the people. It is under strict supervision. Where is the opportunity for Indians, who would subscribe Rs. 20 lakhs a day for war expenditure, and perhaps more hereafter, to control the expenditure, to supervise how the whole money is spent? If the money is spent on a permanent basis and on sound lines for national defence, then there would be some satisfaction. Until such an assurance is forthcoming and the confidence of the people is

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restored it will be difficult for the bureaucratic Government to rouse enthusiasm among the people. The people of India are anxious that Government should provide for the efficient defences of the country. Hitherto, Rs. 45 crores and Rs. 54 crores have been raised every year for defence purposes. All of which has gone, for what? It was discovered the other day by the Chatfield Committee that India has only time-worn rifles. They had no mechanization. They had not even motor vehicles, and Indian soldiers were not sufficiently equipped and kept up-to-date. There was not an up-to-date army. The Chatfield Committee only opened our eyes. In spite of Rs. 54 crores and Rs. 45 crores having been spent on the land forces of India, most of it has gone towards the salaries of officers,—3,800 officers for the Indian Army. Therefore, the country has a right to demand that the money they vote for is properly spent for the efficient development of India's defences, and not merely spent on salaries. Only today we have begun mechanization and modernization of the Indian Army. Wisdom has dawned too late after they have spent the fortunes of India on defence purposes. We have now got to raise half a million of land army. 100,000 men were raised recently. A second corps, as they call it. The second part of the programme is going to begin now and the third part of the programme will begin later and this will come perhaps after the danger has passed away fortunately and providentially, and when we are free from the war. Till then, what is the Defence Department going to do? The Headquarters of the Department would not listen to the reasoning and the force that has been brought upon Government ever since 1921. For 20 years past it has been pressed on the Government that they should modernize the army, and bring it up-to-date, and that it should be made more efficient and serviceable. Till recent times India had not undertaken modernization of the army. What could these 50,000 or 100,000 men do if they were simply cannon fodder in the field? It is for this purpose that we have maintained 3,800 officers or more in the Indian Army? Twenty long years have been neglected and today they wake up and find that it is impossible to equip them unless we give them crores and crores of rupees. This has been the attitude of the bureaucratic form of management of the Defence Department. The Headquarters think that they are Heaven-born people, that they would not listen to anything that ordinary commonsense would suggest and they would listen only to experts. We realize the danger in having trusted these people all this time. We now find ourselves in a very dangerous position. Sir, what about our Navy and Air Force? No doubt, the Honourable the Finance Member, in his speech, has explained how the developments would take place after a year or two. Beginnings are being made. Well, a few mine sweepers and armed boats are being multiplied with a view to help the coastal trade or to spot the enemy coming into the coast. For the rest we have to depend upon the Royal Navy. The Royal Indian Navy—a very grand term—consists of seven vessels and these are escort vessels. There are only a few of these minesweepers and armed boats to protect the 500 miles of the coastal line of India. This is how we are living after paying Rs. 54 crores every year for army and defence purposes. As regards the Air Force—we are ashamed to talk of Air Force development. It has not yet begun and when it will develop, we do not know. It has been found during the war that Air Force is as necessary and effective as the Navy. Therefore, unless these two arms are properly and efficiently developed in India for the purpose of Indian defence, it is idle to say that India could defend herself. It would be a great consolation to India for paying taxes that efficient defences are provided for the country. The policy of the Government in this matter is not yet known. The needs of self-defence must, therefore, be developed and specifically stated, what Government propose to do.

Now, Sir, it is not necessary for me to go into all the matters touched on by the Honourable Mr. Ramadas Pantulu. All that I would say now is that as far as South India is concerned we know that the people are behind the war effort and that the energetic and statesmanlike Governor of Madras has been going about, coming in contact with the people, winning their confidence and establishing good relations between the Government and the people, and that the war effort is going on very successfully. As Sir Ramaswami Mudaliar said the other day—which unfortunately has been rather bitter for the Congress, to whom truth is sometimes very bitter—the newspapers have contributed to the voluntary effort. The *Madras Mail* has started a fund for helping the distressed and another fund for purchasing aircraft, and subscriptions have come in voluntarily from one anna to a thousand rupees. That is all voluntary effort and not officially inspired. Side by side with the Governor's fund this newspaper fund has developed so well that it reflects credit upon the people for their voluntary effort. The people are behind the war effort and it is wrong to say that the people do not subscribe voluntarily to the war effort.

Another thing said by my Honourable friend is that Britain is not willing to part with power and hence every subterfuge has been adopted with a view to evade the suggestions made by the Congress or by the League or by Indian Nationalists. It is true to some extent that no definite solution has been formulated by the Government of India in the matter, but that is not the whole truth. As I have said if a national Government could be formed by all classes of people coming together and making a united demand, there would be no difficulty whatever. The whole position is this. Is India so barren of statesmanship that the Congress, the Muslim League and the other minorities cannot get together and draw up a workable scheme and present it to the Parliament for approval? I am not one of those who believe that there is no such statesmanship in India. We have very wise and experienced people. The only thing is they are very nervous owing to the militant attitude taken up by the Congress in these matters. Any one who speaks about adjustment or compromise becomes at once the target of attack by thoughtless young men. Therefore people are reticent and unwilling and, I am sorry to say, even become timid to come forward with their suggestions. There are men in India thoroughly tried and experienced in administrative work. Place them together until they come to an understanding. If the country were agreed on these matters I am sure the present deadlock would be solved and India would soon get what she demands, namely, a national government. It may take time, as it has been assured that after the war the whole matter would be discussed and considered. After the war it will be possible to achieve our full aims, but in the meanwhile we may have this agreed constitution and that assurance which is demanded by the Congress. Therefore, though I believe these constitutional and political matters are extraneous to the provisions of this Bill, they have to be considered. I support the Finance Bill that has been laid before the House.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Bill before us had a memorably rough passage through the other House and in this House too it has been subjected more to the consideration of the communal and constitutional situations than to the strictly financial aspects. The Honourable the Finance Member had made an excellent beginning by bringing forward the last Finance Bill without asking for favours from the Governor General as has been the case for the whole of the five years of Sir James Grigg's regime. I had expressed the hope in the discussion of the last Finance Bill that he would not be compelled to bring

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a Bill in a certified form, because this House has often expressed its objection to that form of Bill. But here we can distinguish that this Finance Bill had come to us in its present form through no fault of the Finance Member himself. It is due more to the faults of the Government of India than to those of the Finance Department.

Sir, I could have easily followed the precedent, which has been set in the other House and by some of my colleagues, of considering this purely from the communal and constitutional aspect, nevertheless I should like to deal with the financial and administrative aspects of the Bill as well. This is the second time that we have got a supplementary Finance Bill before us during the last ten years. In 1931 when we received the supplementary Finance Bill a wealth of information was supplied to us, which is strangely lacking at the present time. We do not even know from what items the surplus which he acquired has been got. There was nothing secret about this; no general interest of India would have suffered if we had received detailed information about the actual surplus. But it seems to me that we are to be treated like children, to be given only that much information which the nurse thinks it proper to be given to us and our satisfaction and requirements have no value.

Mr. President, the Honourable the Finance Member began his statement on the Finance Bill with the statement that he expects a short-fall of Rs. 280 lakhs in the revised estimate of the current financial year's income. But he presented to us a picture of Hamlet without the Prince of Denmark. He did not say a word as to what he expects from the Income-tax and the Excess Profits Duty. Neither did he tell us whether the position will be maintained or will deteriorate or will improve. This is the way in which we are treated—as nobodies. They do not treat us like responsible and representative Indians. I find, Sir, from the statement of expected income that as regards the railway figure he expects to get a little more than what he had budgeted for. I refer to the fact that he now expects Rs. 463 lakhs as one per cent. contribution from the railways whereas in his budget statement he had expected Rs. 441 lakhs. This is capable of two explanations. Firstly, it might be due to the fact that in the nine months the capital at charge has increased by Rs. 22 crores, because in the Statement on the Financial Position these are his words "their full contribution is Rs. 463 lakhs: it is one per cent. of the capital at charge". In the last Financial Statement it mentioned Rs. 441 lakhs. There is another explanation and I hope that the second is the proper explanation. The convention is that you receive from the railways one per cent. of the capital at charge after debiting loss on the strategic lines. Probably reduction in losses on these accounts for Rs. 22 lakhs. I should like to be assured on that head. As regards his estimate about the Customs income I personally think he is optimistic. I personally believe that he has not taken into full account of the difficulties of transport and our embargoes. The figure can go up only if army stores are being imported and that may equalize the reduction elsewhere.

Coming to the expenditure side the Honourable Member started with the statement that there was an excess of Rs. 230 lakhs in the civil estimates. The civil estimates are civil merely in name. Most of them are really defence expenditure charged to civil heads. I will give you some instances. Rs. 30 lakhs are to be spent on training pilots for the Air Force: Rs. 8 lakhs were being spent on strengthening the Frontier Constabulary and Rs. 20 lakhs on road making near the Frontier. Out of Rs. 230 lakhs he has only given details of Rs. 194 lakhs and left us guessing for the remaining Rs. 36 lakhs. I find an important item of civil expenditure is absent from the Financial Statement which

the Standing Finance Committee of the Assembly had passed. I refer to the expenditure which is going to be incurred on installing the 100 kilowatt. transmitter in Delhi. Is that money to come from the reserve fund set apart for improving broadcasting or is it to be charged to the current revenue? If it is to be charged to the current revenue I do submit that it was not an item to be left out, and one for which strong justification must have been urged if this money is to be spent on broadcasting from the revenue account. I know broadcasting is one of the subjects in which the Governor General can act at his discretion or perhaps in his individual responsibility. That may account for its absence even from the statement made to us. If that is the reason defence expenditure too then should not have been mentioned because that is a thing in which the Government of India or the Governor General in Council do not figure. Sir, the Finance Member has given the least possible details of the increase in defence expenditure that was possible to give. He has neither mentioned on what account this excess is being spent nor what amount is being debited to His Majesty's Government, and the particular head to which it is being charged. There are absolutely no details and a bland statement is made that we are to incur, in addition to Rs. 834 lakhs, already sanctioned another Rs. 14½ crores recurring expenditure and Rs. 33 crores non-recurring expenditure. I would like to point out that he is not treating us fairly by making a crisp statement of this nature. You ask a body of people to give all help to you and to give their support to the measure and still you refuse them the least information. We have been persistently asking in our last session for the actual facts in connection with our agreement with His Majesty's Government, how much money His Majesty's Government is contributing to this defence expenditure, and we have always been told that there is the statement of the Honourable the Finance Member which says that very advantageous terms have been settled. It is sufficient we are told that so much only will be charged to India and the rest to His Majesty's Government as is not primarily in the interest of India's defence.

THE HONOURABLE SIR A. P. PATRO : The report is not published.

THE HONOURABLE MR. HOSSAIN IMAM : Every expenditure which is being incurred is reported to be in the interest of India and I have failed to find a single item cited by the Government of India, indicating the item of defence expenditure which is not charged to the Indian Defence account. Therefore I wish to state frankly that I believe that the Finance Department is as powerless as ourselves. The War Office is the real master and it dictates, the Government of India simply follows. While on this subject I should like to know whether our presumption is correct, that in the matter of defence the Government of India do not figure even in an advisory capacity; they simply follow the dictates of the War Office and the General Headquarters in England. The War Office lays down the policy and the Defence Member of the Government of India is powerless. That is the plight which is over us. I was agreeably surprised to find that the conscience of even the Government of India is sometimes pricked. I am very glad that is so. Sir, as is well known, the question of the distribution of defence expenditure is a matter for the decision of His Majesty's Government. Formerly the convention was that India would be responsible for minor attacks and when a major power attacked India, then for the time that imperial forces could join, India was to be responsible for that time only. Neither the number nor the equipment that you have for this purpose was dictated by India. You have never listened to us. You cannot now blame India for her desire to reduce the defence expenditure when you never listened to us and you went on merrily. There was no

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one to check you. How can you throw the blame on us for the unpreparedness as India has all through been powerless. It was the bungling in the War Office and the Government of India which was responsible for the state in which our defences are. I was referring to the question of our responsibility in the matter of defence. Now, after the Chatfield Report I confess we were supposed to get increased contribution from His Majesty's Government, both recurring and the generous award (which is still in abeyance) of Rs. 40 crores for mechanization. We were told, Sir, that the Chatfield Committee advocated a principle of joint responsibility of Great Britain and India for India's external security. To implement this recommendation, a number of external defence troops were to be included in the establishment of the Indian Army. So far so good. But you had a fixed number of external defence troops charged to the Indian exchequer. (As *Honourable Member* : 30,000.) And what about the excess? Every day you are changing the basis of agreement, not as a matter of mutual consent but as a dictation from the War Office. I am not prepared to believe that the Government of India was a free agent in coming to this settlement. Now, on the basis of the Chatfield award we would be entitled (since it is a recent basis entered into as late as 1939) to ask Great Britain to disburse all the expenditure of the 30,000 extra troops that are now outside India's borders. The terms were not dictated by us, so you cannot claim that we came to a settlement. It was a term dictated by the War Office. You break it and you come to us and tell us that a very advantageous settlement has been entered into with Great Britain without any proofs. How can we possibly be convinced by an argument which has neither force nor facts to prove it? A bland statement coming from a high quarter no doubt, but merely a statement without substance, cannot be believed. And it is on these basic factors that I tell you that it is impossible for any self-respecting Indian to lend his support to you. Now, Sir, as I said in the beginning, even the conscience of this Government of India is sometimes pricked. The agreement at the moment is that our troops which are abroad are sent there for the external defence of India and therefore their ordinary charges should be borne by Indian revenues. But what about the new army that is being trained? If this new army is being trained in the interests of India, should it not be charged on the same basis? If there is a change, and a change made by you, by the Government of India, then it stands to reason that it is on a different footing. This army is not being raised for the defence of India. Mr. Ogilvie, Sir, replying to question No. 18 in the Legislative Assembly on the 7th of November, stated that the cost of expansion will be borne by Indian revenues but should any forces comprising it be sent for service overseas, the initial cost as well as the recurring cost from the date of embarkation will be charged to His Majesty's Government. Why this differentiation between the financial treatment of the old army and the new army? It can only be due to the fact, Sir, that you yourself believe that the new army is being raised not for the defence of India but for Imperial purposes! You have admitted half my claim by making this differentiation. If you are honest you should go forward and tell His Majesty's Government that your dictation about the numbers of troops required for the safety of India shall hold good, and to that extent India should now be charged with all the expenditure for armies whether it is inside or outside the country but that for any increased forces that are being raised His Majesty's Government should be charged. I will tell you, Sir, the reason why we make this demand. Primarily it was the duty of the British Government to come to our rescue if we were attacked. We

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know your difficulties, we know how difficult it is to get away from England, how much England is hemmed in herself by her enemies. We appreciate your difficulties. But that is no reason why you should always say that heads I win, tails you lose. Because you cannot come to our succour, are you not going to pay for it even when you can easily pay?

THE HONOURABLE THE PRESIDENT : But you don't think that, if the war is extended, the frontiers of India would be in danger?

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, what I am suggesting is that an army cannot be created overnight. It is like an insurance premium; you go on paying it so as to get an endowment at the end of a period of years. You cannot by a magic wand create an army the day you want. It is not like the I.C.S. that you can get at once.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : As one who has passed the I.C.S. examination, I can tell the Honourable Member that it takes a little time to get into the Service.

THE HONOURABLE MR. HOSSAIN IMAM : It costs the time of the student but it costs the Government nothing! The Government does not pay you while you are preparing for it.

THE HONOURABLE THE PRESIDENT : A very far-fetched argument.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, I say that an equitable settlement, a just settlement, would be that the entire cost not only after embarkation but even before embarkation, as soon as they are raised, should be charged to His Majesty's Government and not to the Indian exchequer. If we are to believe that this statement of Mr. Ogilvie is not to be changed, as we found about the cost of commission for the Supply Department. Mr. Dow told us during the last session that we are charging so much from the British Government for the purchases which we are making on their account—3 per cent. The Government of India which came itself to the settlement without any prompting from the Opposition, changes it overnight and says that it is not proper; is it due to the fact that it would have cost His Majesty's Government a good bit of money? I think that you are not playing fair. Don't take the blame on your shoulders, however broad they might be, which should really go to His Majesty's Government. Go forward and be frank with us. Let us know that we and you are in the same boat. Secondly, Sir, I want an assurance that India will not be denuded of seasoned troops. I am very much afraid that if there is any conflagration in the Near East you might easily, as you did in the last war, take away all our seasoned soldiers and leave us with raw recruits. To me, Sir, the defence of my own country is much dearer than that of any other. I would remind you that His Majesty's Government did not give all the available men and material to France, but kept the better and greater part of their reserves and resources in England.

THE HONOURABLE THE PRESIDENT : But why do you assume that the Government of India is going to do that?

THE HONOURABLE MR. HOSSAIN IMAM : Well, Sir, from the fact that in place of 30,000 troops which were reserved for external purposes we have sent 60,000 and because of another factor that some of the personnel of the Indian Army has been sent to England and France of which there is no mention

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in the Finance Member's statement. We came to know of it only the other day and we are indebted to Mr. Amery for the information that he has given and to the little booklet on *Facts about the Defence of India* which the Government of India has published. We have got three things before us now, the Statement of the Financial Position by the Finance Member, the booklet giving a summary of important military matters concerning the defence of India, and the statement of the Secretary of State and there is great divergence in the facts mentioned in these three documents, which have been issued during this month. I would like the Honourable the Finance Secretary to tell us if he has received a single shell from His Majesty's Government for the defence of India, and, if so, what the amount is? He could at least give us the figures for the year that has already ended. Is he prepared to give us full facts on that? It is a story of the past. It will not help Hitler a jot to know that His Majesty's Government contributed Rs. 4 crores and the Government of India spent Rs. 50 crores. Have you anything to show in that respect? I doubt very much. It is simply a tall story.

I would also like to know what amount we have received from the much advertized Rs. 40 crores for defence modernization. Here I would ask the Honourable Member to explain a statement of the Honourable the Finance Member, who says at the end of page 3 of his speech :

"Meanwhile the financial settlement with His Majesty's Government has enabled the mobilization and development of India's resources, for war to be expanded with the utmost rapidity" (mark the word "rapidity", Sir), "at a cost to the Indian taxpayer which represents no more than a fair charge to India for her own requirements".

What is the criterion for determining the expenditure which is a fair charge for her own requirements? The man who claims. It is Whitehall—the War Office and the India Office—and between them the two responsible Ministers of His Majesty's Government decide the matter and you follow.

I should now like to say a few words about the rapid expansion of India's resources. That is a sorry story, a story of which any Government would feel ashamed. Look what is happening. The Honourable Member advertizes a long list of articles which we as traders have supplied to the Near East and other parts of the British Empire. I am talking not of raw materials but of manufactured goods, which are cited by the Honourable the Finance Member in some detail—things like guns, shells, ammunition, and so on. Even there, Sir, we are indebted to Colonel Amery for the statement that we have made a supply of more than Rs. 3 crores, which the Honourable the Finance Member did not care to mention. We have supplied some 30,000 tanks costing more than Rs. 3 crores. We had to go to Colonel Amery for this information and we could not get this information from the Honourable the Finance Member, because it will have helped Hitler if this information had been divulged to Indian representatives! What are the efforts which India has made for her own defence? That is the basic thing on which we can judge how you have carried on your responsibility during the 15 months of the war in which you have been in charge. If you have signally failed in this, you cannot, even on the principle enunciated by Sir A. P. Patro, ask for our support. A Ministry which is unable to discharge its functions properly, there is only one fate in store, and that is the fate which was meted out in England to the Chamberlain Government. Here we are powerless to turn you out. But can you question the equity of the refusal of the representatives of the people to support an incompetent body in office?

THE HONOURABLE SIR A. P. PATRO : Who says incompetent?

THE HONOURABLE MR. HOSSAIN IMAM : I am going to ask you, Sir A. P. Patro, to judge. You will be my judge. Nobody else. Look at what they have done? A statement is made that out of 40,000 items which constitute the requirements of the war machine, 20,000 are being manufactured in India. It is a thing of which they can very easily be proud of. But come down to brass tacks and tell us exactly what are the new items which you have started to manufacture? Have you started manufacturing anti-aircraft guns yet, after 15 months of the war? Mr. Satyamurti said the other day that Madras was blessed with two anti-aircraft guns out of which one was out of order. Is that the measure by which I would show that you have done well by the Government of India?

THE HONOURABLE SIR A. P. PATRO : They were old ones, not new ones.

THE HONOURABLE MR. HOSSAIN IMAM : That further strengthens my argument that this Government is incompetent. I had full belief that the judgment of the Honourable Sir A. P. Patro would be in my favour. There is no mention by the Honourable the Finance Member of anti-aircraft guns. You cannot at the present moment consider any country prepared for war without starting the manufacture of such elementary things for the defence of the country or importing thousands of them—I will not say hundreds, but thousands—if they were not able to manufacture them. We are told by the Defence Department that they have started a Rs. 7 crore expansion scheme. This was decided upon after the close of the last session,—nearly 10 months after the beginning of the war. It was probably in June. I am not positive. After 10 months of the war you decided on an expansion scheme which will ultimately result in the manufacture of anti-aircraft guns in this country. You had enough money to buy 30,000 motor vehicles. You had enough shipping space to import these vehicles. But you had not enough money to buy these essentials for the safety of India. If you have not learnt any lesson from the defeat of Poland, if you are not wiser after the collapse of France, God help you.

THE HONOURABLE THE PRESIDENT : But who is in a position to know better regarding the safety of the country, the Military Department or yourself?

THE HONOURABLE MR. HOSSAIN IMAM : If the Military Department were free agents I might have every trust in them. But the Honourable the Finance Member said that the Finance Department was the handmaiden of defence; and I venture to say the Defence Department of the Government of India is a subordinate branch office of His Majesty's War Office and the General Headquarters. It has no initiative. I have got the facts stated by the Government of India to substantiate this claim. Here are the words of the Honourable the Finance Member which lend support to my argument :

"A large number of service aircraft for training purposes are being supplied by the United Kingdom, and as soon as further supplies of aircraft are received we shall be in a position to make immediate use of them".

Fancy, after 15 months of war, after the collapse of France, you can think of nothing better than make this statement, that His Majesty's Government will send in God's own time aircraft. When the war is ended for good or evil these supplies will be available; and in the meantime you must continue to work as an arsenal for others and do nothing for yourself! Our dollar resources are placed at the disposal of His Majesty's Government. Do we not require dollar resources for our own needs? Is not England getting machine tools

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every day from America? Why not we? That is why you did not send an Indian to the United States, because it would have exposed the position, that we are working there as subordinate agents of His Majesty's purchasing commission. If there is any excess from His Majesty's Government's requirements and it cannot be utilized by any other self-governing Dominion, Indian might come into the picture, and that even is not sure! It might come into the picture if surplus dollars are available. That is exactly your position; and all that is due to two causes, one is the constitution and the other is the lack of support of Indian public opinion.

Sir, I could have dilated at length on the points of their unpreparedness, but as it is the general desire of the House to conclude this debate I am not going to use all the materials which I have before me, and I shall now proceed with the communal and the constitutional aspects of the matter. But before I do so I should like to say one thing more. It would be impossible for any man, not even Sir A. P. Patro, to pass over the shabby treatment of India's air defence. There is no other word for it. You say bluntly that the Royal Air Force here has not been expanded. I am quoting from the statement which has been placed before us by the Finance Department:

"No expansion has taken place in the R.A.F. The Indian Air Force has been expanded".

But what a magnificent expansion for the expenditure of Rs. 33 crores initial and extra Rs. 22½ crores recurring which the Government of India has incurred. For an extra expenditure of Rs. 55 crores initial and recurring the expansion of the air force is remarkable. We are told,

"The initial establishment of the Indian Air Force under the expansion scheme is now proceeding. There will be three squadrons consisting of four flights each".

This is the magnificent achievement of the Government of India on the basis of which they want that the whole of India should support them unconditionally! Their record is, if anything, worse than that of the Chamberlain Government, and it is only in a country constituted as ours that a Government of this nature can continue in power. That is due to the constitutional position, and it is for that reason that the constitutional aspect overshadows all other considerations.

I should now like to refer first to the communal aspect and then I shall deal with the constitutional aspect of the matter. My friend the Honourable Mr. Mahtha asked us some questions as to what would happen if the Parkistan scheme were accepted. He did not follow Mr. Sapru in declaring his vehement opposition to the scheme itself. As it appears to me that his inquiries are more in the nature of a genuine search for information I would like to say to him that when two people have to compose a difference it is essential for them to study the literature and papers of each before saying that anything is wrong. When we come to the Legislature we look up Government's case and it is then that we can question their action. I would therefore earnestly request him to write to the Muslim League for its literature, and he will then find a reply to all his questions. If he will write to the Muslim League office they will send him the full literature for one or two rupees.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: A subscription for the Muslim League!

THE HONOURABLE MR. HOSSAIN IMAM: I shall be proud to receive it from Pandit Kunzru. My Honourable and dear friend Mr. Sapru, who is essentially a man of moderation and of goodwill, was strangely excited the other day and his cool arguments were altogether absent. He went on hammering the point that the minorities—although we refuse to be called a minority, we claim to be a nation—demanded a right of veto. I say it is no good shouting slogans. If we do not have the veto, who will have it? You will have it, you claim it; or the Britishers will have it. They claim the right of veto. Abolish the veto and let everything be settled by common agreement; no veto, no majority. The difference, Sir, between the Mahasabha and the Congress is only this, one is wise and the other is a little foolish, but they are essentially one and the same. They know full well that they constitute 68 per cent. of the population of India, as the Honourable Mr. Mahtha pointed out. Knowing full well that even if the Europeans, Parsis, and the Muslims and the rest combined all those would still remain 32 per cent., the Congress paraded nationalism; it meant nothing but Hindu rule, Hindu culture and everything Hinduized. It is really a thing for which I feel very sorry. Without having evolved anything of a common nature, the majority community were trying to parade everything Hinduized as nationalism. Sir, it is no pleasure to me to parade all these differences which exist between ourselves. It is unfortunate that India has not been able to settle its own differences; but the party at fault used vehement language. I am not going to indulge in any heat, although the Honourable Mr. Sapru took advantage of his non-belief in the non-violence stunt of the Congress and was sufficiently belligerent to say that India was indivisible and the Hindu India will fight it out just as Abraham Lincoln fought it out, and because Abraham Lincoln was successful he presumed that that item was also correct, and unexceptionable for a country to have its freedom and not to divide up. He knows that Ceylon did form part of India, and Burma was separated in our time. Could he cite to me any instance of even half a century if not of a century when the present geographical India continued to be under the domination of one power? It was never so in past history. The Asoka government that existed could not be called in any sense a united government; it was all in name. Mr. President, it is the gift of the Englishman to bring about the concept of a united India. Did that concept exist before? They had no concept of a united nationality. The Congress thought India to be a nation in the matter of self-expression. Even now you hear from the Congress benches the voice for the division of Madras into three parts. Mr. Sapru will be surprised perhaps to know—he may know but he has not stated—that the demand for the separation of Sind came not from the Muslims for the first time. It was put forward in the Congress by a Hindu gentleman of Sind for the first time 25 years ago. (A voice: For administrative purposes.) Whatever the purpose I say this, we did not start it.

Mr. President, justification for the partition of India are more than enough. Look at the treatment meted out by the Aryan conquerors, the caste Hindus to the indigenous people of India, the depressed classes. We were prepared in the minority provinces to accept representative government, but Raja Narindra Nath asked at the Round Table Conference that no reforms should be given to the Punjab. It was reserved for Raja Narindra Nath with a minority of only 44 per cent. against 56 per cent. to say that he did not feel secure. He demanded that there should be no reforms; but we who are 12 per cent. in Bihar never raised any question of this kind. Bihar Muslims had worked successfully for 12 years with the Hindu party to which Mr. Mahtha belonged: when he was a member of the Bihar Legislature and belonged to the United

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Party. I had worked with the Progressive Party for seven years in this House. I would now refer to a responsible person, Dr. Moonje, who occupies the position of the working President of the All-India Hindu Mahasabha. He was called by the representative of His Majesty's Government for consultation on the expansion of the Executive Council. What does he say? He says plainly that what India wants is not the Congress type of nationalism which my Honourable friend to my immediate right preached, but a government which will be nearer to the heart of my friend to the extreme right. Dr. Moonje showed his audience that what India wanted was *Hindu self rule* and not any other self rule. This statement was made as late as 18th November in Calcutta. It is the Hindu raj which he wanted and no other self rule and he assures us that under Hindu nationalism and Hindu raj they would live as brothers. I am sure he meant the same brotherly treatment as Hindus give to the Harijans, and that similar treatment will be meted out to us. He found three hindrances in the way of establishing Hindu self rule, Hindu democracy and Hindu culture. The first hindrance is Mahatma Gandhi's creed of non-violence, second, place is given to ourselves, and thirdly—very minor—to my Honourable friends the Britishers. They are the least hindrance to the establishment of Hindu rule. Would anyone be surprised if we declare our attitude and our inability to submit to it? I may say that the Hindu Mahasabha are foolish while our friends of the Congress are wise. They demand the same thing under the garb of democracy and nationalism. (An Honourable Member: What is your opinion about the Muslim League?) Just the common man.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan): With their intelligence as poor!

THE HONOURABLE MR. HOSSAIN IMAM: A man is the mirror of others: so you may think what you like of us. If any further argument is required I would invite the attention of the Honourable Members to a statement—unchallenged statement—which Mr. Jinnah made only recently at the Arabic College in which he said that Mr. Savarkar is reported to have said that the Indian Muslims were like the Jews in Germany and should be treated as such. Then do you think we are unreasonable in demanding something that will keep that fate away from us?

THE HONOURABLE MR. P. N. SAPRU: Where has he stated that?

THE HONOURABLE SIR A. P. PATRO: That is incorrect.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. Jinnah made that statement four days ago. No one has contradicted it. It was open to Mr. Savarkar to rebut it. I said obviously the Hindu Mahasabha is a little foolish. The Congress have the same object in view but they are wiser. Our friends of the Progressive Party do not want to weaken the Congress and are the link between them and the Hindu Mahasabha.

Sir, I have got very little time left and therefore I shall not say any more on this subject. The communal question is not one which is pleasant to discuss. I would appeal to Honourable Members to follow the lead which was given by the Leader of the Congress Party in this House. The least that a self-respecting man can do is not to encourage or provoke bitter feelings by bringing this matter always to the fore in the Legislatures. Mr. Jinnah has given a lead in practice, as he did not make a condition precedent of joining the Viceroy's

Executive Council that his claim for Pakistan should be accepted. But the Congress, even Mr. Satyamurti, could not be content without asking as the first item of Mr. Amery's *bona fides* that he should repudiate Pakistan. Look at the difference. Think over the matter a little dispassionately and you will find that the provocation does not come from us. We are in the minority, we are small in numbers. It is you who do not trust us, because your own conscience is not clear. You want to crush the Mussalmans in the minority provinces and therefore you are not prepared to put any Hindus under the rule of Mussalmans. That is the plain and simple explanation of the matter.

Now, Sir, as I said, if I went on with communal bickerings, it would take up all my time. I shall refer to the constitutional aspect of the question. As I said in the beginning, what was the Government's offer which Indians have refused and for the sins of which we are for ever to be deprived of any share in shaping the policy of the Government. The sin is that we were not job-hunters enough. The tempting bait of Rs. 80,000 a year was not enough to rope in four or five persons. Since then the Honourable the Finance Member has taken good care to reduce it by Rs. 2,000 a month by way of income-tax and surcharge, so your object has been attained. The Rs. 80,000 has dwindled down to Rs. 56,000 net.

Mr. President, the present position of the Viceroy's Executive Council is that it is a glorified body which has even less power than it had before the 1935 Act. The 1935 Act provided that there were certain departments in which the Ministers would be fully responsible to the Legislature and others in which the Governor General should have the entire responsibility. Indian States were excluded. External Relations we had no voice in. Defence we did not figure in. And Finance we were of no account in. In other matters we were to be free. And I was surprised to find, Sir, that Broadcasting also came into this all-embracing category of the Governor General's responsibility. And the present form of the constitution is that the Government of India or what is properly and technically the Governor General in Council are only to function where the Governor General is not responsible in his individual capacity or the matter is not one which he can decide in his discretion. It is only in these matters that the Executive Council functions as a body having majority rights. In all the rest, the Governor General can and would disregard the opinion of the Governor General in Council. Many of the items out of the five which I have cited, I doubt if they would come before the Governor General in Council. We had an example, Sir, in the other House of how this works out in practice. A debate was stifled merely on the ground that the summoning of the Legislature was not the function of the Governor General in Council—which means that the Executive Council cannot do so. This is the body to which you are inviting us, which has not a voice in this primary requirement of a Government that it should have the right of summoning the Legislature. This is the glorified body in which Indians were promised a majority and which has been brought before us as a tempting bait by Mr. Amery. Sir, it is not enough that we are promised nothing for the future, but even for the present your offer is so vague, so unsubstantial and so dilatory that it is not worth looking at. As I said, Sir, Defence is a sealed book so far as matters of policy relating to equipment and other things are concerned. It is only when a matter is decided upon that execution has to be done by the Governor General in Council, that we may have a finger in the pie. Primarily, it is the War Office which dictates what should be done and what should not be done and the War Office has during the 15 months of this war shown sufficiently that it cares nothing for India's defence needs. I am not willing to trust and to allow this Government to function with my help

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in this inaction. Mr. President, the fact cannot be lost sight of that we are working under a constitution which is one-sided. Although the part of the 1935 Act which would have given us power is still in suspension, the Government of India cannot suspend that power which gives swaraj to the Viceroy and the Secretary of State. The Viceroy and the Secretary of State continue to have greater powers than they enjoyed under the 1919 Act. Is that a fair division? Now, Sir, some reflection might be made on the fact that the Muslim League had made the unreasonable demand of equality of share in the Government of India. May I cite to my friends the example of Canada? The Legislature consists of equally divided seats between Frenchmen and Englishmen.

THE HONOURABLE MR. P. N. SAPRU: Am I to understand that there is separate representation in Canada and that the French have got 50 per cent. seats and the English have got 50 per cent. seats? That is news to those who have read something of the Canadian constitution.

THE HONOURABLE MR. HOSSAIN IMAM: 50 per cent. seats are for the French Canadians.

THE HONOURABLE MR. P. N. SAPRU: Where have you got this from?

THE HONOURABLE MR. HOSSAIN IMAM: Look at our literature. I was saying that even among the Hindus there are people who do not see anything unreasonable in this demand of ours. I have before me—

THE HONOURABLE MR. P. N. SAPRU: There are always renegades in every community.

THE HONOURABLE MR. HOSSAIN IMAM: A very literary person, in charge of a University, has made this statement and he comes from the country of the Honourable the Leader of the Congress Party. He is Dr. C. R. Reddi.

THE HONOURABLE MR. RAMADAS PANTULU (Madras; Non-Muhammadan): He is not a Congressman. He is anti-Congress.

THE HONOURABLE MR. HOSSAIN IMAM: He is a Hindu.

THE HONOURABLE MR. P. N. SAPRU: He is a renegade Hindu.

THE HONOURABLE MR. HOSSAIN IMAM: Every one who goes against you is a renegade.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: There are plenty of Muslims who are against the Muslim League point of view.

THE HONOURABLE MR. HOSSAIN IMAM: I do not call them renegades. That is the difference between you and me.

THE HONOURABLE THE PRESIDENT: Will you please address the Chair?

THE HONOURABLE MR. HOSSAIN IMAM: Dr. Reddi in his statement has said that the League and the Congress should come together on the basis

of national Government in which the Muslims will have a half share, which is not very far from Mr. C. Rajagopalachar's policy. (An Honourable Member: Why not two-thirds?) Here comes the acid test. Was the sporting offer of Mr. C. Rajagopalachar mere kite flying or was it sincerely made? If it was merely a good cry, a newspaper propaganda to show the reasonableness of the Congress it has perhaps achieved its purpose. But if there was any sincerity in it, you should not object to the Muslims' demand for a half share in the government of the country as long as we remain united and as long as the future is to take care of itself. But there is something else which Dr. Reddi says which I appeal to Government to listen to. However that may be, he says, the reconstruction of the Central Government should not be made dependant on the creed or mood of any party or postponed to the Greek Kalends under one pretext or another. Your offer, which has been kept open, is nothing more nor less than your saying, "You come on my terms or you get out". I can retort and say, "I come on my own terms and none other. Don't blame me if I do not support you." In no Government support is pledged without agreement. You are allowing the Assembly, which is out of date, to go on. You cannot hold the elections. Whereas Canada, with all its war efforts, can hold the elections, whereas Australia, with all its war efforts, can hold the elections, you cannot hold the elections because it is against the public interest. And yet you say that this House is unrepresentative. Here is a golden opportunity of getting public opinion and finding out whether India is with you or is condemning you for your action—I will not say, action, because you have done nothing—I will say, your inaction. Are you prepared to go to the country for their verdict? If not, the presumption will be that you have got a black record.

THE HONOURABLE THE PRESIDENT: Are you not going to leave any time to other speakers?

THE HONOURABLE MR. HOSSAIN IMAM: As I have said before, I am going to impose a self-restraint and I shall take no more than the allotted time. I have perhaps exceeded by one or two minutes.

THE HONOURABLE THE PRESIDENT: You have already exceeded the allotted time by 10 minutes.

THE HONOURABLE MR. HOSSAIN IMAM: I am bringing my remarks to a conclusion, Sir.

Sir, there might be people in India who, like Mr. Satyamurti or the young man whose story was cited by Mr. Sapru, may be indifferent to the future of India, and there may be many reasons for their being indifferent. When you have no voice in shaping the policy, when you are denied the right to participate in any discussion, what interest can you take? The Honourable Mr. Parker has asked why the Indian leaders did not go up to the Viceroy and offer their services. I say, we have not denied help. Even Mr. Gandhi said that he will advise his cabinet to give unqualified support to His Majesty's Government—

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): He has not done it.

THE HONOURABLE MR. HOSSAIN IMAM: His cabinet did not approve of it.

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Mr. President, as I was saying, it is not we who have not co-operated. It is the Government which is non-co-operating with us. It is not prepared to give any real responsibility to the Indian Ministers except to make them glorified clerks—if I may put it so—on high salaries. It is for that purpose that they are being invited, and I am strengthened in this conclusion by the fact that in addition to this expanded Cabinet, you are going to have a Defence Advisory Council. What is the idea?

THE HONOURABLE THE PRESIDENT: You quarrel among yourselves and throw the whole responsibility on Government.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, it was the inaction of the previous Government which brought about the ruin of France and God forbid, it is your inaction which will bring about your ruin, and it will not be our fault. We are powerless; you have power, and you are misusing it because you are dictated to by the War Office. Your primary duty is to act, formerly as the supplier of raw materials, and now as the arsenal of supply for other theatres of war, not caring for the defences of India. In no country would a government, which has done so little for the defence of its own hearth and home, remain in office except in this benighted country. You cannot blame us Indians if we do not feel in sympathy with this Government and are not prepared to lend their support to it.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR (Nominated Non-Official): Mr. President, I have listened with regret to the inopportune outbursts from the side opposite. After the proceedings of the Central Assembly the unwarranted criticism of the side opposite in this House is not at all surprising. The voting on the Finance Bill in the Central Assembly regrettable as it is has a moral of its own. No knowledgeable man in this country or abroad will look on it as evidence that India is fundamentally opposed to the war efforts. The narrow majority with which the Congress Party won the division in the other place does not represent the true feelings in the country which is definitely in favour of the maximum support for the prosecution of the war. But in this House I would appeal to the good sense of the Honourable Members opposite to remember that in the hour of trial and anxiety political opponents must rise to a supreme effort of highmindedness. Let us realize the realities of the situation. The recruits are coming forward in large numbers to join the army. Voluntary contributions of money and material are pouring in. The Indian States are offering money to the tune of lakhs, and their military forces. Prayers are held in the country for the success of British arms. I have often heard Members indulging in tall talk about the military. May I humbly suggest that as laymen they are incapable of appreciating the military situation. Pray leave it to the military authorities who are the best judges of matters purely military. There was a reference about democracy. Do they mean the democracy preached and practised by the political leaders in India today who are no less than dictators?

Sir, coming to the international situation, it is needless for me to recapitulate the events that have taken place. To quote His Highness the Nawab of Bhopal—

"I must ask all true Mussalmans to remember that the Axis powers have shown themselves to be the implacable enemies of Islamic countries and peoples. Italy has ruthlessly wiped out the Muslim Kingdom of Albania. Her conquest of Tripoli is as black a chapter of horror as has ever been written in the pages of history. She has invaded Egypt. She has bombed the cities and towns of Islamic countries and has shed the in-

nocent blood of women and children. Let us not be blind to the fact that the attack on Greece is but the vanguard of an assault by Italy and her ally Germany on the liberties of the Islamic countries that lie between the frontiers of India and the Mediterranean. This is indeed the Battle of Islam and those who fight it, must bear in mind the injunctions of the Quran:

"..... what has happened to you that you do not, in the cause of God, fight for those helpless men, women and children who are praying "O Lord, deliver us from this place the inhabitants of which are oppressing us....."

Hitler and Mussolini have designed aggression, and let me assure the Honourable Members that Hitler & Co. will simply be disillusioned when the heavy knocks of the British Empire which are too strong for words to tell but are awaiting to strike at the root instead of the branches at the right time. The victory here and there may have some momentary advantage for Hitler & Co. But remember he laughs best who laughs last.

Honourable Members would join me in paying tributes to the men, women and children of London in their hour of trial and distress. London in spite of the heaviest air attacks is firm like a rock and under the leadership of that eminent personality, I mean the Right Honourable Mr. Winston Churchill, is returning the blows with greater severity than ever. The personal visits of Their Majesties the King and Queen to the houses of the victims of Nazi aggression are encouraging Londoners to face the calamities more bravely and we in India simply adore the feelings of Their Majesties towards their people.

Honourable Members, coming to the Bill itself now I have a word for the side opposite. In the address of His Excellency the Viceroy, after the rejection of the Finance Bill in the joint session of both Houses, a positive hope appears and it is for the realist to realize than for the dreamer to dream. His Majesty's Government has kept in abeyance its proposal regarding the expansion of the Governor General's Executive Council and formation of the War Advisory Committee. The door is still open and it is for us now to present our demand and profit by this offer which takes us much nearer towards the goal in a way. The speech coincided with the speech of Mr. Amery, the Secretary of State for India, in the House of Commons who in his lucid speech declared in clear words:

"What is the offer which is still open to the leaders of political opinion in India? It is that they should come to the Viceroy's Executive Council not as mere advisers, but as Ministers responsible for great departments of state and to come into that Council in such numbers as to constitute a substantial majority over the European members of the Viceroy's Council".

It further reiterates that—

"Once the principle is established that the Viceroy's Council must consist of the majority of Indian members that principle naturally remains".

Now I leave it to the side opposite to profit by the sincerity of the proposal.

I may remind the House that dark days may be ahead for India. Surcharged as it is by the malicious ambitions of the Axis powers and Japan and Russia it would be short of prudence to lose sight of hard facts. The war effort must be doubled cent. per cent. The youth of the country should come forward still in larger numbers and join the army and every possible sacrifice in men, money and material should be made as it is in the interest of Indians themselves to take an active share in the successful prosecution of the war against the common enemy.

Sir, Germany and Italy, the twin disciples of force and of the gospel of aggression, are determined to force upon the world their doctrine of life which

[Lt.-Col. Sir Hissamuddin Bahadur.]

denies to the individual liberty of thought, and to the nation the right to live its independent life according to its own genius and tradition. That doctrine they are enforcing by blotting out of independent existence any nation or people however peaceful and non-violent it may be, which wishes to live its own life quietly and without interference. With this danger confronting us, is there any one with any sense of responsibility, I ask, who is prepared to advocate the role of neutrality, of supine inaction and of non-violent onlookers while the tragic fate which has befallen more than half a dozen nations in Europe that have essayed this role, is written in letters of blood before our eyes. These are the patent facts and no right-thinking man can shut his eyes and go on labouring under misunderstandings and misapprehensions. The sum asked for in the Finance Bill is not even the fraction of the expenditure involved and India with its splendid record of goodwill and loyalty should extend its whole-hearted support to the measure before us. The Honourable the Finance Member has been very modest and cautious in the proposals for taxation which he has put forward for raising additional revenue to meet the expenditure of the life and death struggle in which we are engaged. The proposed increase of taxation is not likely to entail serious hardship for any section of the people. He appears to have sought to enlist the support of all classes of the people for the prosecution of the war according to their capacity.

Sir, with these words I support the Bill.

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

The Council reassembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern Non-Muhammadan): Mr. President, the situation is of such a character that we can hardly discuss any domestic question today without reference to the international position. Events have taken place owing to the war which are of profound significance to the world at large. One of their results is that India in common with many other countries has to face dangers which she scarcely dreamt of a few years ago and the dangers are not merely greater. It is possible that they may come upon us much more quickly than the most far-seeing among us can judge. It is necessary therefore that in such a position we should devote all our attention to the security of India. We are discussing today not the financial question but quite a different question. The real question before us is how to make the future safe for ourselves and for our country, and our experience has taught us that association with England by itself is not sufficient to enable us to achieve this purpose. The war has taught us that defence, if I may say so, must be decentralized. Even small countries today are adding to their military strength because they cannot depend entirely on the support of their more powerful neighbours or distant allies. India must make a similar effort. The war has shown the danger of depending entirely on England for our security. Unless India takes this lesson to heart she will soon find herself in a much more defenceless position than that which she occupies today. The situation requires a change in the Government of India and very different political arrangements from those that exist in this country at the present time. I cannot express my own point of view better than in the words of a memorandum which a Liberal deputation had the honour of presenting to His Excellency the Viceroy in August last. After pointing out that Indians will have to depend very largely on themselves for their protection in future it says:

"The cataclysmic changes that have occurred during the last few weeks should revolutionize our ideas of what the defence of the country requires. The situation imperatively requires that a bold and co-ordinated programme should be drawn up and vigorously pursued. To carry out the programme it will be necessary to mobilize all the resources, both moral and material, of the country. The patriotism of the people must be stimulated, young men of all classes trained to serve their country when danger threatens it, and the nation roused to make the necessary sacrifices in order to render the country self-reliant in matters of defence as quickly as possible. The fulfilment of this task will only be possible under national leadership. The situation calls for an Indian Defence Minister and an Indian Government at the Centre. Only in this way can a policy based on the fullest trust in Indians be formulated and unreserved co-operation between the Government and the people secured. Delay in the establishment of such a Government may vitally injure the best interests of both India and England. If, however, the country is made to feel that it is called upon to decide its own future, it will not merely offer its whole-hearted help for the rapid execution of such measures as may be necessary to safeguard its own interests, but fight alongside Great Britain with all the energy that self-rule can generate for the cause of democracy and freedom".

I strongly hold, Sir, that the experience of Englishmen themselves and the experience of Indians alike confirm this belief that the country cannot be roused to make the full effort that it is capable of unless it is made to feel that its destiny is in its own hands. Bold and courageous steps are required in order to convince Indians that Government mean to place wholehearted trust in them to enable them to be the future leaders of their country. How have the Government tried to secure this prerequisite to full national effort? I shall doubtless be told, as His Excellency the Viceroy told us the other day, that the offer made by him on the 8th August still stands and that if Indians can only compose their internal differences they will be admitted into the Executive Council as representatives of the political parties to which they belong. Sir, the offer has been described by Mr. Amery as one that was recognized as generous not merely by the United States of America and some other foreign countries but also by a large body of public opinion in India, which is not represented by the Congress. Indian views regarding it may be at a discount, but I will draw the attention of the House to the opinion expressed by Viscount Samuel when the Viceroy's statement was debated in Parliament. He said it was the duty of the Government to balance the treaty rights of the Princes and the moral rights of their subjects, the rights of the majority and the rights of the minorities, and expressed the opinion that nothing should be done to make any minority feel that it could place an effective obstacle in the way of further advance except on its own terms. I shall also, Sir, venture to draw the attention of the House to the fact that the Viceroy's offer did not merely lay stress on the communal question but also referred to what he called the "historic obligations" of Great Britain in this country. Mr. Amery, after the publication of the Viceroy's statement, dwelt on the same subject and, speaking in Parliament, tried to draw a distinction between the functions and status of a Dominion India. In order to show Sir, what effect it created on moderate opinion in this country, I can do no better than read out the Resolution passed by the Council of the National Liberal Federation on this subject:

"The statement of Mr. Amery," said the Council, "in which he draws a distinction between the status and the functions of a Dominion with reference to India has caused great apprehension in the minds of the people of the country that what he called British obligations in India may permanently stand in the way of India achieving the same freedom as the other Dominions enjoy. A clear assurance is therefore needed that the contemplated free and equal partnership of India is not subject to any such qualifications".

Mr. Amery has since then delivered many speeches in which he has appealed directly or indirectly to the people of India to accept the hand of fellowship held out to them by the Government but he has never directly and categorically given us any assurance on this point. We have been told that India is to be a Dominion in the sense of the Westminster Statute and at the same time subtle

[Pandit Hirday Nath Kunzru.]

distinctions have been drawn between functions and status. The onus of reconciling these two statements lies on the British Government and this onus has not yet been discharged.

Apart from this, Sir, let us consider the offer itself. I will not dilate on its terms here because they are well known to every Member of the House. I will only ask whether, in the opinion of any Honourable Member, it compares favourably with the power that a Central Ministry would have enjoyed, had the Federal constitution come into force. The task of statesmanship today is not to offer a bit here and a bit there and even this when it is too late, but to do something which will appeal to the imagination of the people of India. If the British Government were serious in their efforts to conciliate India they should have offered something more substantial than the Government of India Act. But instead of that, they made an offer which would actually have given us much less than the power that we would have enjoyed under the Federation had it been established.

Sir, we have been exhorted so often to take an unprejudiced view of the Viceroy's offer, we have been told so often that the Indian Members of the Executive Council would be like Ministers in charge of important portfolios, that it is necessary to point out to our critics, frank and well-intentioned or otherwise, that their efforts were of a kind which they must have known were foredoomed to failure. I cannot believe, Sir, that any serious politician could ask us to accept an offer which compares unfavourably and very unfavourably with the Federal part of the Government of India Act. The Government of India Act itself is open to very serious objections. It enables the British Government to retain the ultimate constitutional power in its own hands and it refuses to yield an inch, practically, in respect of the Indianization of the army or the Indianization of the Indian Civil Service. Yet it seems to me to be better than the offer made by His Excellency the Viceroy.

Sir, I am afraid that, notwithstanding the fact that serious changes have taken place in the world situation during the last 15 months, the attitude of the British Government is still that embodied in the Preamble to the Government of India Act, 1919. They will be the judges of the time and manner of each advance. It is only when we fully satisfy them that we are good boys, when we assure them that we shall act in a manner approved of by them that they will yield real power to us. This belief, Sir, is confirmed by the attitude of the British Prime Minister. During the last war, the British Ministers, and particularly the Prime Minister, Mr. Lloyd George, frequently referred to the desire of the British Government to make the world safe for freedom and democracy. Those words are seldom used at the present time. Perhaps, finding that the language in which their war aims were expressed in 1914 proved inconvenient to them afterwards, they are taking care now to use language which is carefully restricted so as to raise no hope in any of the countries under British sway which occupy a subordinate political position. Mr. Churchill, defining Britain's war aims in reply to questions put in Parliament, said that at the moment he could define them only as the defence of England and the right of the smaller nations to live their own lives. There is no reference here to freedom or democracy or to the rights of the bigger nations whose destinies England controls. It has been said, and the statement has not been denied, that when Mr. Amery, in response to a question put in Parliament whether he would make a fresh approach to the Indian problem, said "No", it was Mr. Churchill that was speaking through his mouth. It is most unfortunate that the British Prime Minister who has shown himself possessed of an intellectual vigour which perhaps few of his contemporaries can boast of

and who has shown a rare capacity to rise above narrow-mindedness in respect of European problems should not have taken a higher view of his responsibility in regard to Indian affairs than he has actually done. Had he shown a little imagination in dealing with India, I am quite certain that in time to come India, at any rate in the East, would have been a source of far greater security and strength to England than America with all its wealth and resources and military preparedness can be. I do not know what the future holds in store. But it looks as if in practice there were going to be between the United States of America and England an alliance of the kind that Mr. Churchill offered to France. Here is India, which is already associated with England, and which, if she could only be made to feel that the war would result in her own freedom also, could render help which no Dominion can and for which Britain need make no special efforts through her diplomatic representatives. It is a tragedy of the situation, Sir, that the parties whose interests are so closely related should, at the present moment, be divided by serious differences. The Congress speak of independence, the Muslims of Pakistan, and the British Government of the expansion of the Executive Council. I wish, Sir, that we could free ourselves from the tyranny of words and say something which would reach the hearts of the people and solve the present tangle. It cannot be solved by arguments. There lies no salvation in dialectics. Only the transfer of constitutional power to the people can end the present tension and draw England and India close to each other.

Mr. President, I shall now pass on to consider the problem of defence specifically. The Honourable the Finance Member, in closing the debate in connection with the Finance Bill, said that he was by his Bill asking India to co-operate in the attainment of her own security, and it is from this point of view that I shall consider the measures so far taken by Government and the position in which India finds herself today. Sir, as the Liberal deputation I have already referred to venture to say to His Excellency the Viceroy, nothing, I believe, could so powerfully affect the imagination of the people and so fully convince them of the *bona fides* of the British Government as the appointment of an Indian Defence Member. That would be a sure sign that the British Government wanted to pursue in the field of defence a genuinely national policy. That seems to me to be the very least that the British Government can do in order to create an atmosphere favourable to itself in this country. His Excellency the Viceroy has referred repeatedly to his readiness to expand his Executive Council. He deplores that representative support is not forthcoming for it. I cannot, Sir, understand why in order to expand the Executive Council, in order to have more Indians in it, in order to entrust a vital portfolio to an Indian Member, it is necessary to have the consent of all political parties? Surely, you will not make the Indianization of the army or the Indian Civil Service dependent on the support of any political party? You will do it if you feel inclined to do so, believing that its natural effect is bound to be to influence public opinion in favour of Britain. Why cannot, for the same consideration, more Indians be appointed to the Executive Council? Why cannot, on the same ground, an Indian be placed in charge of the defence portfolio? No one can indulge in any prophecy, but I venture to think that if this step were taken it would show that in one vital respect at least the British Government were prepared to trust Indians and to rely in future on their voluntary help when they were in need of it.

The next thing that the Government can do in order to appeal to the imagination of the people of this country and to prepare India for her defence is to Indianize the Indian Army. Our soldiers are already Indian. A great deal of war material

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is being manufactured here. But this by itself is not sufficient to give us a national army. We cannot have what we want unless we have Indian officers to lead Indian soldiers. What has been done in this respect so far? It was stated by the Honourable Mr. Williams the other day that, including the I.M.S., 516 Indians had been granted emergency commissions. He let it be known yesterday in reply to one of my questions that 419 Indians had been granted emergency commissions in the I.M.S. Of these about 300 had, I understand, been granted commissions by the 1st October, the date to which the figure of 516 relates. Well, if we deduct the figure relating to Indian I.M.S. officers from the total of 516 we find that only about 200 Indians have been given commissions as combatant officers. There are I know more Indians under training, but the fact remains that the Government of India have prepared us for our defence during the last 15 months by granting emergency commissions to about 200 Indians only. Sir, I should like the House to compare with this the number of British officers obtained by Government during the same period. I believe that about 300 Europeans were given emergency commissions in this country, excluding the I.M.S. I believe I am right here, but I cannot be absolutely certain as full information on the subject is wanting. In addition to this, as they have informed me in reply to a question of mine, 239 officers have been imported from England for appointment as officers in the Indian Army. Apart from this, 322 officers of the Special Unemployed List have been recalled and about 24 warrant officers have been given commissioned rank in the Indian Army, excluding the Auxiliary Forces. Thus, Sir, in addition to the Britishers to whom they have granted emergency commissions in India, the British Government have appointed in connection with the war about 550 British officers. Now it is perfectly true that they had a lien on the services of the officers placed on the Special Unemployed List in 1935. I understand that they had not been retired. Let us suppose that they had been put in cold storage, and that they have been taken out for use on the present occasion. I would venture to say that if the British Government had a reserve of British officers available to them it was their duty to pay the greatest attention to the need for training Indians as officers quickly and granting them a substantial number of commissions. Yet, even so far as appointments made in India are concerned, more commissions have been given to Britishers than to Indians. This clearly shows that Government are still determined to grant commissions to as few Indians as possible.

Now, Sir, I should like to say one word with regard to the manner in which the recruitment to the army is being carried on. It was announced some time ago that nine and a half new Indian Territorial Force units were going to be raised. One would have thought that an opportunity would be given to people of all classes to join these units as the I. T. F. is meant to provide military training to the ordinary citizen, but according to the messages published in newspapers, this has not been done. Some of the minor sub-class distinctions, according to an A. P. I. message from Simla of July 23, have been removed. Some opportunity has been given to a few other classes to enlist in the Territorial Force. I think that of the new units the Mahratta Light Infantry and a battalion each from Madras and Bengal have been recruited from the populations of those provinces but the rest of the units have been recruited from the Rajputs, Jats, Dogras, etc., in other words from the usual sources of recruitment in the Rajputana and the Punjab.

THE HONOURABLE LT.-COL. SIR HISSAMUDDIN BAHADUR: That is not correct.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: An Honourable Member says this is not correct. All I can say on the point is that this statement has not been contradicted. I think therefore that I am safe in regarding this information as substantially correct. The defence of India requires two things: the training of Indian officers in such numbers as to enable Indians to lead their army, and secondly, the creation of an army representative of the country in general. In neither of these respects has anything been done by the Government. If my Honourable friend Mr. Williams objects to what I have said I will say hardly anything has been done in respect of these questions. We are asked frequently to do our best for the prosecution of the war, but how are we to give the help that is needed? You are not training us rapidly as officers. Do you mean then that we should help you merely in a subordinate capacity? Had Government placed more trust and confidence in Indians than they have done so far I have not the slightest doubt that help would have been more willingly given to them than has been the case. In respect of defence they have not treated India fairly. They have shown more solicitude, I venture to say, for the security of Canada and Australia than for that of India. When the war broke out the British Government took steps in consultation with the Dominion Governments concerned to have factories laid down then for the manufacture of aeroplanes. We all know the progress that has been made in this respect both in Canada and Australia and a recent message indicates that Canada will be able to manufacture engines also with the support of His Majesty's Government. Sir, it seems to me that the British Government concentrated all their efforts in the Dominions and ignored India for two reasons. They felt a greater sense of security in having the production of aeroplanes arranged for in Canada and Australia; and—I hope I am not unfair to them—they cared more for the safety of Australia and Canada, the people of which are their kith and kin, than for the security of India.

THE HONOURABLE THE PRESIDENT: Don't you think of Canada's proximity?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The proximity of Canada is a fact, but so far as the eastern theatre is concerned the position of India is of cardinal importance. Secondly, Australia is certainly not more favourably situated from the point of view of distance than India. If the British Government could make vigorous efforts to bring about the manufacture of aeroplanes in Australia, why could they not do the same thing in India? I venture to repeat that even in this war they have shown more regard for the interests of the Dominions than for those of India. They have added to the security of the Dominions in a vital matter but so far as India is concerned they want to convince us that they are doing all they can to assure its safety by expanding the manufacture of munitions and recruiting more Indian soldiers. While on this subject of munitions I should like to draw the attention of the Government to a statement which was made by Sir Philip Chetwode in 1936. It is contained in a pamphlet on the defence of India published by the Royal Institute of International Affairs on 10th August, 1940. He is stated to have said in this pamphlet that—

"India already made over 90 per cent. of the requirements of armed forces, guns, shells, machine guns, rifles, munition, boots, clothes, saddlery, harness, vehicles and almost everything except motor cars and aeroplanes; and these would come soon".

This statement was made by Sir Philip Chetwode four years ago. Has the manufacture of munitions in this country been expanded only to increase the supply of munitions for Egypt, Palestine, and other countries, or has the expansion in any way, not mentioned by Sir Philip Chetwode, enabled India

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to produce what it did not four years ago? If we are still where we were in 1936, then I am afraid that the Government of India are not entitled to the credit which they have received for their efforts in connection with the enlargement of ordnance factories during the last 15 months.

Sir, just one or two words more before I pass on from the subject of Defence. The aptitude of Indians for flying has been generously admitted by the Secretary of State for India. Speaking the other day in Parliament, he said :

" There is great enthusiasm for the Air Service in India and young Indians with their quick minds and sensitive hands take naturally to flying ".

What is the use that the British Government have made of the Indian aptitude in this respect? What steps have they taken to draw on Indian help in this matter? The Indian Air Force is ridiculously small. It may be difficult to obtain more aeroplanes at the present time for this country. But there is a large Air Force in England. Pilots are being trained for it in large numbers in Australia and in Canada. One gathers from newspaper reports that about 25,000 pilots are being trained there. Well, if the British Government wanted Indian help could they not have drawn on the material available in India? Could they not have made special efforts to have Indians trained not for employment in India but for the R.A.F.? They ask us to give them the utmost help in connection with the war, yet themselves decline to take the help that Indian young men would willingly, nay enthusiastically, offer if they were called upon to give it. This is the manner in which the British Government exhorts us day in and day out to co-operate fully with them in the war. This is the way in which it proposes to convince us of its sincere desire to assist in the rapid achievement of constitutional freedom in India.

Sir, in India itself, apart from the officers of the Indian Army, the Indian Government seems to have taken good care to appoint only Britishers to positions of responsibility in departments connected with the prosecution of the war. I referred to the Supply Department yesterday and I do not want to say one word more about it today. But I cannot help referring to an instance in connection with the Office of the Master General of the Ordnance which has recently come to my notice. One Mr. J. E. Foster has been made a Major and appointed Deputy Assistant Director of Mechanization on Rs. 1,430 per mensem. Government have admitted, in reply to a question of mine, that he has not passed any public examination and that he does not possess a degree of any University as his studies were interrupted by the Great War of 1914—1918. But they say he has experience of 20 years as a ground engineer and that he was employed as an electrical and mechanical engineer by Messrs. Jessop & Co. and Martin & Co. Sir, incidentally the appointment of such a person by Jessop & Co. and Martin & Co. throws some light on the manner in which officers are appointed in these companies. But I am for the time being concerned only with the Government of India. Mr. Foster was certainly a resident engineer with the Agra Electrical Supply Company on behalf of Martin & Co. I have my ancestral home at Agra and go there very frequently. I ask my Honourable friend Mr. Williams who answered my question, to ask the United Provinces Government why Mr. Foster had to leave Agra.

THE HONOURABLE MR. H. DOW (Nominated Official): Sir, I don't know whether the Honourable Member is aware that Major Foster is not even now in the Supply Department. He is still in Army Headquarters, in the headquarters office of the Master General of the Ordnance. It is not a supply matter at all.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I did not refer to the Supply Department. I referred to the Master General of the Ordnance.

THE HONOURABLE MR. H. DOW: I was only clarifying the matter because the Honourable Member prefixed his remarks by a reference to the Supply Department, which in the circumstances seems to be quite unnecessary.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I don't know what remarks of mine the Honourable Member regards as unnecessary, but I will not retort by paying the same compliment to him. I don't object to the statement that he has made, although it was wholly unnecessary.

Sir, the second appointment that I want to refer to is that of the Director of Public Relations in the Defence Publicity Section. This gentleman is described as Lt.-Col. Jehu. Well, many of us must have known him till recently in quite another capacity. When I came to know that he had been made a Lieutenant-Colonel, I rubbed my eyes and asked myself whether the military authorities attached any value to military rank? There are, Sir, two other officers in this section but both of them are Britishers. There is not a single Indian officer in the Defence Publicity Section. This is another eloquent indication of the trust that Government have in us and of the sincerity of their desire to give us free and equal partnership in the Empire after the war. Sir, these appointments call for some explanation and I hope that my Honourable friend Mr. Williams will be able to give us some answer which will show that even in the army a new policy will be followed and that our role will not be merely that of hewers of wood and drawers of water. I feel indignant, Sir, at the manner in which Indians have been deliberately excluded from positions of trust and responsibility by the Government. The attitude of Government is such as to make even the mildest amongst us turn against them. That they should even at this time be acting in such a way shows how far one can believe in their professions.

Sir, one may well ask oneself whether if the Congress Ministries had continued to remain in office, the political situation would have been today what it is? I for my part feel that our position would have been vastly better had the Congress not committed the serious unwisdom of compelling its Ministries to resign in seven provinces.

THE HONOURABLE MR. RAMADAS PANTULU (Madras : Non-Muhammadan): You state how.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If you have a little patience, I will come to that. The Pakistan movement, in the first place, would not have been used by Government to block Indian advance as it is being used at the present time. If Congress Governments had been in power, the British Government would have thought not merely of the Governments in three or four provinces or of one community but of all provinces and the whole of India. I do not believe in the sincerity of the British Government's statement that it is only communal differences that stand in the way of political advance. Who accepted the Government of India Act? Did the Congress accept it? Did the Liberal Federation accept it? Did the Muslim League accept it? No organized political party in India accepted it. Yet, it was passed and His Excellency the Viceroy did his best for three years to put its provisions into effect. In the face of this fact how can we believe that it is only the differences between the Hindus and the Muslims which prevent the Government from carrying out their earnest desire to place

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Indians in full charge of their affairs? But there is no doubt that the resignation of the Congress Ministries has added to our difficulties. Sir, the attitude of the British Government has long been clear to us. It should have been apparent to those who were parties to the resignation of Congress Ministries that the situation in the future would not be rendered easier by their action. Apart from this, Sir, I do feel that if there were responsible Ministers functioning in all provinces, more organized pressure could be brought to bear on Government in order to place political power in Indian hands. The demand for constitutional change would have come from sources which could not be lightly treated and the importance of which could not be disregarded by Government.

THE HONOURABLE MR. RAMADAS PANTULU: What are the remaining four provinces, which are still functioning, doing?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If there are 10,000 men fighting in the field and 9,000 men run away, is it for them to ask what the remaining 1,000 are doing? They ought to be ashamed of their flight, instead of asking what other people are doing in the field. Apart from this, the question is not valid at all. The Congress Ministries, while they were in office, never regarded the Ministries in other provinces as on an equal footing with themselves.

THE HONOURABLE MR. P. N. SAPRU: Did they ever regard anybody as equal to themselves?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: They regarded themselves alone as the spearhead of the movement for Indian freedom. Is it not futile, then, for my Honourable friend Mr. Pantulu to ask me what the remaining provinces are doing? What were they doing when his Party was in office in seven provinces?

THE HONOURABLE MR. RAMADAS PANTULU: We felt helpless and therefore we resigned.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: You did not resign because the Governments in all the 11 or 12 provinces were not your own. You resigned for an entirely different reason.

THE HONOURABLE MR. RAMADAS PANTULU: What was the reason?

THE HONOURABLE MR. P. N. SAPRU: You were victims of a slogan.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: The reasons, I will not discuss here. Otherwise, we shall be discussing them till the evening.

(An Honourable Member: What are they?) If you do not know even what your own Party has done—

THE HONOURABLE MR. RAMADAS PANTULU: We know.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: If you do not know the reason I cannot in a few minutes enlighten you on the subject. (An Honourable Member: There are other Members in the House who would like

to know.) Sir, it is this unwise, and supremely unwise, action of the Congress that is responsible for the Pakistan movement assuming its present proportions. I do not propose, Sir, to deal with what was said on one side or the other in respect of the Pakistan scheme. I will only say that the remarks which fell from my Honourable friend Mr. Hossain Imam on the subject seemed to me to be unworthy of a self-respecting person. In order to justify the Pakistan scheme he asked whether we remembered any long period of time during which all the provinces of India were constitutionally united together. What does he mean? Does he mean, by his question that as the British Government during the last 150 years have given a formal unity to India, we have no right to ask that India should for ever be united? Why does he remind us of the days when we were weak? Why does he take pleasure in telling us that we were once divided amongst ourselves? Does he want us to be in the same position in which we were say, 200 years ago? I am perfectly certain that nothing was further from the intention of my Honourable friend than to suggest that we had no right to demand freedom. But the remarks that he made seemed to me to be exceedingly unfortunate. In any case, Sir, the position of every nationalist on this question is clear. A friendly understanding between all communities is not only possible but highly desirable, and I still venture to think that it is not beyond our capacity. But the dismemberment of India can never be agreed to by us in any shape or form. We are firm on that point, and I am quite certain that a large body of Muslim opinion itself does not want the partition of India.

THE HONOURABLE MR. HOSSAIN IMAM: Would you abide by the decision of the Muslims?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I cannot, on the question of the entity of India, allow any community to contract itself out of its obligations. When every country is attempting in regard to its external affairs to act in such a way as to add to its security and power, we cannot allow people living within this country to follow policies which would make us vitally weak. That is an elementary fact which everybody of the position and knowledge of my Honourable friend Mr. Hossain Imam should understand. To ask us to agree to the partition of India is to ask us to agree to a stab in our backs. Sir, I do not propose to say anything further on this subject, for, to use the words of the Finance Member, I sincerely believe that those who have made extreme remarks today on this subject will feel heartily ashamed of them very soon.

Sir, there are many other important subjects that I could have dealt with, but I do not propose to prolong my speech any more. I must nevertheless deal with an objection which will certainly be advanced against the position that I have taken up. I shall be told that in voting against the Finance Bill that I have taken up. I shall be told that in voting against the Finance Bill I would be voting against the security of India. Sir, I have dealt with the question of defence at considerable length already. I will not repeat what I have said on the subject, but I would ask Honourable Members to bear with me, while I deal in broad outline with the helpless position of India at the present time. Both in the South East of Europe and in the Far East events are taking place which are of serious import to India. In South Eastern Europe the gallant resistance of the Greeks is the only silver lining to the clouds that we can see. I admire, Sir, the courage and tenacity of Englishmen and the bravery of their forces, and I must pay a special tribute to the Royal Air Force which has put up a magnificent fight against overwhelming odds. Its achievements call forth our sincere admiration. From the point of view of psychology

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also our sympathies are entirely with England. There is no Indian who can for a moment wish victory to the cause espoused by the totalitarian powers. But at the same time every thinking Indian, every patriotic Indian must reflect on the situation of his own country. Our task today is to reconcile British and Indian interests. So far no section of Indian opinion has hampered the war effort of Government. Yet the enthusiasm that the British Government wanted to call forth has not been generated, because Indians feel that their own position is such that they cannot do the best that they are capable of. We are taunted when we vote against Government measures of being oblivious of the vital interests of our own country. I ask these critics to place themselves in our position and to say what they would have said had they found themselves as defenceless as we do. Our hearts bleed when we think of our helplessness. We feel that we have been reduced by England to such a position that we can do nothing but play a subordinate role. Is it any wonder that in this situation we, thinking of the defence of our own interests along with larger questions, insist that speedy measures should be taken in order to place that power in the hands of Indians which will enable them to guide their destinies and to make their future secure. I hope that the British Government will soon see the wisdom of not tying itself down to a phrase and prevail upon itself to utter the words of hope and create a national government in India and thus send a wave of enthusiasm all over the country and radically alter the situation. I can only hope that they will have the wisdom to follow such a policy, I cannot influence their policies, but at the present time those who are dissatisfied, and in my opinion rightly dissatisfied, with their policy in respect of India have no option but to register their protest by voting against the Bill that is before the House.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official) : Mr. President, while getting up to intervene in this debate at the far end of the day, I assure you that I will not weary the House by making a long and tiresome speech. Mr. President, no body in this House, not even the Honourable Member in charge of the Bill, will deny the fact that the provisions of extra taxation incorporated in the Supplementary Finance Bill are very hard and that they will carry the hands of the Tax Collector very deep into the scanty pockets of the people of this country. In normal times, a measure like this would not have received the slightest support from anybody in this House or elsewhere in the country. I am sure that the Government of India also would not have launched upon such an unpopular measure if the abnormal conditions created by the war would not have compelled them to have recourse to it. Mr. President, the intensity of the war is not unknown to the whole country. Almost the whole world is ablaze with the flames of a devastating war. Although, thanks to the might of the British Navy and her very strong and elaborate organization, India is yet free from the actual grips of horrors of war ; but the huge conflagration like this cannot leave our country untouched and unmolested for a long time if the fire is not soon extinguished. As a wise and prudent people it is therefore our duty to exhaust all our resources, and strain all our nerves, in making an effort that the fire of war may not extend to India, and India may be saved the horrors from which other unfortunate countries in Europe are suffering. That India is every day nearing to the zone of danger cannot be denied. Aden and Bahrein, both on the frontiers of India, have been bombarded more than once, and the high flames of the fire of war can be seen from the top of our houses. That India is quite unprepared and

undefended is also axiomatically true. (A voice : Whose fault ?) My fault, your fault and the Englishman's fault. It is this unholy trinity of the three elements in India which is responsible for this plight. On intervening in the budget debates, in the other House, for several years I pointed out to the inadequacy of our military budget, but no heed was paid to it and it was a voice in the wilderness, and under the influence of the Congress politicians, who always gloried in criticizing the Army budget, we find today that our equipment and our military organization is much inferior to those of even small countries in Europe. Mr. President, the future historians of England will blame the late Mr. Ramsay MacDonald and Mr. Baldwin for neglecting the armament of their country which brought about the calamity of the present war upon England, and the future historians of India would blame the Government of this country for attaching too much importance to the Congress utterances and for yielding to their demands.

THE HONOURABLE MR. P. N. SAPRU : Too little importance to your utterances !

THE HONOURABLE SIR MUHAMMAD YAKUB : Mr. President, whatever my friend Mr. Ramadas Pantulu may have said about the good intentions of the body to which he belongs I have not the slightest doubt in my mind that for years the Congress has been working as the emissary of Hitler and they are the fifth column in India. (Laughter). Since the beginning of the war the Congress has been lending strength to the Axis Powers and in return, every day, they are being eulogized by the Nazi officers. Those of us who have taken care to listen to the broadcast from Germany will bear me out that the anti-British activities of the Congress are being eulogized every day and very wide publicity is being given to it by the radio in Germany.

THE HONOURABLE MR. RAMADAS PANTULU : Also to Mr. Amery's speeches.

THE HONOURABLE SIR MUHAMMAD YAKUB : Although my friend Mr. Pantulu says that the Congress has no intention to harass the Government, the matter of the fact is that from the very beginning of the war the Congress attitude has been definitely hostile towards the British and they have been deliberately seducing the people from giving any help, in men and money, for the prosecution of the war. I am very much puzzled at the attitude of Mr. Gandhi in this respect. His utterances have been a source of great surprise to me. He has been self-contradictory all the time. At the commencement of the war when Mr. Gandhi saw His Excellency the Viceroy at Simla he is reported to have shed tears at the idea of the bombardment of the Westminster Abbey and the Houses of Parliament. But what do we find ? When bombardment actually came, not only of Westminster and the Houses of Parliament but also Buckingham Palace was deliberately bombed several times, the crocodile tears of Mr. Gandhi took the form of non-co-operation and civil disobedience. Mr. President, it is a pity that certain English journalists, and some of the mercenary hirelings of the Congress, in England attached too much importance to the utterances of the Congress, being ignorant of the underground currents and the motive which are responsible for the activities of the Congress, and not knowing that by doing so they are striking at the very root of the British Empire and that they were thus cutting their own throats. Mr. President, what is the position of the Congress today ? The position of the Congress is that it never represented the Muslim point of view. Then the Hindu Mahasabha and the newly-born Hindu League have disowned the Congress on behalf of Hindu

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India. The non-caste Indians have declared that they are not represented by the Congress and Congress never represented their point of view. The businesslike Parsi community of India never had a soft corner in their hearts for the Congress and lately the Sikhs have also severed their connection with the Congress. Whom does the Congress, therefore, represent, may I ask my friend Mr. Pantulu ? It represents only a few followers of Mr. Gandhi whose unpatriotic attitude, unwholesome policy and hypocrisy have been exposed by advanced politicians like Mr. M. N. Roy and Mr. Bose. (An Honourable Member : Do you disown the Muslims who are in the Congress ?) There are Muslims in the Congress, but there is no flock in which there are no black sheep. They are the black sheep in the Muslim flock. Therefore, Mr. President, it would be an impertinence and sheer impudence on the part of the Congress to claim that it can speak on behalf of the country.

Mr. President, although India as a whole, both the Princes and the people of India, are thoroughly supporting the Government, in this hour of their trial, and voluntary subscriptions and contributions are pouring in from all parts of the country, despite the efforts of the Congress to the contrary, still it is unfortunate that the political parties in the country could not come to an agreement with the Viceroy because he was unable to accede to their demands *in toto*.

Now, Sir, let us examine, for a minute, what is the genesis of these demands. The Congress wanted unrestricted and uncontrolled sway over the whole country. The Congress demand was what would be the demand of Hitler and Mussolini if the British were defeated in the war. Having tasted the fruits of Swaraj in the Congress Provinces during the last two and a half years, the Muslims shuddered at the very idea of being placed under the domination of the Indian Nazis, namely, the Congress. And the Hindu Mahasabha and the Hindu League, as representing Hindu India, wanted nothing less than the pre-Islam Hindu Raj in the country, in which there was no room for any nation or any other community to breathe. May I ask, Sir, was it under these circumstances possible for the Viceroy to accept any of these demands ? Not only the bigger communities but even smaller communities like the Sikhs, a handful of Sikhs in the Punjab, have demanded that they should have their military domination over India in order to establish a Sikh Raj in the country. The Viceroy found a *via media*, and credit must be given to His Excellency the Viceroy for his patience and for his solicitude to meet all the parties halfway, but on account of, shall I say, the curse of democracy established in India and on account of the scarecrow of elections always haunting the minds of our political leaders, no settlement could be arrived at. Mr. President, His Excellency the Viceroy has not yet withdrawn his offer and it is yet open to the so called leaders of the country to come to an understanding among themselves. Mr. President, my complaint against the Government is that they are losing the sympathy and support of their friends in order to pacify and appease their irreconcilable opponents and enemies. Mr. President, this policy of appeasement brought about the calamity of the present war upon England and resulted in England's losing the support of all her friends and allies and she is fighting today in Europe single-handed. It also brought about the downfall of poor Mr. Chamberlain. In the same way, Mr. President, I wish to give a warning to my European friends on the Treasury Benches—and I hope they will take it in the spirit in which it is given and they will communicate it to their masters in Whitehall—that if they will any more follow this policy of appeasement they will meet with the same fate which their bosses have met in England and they will soon lose the sympathy of both the Indian Princes and the people

and find themselves ploughing their lonely furrow in this country. Mr. President, a good deal has been said during the last two days about democracy. My friend Mr. Pantulu says that Congress wants that they should be assured that there will be a democracy of the western type in India before they can join the Government in support of the war. Well, Sir, my friend Dr. Kunzru just ventured to make a prophecy, and I hope you will excuse me if I also venture to make a prophecy and it is this that, if Englishmen persist in establishing the western type of democracy in India without giving any consideration to the conditions prevailing in this country, they will bring ruin upon my country and ruin upon my people and ruin their country and their people also. Although I may not be alive to see the disaster, and I wish I were not alive to see the disaster of my country, but the future generation of English people would curse the present politicians in England for not listening to the advice of their friends which was sincerely given to them.

Mr. President, I have told you I will not make a long speech but there are one or two points to which I must briefly refer. One point, that was raised by Mr. Pantulu, has already been refuted by my friend Sir A. P. Patro. I must also join with him in refuting the charge of coercion which has been brought by the Congress in making collections for the war. So far as the United Provinces are concerned, Sir, I can make bold to say that all the subscriptions and contributions in the United Provinces have been voluntary and spontaneous and no kind of pressure or force was exercised upon anybody. Our present Governor, His Excellency Sir Maurice Hallett, who is well-known to this House, has been making extensive tours in the province, meeting good many people and creating enthusiasm amongst them, and to this is due the success of the war efforts in my province.

Mr. President, I was amused this morning when my friend the Honourable Mr. Hossain Imam, with his long and pointed moustaches, with red eyes and over-swollen face, in a roaring voice, attacked the Government for not taking Indians into confidence. All the time he was addressing the House as "We". I could not understand, Sir, what he meant by "We" unless he was speaking in the language of Kings. (An Honourable Member : Royal We). This exhibition of his wrath was given to the House after he had waxed his eloquence upon the communal question and in prosecuting the Congress and my other friends among the Hindus, for not doing justice to the Muslims in India. And yet he says that Government does not take the Indians into confidence. May I ask my Honourable friend which Indians are they whom Government can take into confidence ? If they take Mr. Jinnah into confidence today, tomorrow Dr. Moonje will come and say to the Viceroy, "Well, you have given two interviews to Mr. Jinnah and only one interview to me, and therefore I will not co-operate with you."

THE HONOURABLE MR. HOSSAIN IMAM : The Liberals have not refused yet.

THE HONOURABLE SIR MUHAMMAD YAKUB : The Liberals have always stood on the fence. They, in the words of the late Akbar of Allahabad, are neither males nor females. *Na hion men na shion men*. They are opportunists. They abuse the Government at one time and the Congress at the other. They have got no fixed policy of theirs. Therefore, why speak of the Liberals ? My friend the Honourable Dr. Kunzru also made a complaint why an Indian was not appointed as Defence Minister. He complained that very few Commissions have been given to Indians in comparison with Englishmen. Well, Sir, if I also may be allowed to state some hard facts, I will say that my complaint is that amongst the Indians who have been taken in the Army, very

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few Commissions have been given to the Mussalmans by the unsympathetic and non-Muslim Boards which were appointed for selection of candidates, and all the Muslim candidates were ruthlessly rejected. Only the other day, Sir, six Muslims out of a large number of candidates were selected at Ambala by a Board consisting of a majority of non-Europeans, on which there was no Muslim. Six Muslims were selected for the Air Force. They were sent to Delhi to be trained under a Hindu and what was the result? All the six of them have been rejected. Not a single Muslim could be found who had an aptitude for flying. Well, you say that an Indian should be appointed to hold the portfolio of Defence. To whom would you give this portfolio? If it is given to Dr. Moonje, no Muslim will be satisfied; if it is given to my Honourable friend Mr. Hossain Imam, there will be a hue and cry in the country that a fanatic Mussalman has been appointed Defence Minister who will declare *jehad* over the infidels in India. That being the state of affairs in this country—an unfortunate condition—it is no use crying that the portfolio of Defence has not been given to an Indian.

Mr. President, it is very unfortunate that conditions in India are such as they are today. I do not say that we have no grievances against the Government. No country under a foreign rule can expect to get all that they want. But, whatever our grievances may be—is there any country on the surface of the earth where there are no grievances? Is there any Government in any country where some people are not satisfied with the conditions in which they live? But, considering that there is no country in the world—

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : Is there any country in the world where there is no difference of opinion between the people?

THE HONOURABLE SIR MUHAMMAD YAKUB : There is no country in the world in which such differences exist as there are between the Hindus and the Mussalmans in India. I challenge it. I have always stated from the top of my voice that no constitution can be framed for India on the lines of any constitution in any other country in the world. You will have to frame a constitution for India which would be an Indian constitution itself and not a copy of the constitution of any other country.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : Long live British rule in India.

THE HONOURABLE SIR MUHAMMAD YAKUB : I was only saying that whatever may be our grievances, having regard to the danger through which we are passing, and having regard to the extreme conditions of the war which threaten the country, howsoever heavy the burden of taxation may be and howsoever great the sacrifices may be, we must submit to them ungrudgingly and we must be prepared to incur still greater sacrifices and heavier taxation in order to save our country from the clutches and subjugation of the inhuman tyrants of the Axis Powers.

THE HONOURABLE MR. G. S. MOTILAL (Bombay : Non-Muhammadan) : Mr. President, I rise to oppose the Finance Bill. My objections to it are of two types. One relates to larger constitutional issues and the other relates to points of defence and administration. It was in March last that the Finance Member imposed further taxation of about Rs. 11 to Rs. 12 crores. That was

the additional taxation imposed on India after the declaration of war. Railway fares were increased to the tune of Rs. 5½ crores and by enacting the Excess Profits Tax Act—I am not complaining against it; I am only referring to it—the burden was increased to the extent of Rs. 3 crores. The excise duties were also increased, sugar contributing about Rs. 2 crores, and the motor spirit about Rs. 1½ crores. Now, within eight months of that, we have to deal with a Supplementary Finance Bill which wants more money—an expenditure of an additional Rs. 6 crores in a full year by taxation. In the remaining four months what is intended to be collected from this taxation is Rs. 2 crores. But we are clearly told that additional expense and taxation is still awaiting us, and we have been told that it is required for defence purposes. In the Financial Statement the Finance Member has given us some figures of what he requires but he has not given us the details of what the money is required for, beyond the fact that it is required for meeting the defence requirements of the country. We are told that an additional recurring expenditure of Rs. 16 crores is needed and that an initial expenditure of Rs. 30 crores will also be wanted. All this so far as this year is concerned he does not wish to raise by taxation. It is only a part he is raising by taxation and the other part will be met by loans. Now, Sir, he has told us frankly that we will have to face this additional expenditure when he comes before us a few months hence and he will probably have to ask for additional money. Now, the question I want to ask is, is all this money required for the defence of British India alone or is it required for the defence of India as a whole, that is, for all those parts of India which are red as well as yellow? And do the advantages of this defence which this Government provides accrue only to the people of British India and not to the people of other parts of India? If you keep on raising the burden only on the people of British India you should remember that the enterprise, capital and industry would naturally shift from British India to those parts which at present are not liable to such taxes. What is the Government of India doing to have a fair burden of taxation on every part of India which gets protection through the forces of this Government. Have Government any arrangement about this in mind or have they not? If they have, what is it and how do they propose to secure a contribution from every part of India to India's defence? The question becomes all the more important since Federation has been scrapped. What was being contemplated for years has been put into cold storage for the moment and this question stands out prominently. I looked up the papers which Government have supplied with this Bill but I could not find the slightest indication as to how that was going to be done.

Sir, we have to remember that this is a certified Bill. This is a procedure which by itself is outrageous, and it is no valid excuse to say that the constitution is such. If the constitution is such, it is of their own making. It is open to the British Parliament to alter the constitution any moment they like. They have done so even after the Act of 1935. Some of the powers of the Provincial Governments were by an amendment of that Act taken away by a stroke of the pen. The Government of India is to my mind a misnomer, and we have ever to bear this fact in mind in granting money when they ask for it. The defence of India is a worse misnomer than the Government of India. What is this defence of India I ask? The defence of India in the administration of which we have no part or lot. It is the defence of India only for the purpose of letting the people of India find the money, which those in whose hands our destinies lie are to use in a manner contrary to the wishes of the people of India. Though the question of Indianisation has been in the forefront for a number of years, yet there has hardly been any progress worth the name in this direction

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A few more officers here and a few more officers there, but it is just a drop in the ocean. How are the Defence forces to be used? Who is to determine it? Not Indians; their representatives have not even a voice in it. They have failed altogether to influence the policy of the Government in this respect. When Indian forces are to be transferred to far off theatres of war, the people's representatives are not even consulted. Their opinion is not of any consequence. Whether they agree or not, Indian forces are transferred to theatres of war beyond their frontier. Last night I was reading the pamphlet which the Defence Department has issued and I came across a very significant passage. It was to the effect that there had been for long an arrangement made with the British Government that India was responsible only for the protection of her frontiers and the maintenance of her internal security, while Great Britain had undertaken full responsibility for the protection of India against attack by any great Power. Then came the Chatfield Report. It made some recommendations. These recommendations have been a sealed book to us. Only some extracts from it were given to us. I do not know why the Government disclosed a part of it and suppressed the other. The people of India do not know, they are not even now allowed to know what all the conclusions were of the committee which was said to be a very important Committee and dealt with matters of vital interest to the country. The Committee made some recommendations and before the ink was dry another arrangement has been made by the Government of India with His Majesty's Government and that arrangement is described in the following words:

"In such cases India's defence would clearly be most effectively ensured by co-operation in the defence of points outside India which are strategically essential to her security". In other words, under this arrangement India, which formerly was to defend her own frontiers, has now undertaken the responsibility of defending the frontiers of other countries. May I ask whether similar arrangements have been made with the Dominions? Have the Dominions said, "Our frontiers lie in India"? Or is it only India whose frontiers can be stretched to any length like India rubber? India has no real power and responsibility. If she had that real power and responsibility, she would not have agreed to an arrangement like this. If Egypt or the Middle East is attacked, our army is to be sent there. How can India shoulder the responsibility of defending not only herself but other countries under British occupation on the pretext of their strategic importance, while those countries themselves have said that so far as they are concerned they will stand by their treaties and have not taken any active part in the war? It was a very important statement which the King of Egypt recently made in the Egyptian Parliament. King Faruq said that Egypt has executed treaty of alliance and friendship with Britain and has at the same time sought, wherever war has not had repercussions, to maintain tie of serene friendship with the other Powers. On the other hand Indian armies have been sent there without the consent of the people of India. One can well understand why the British Government are not prepared to transfer real power to the people of India. Further taxes, sanction for which is now being sought, are to be used for this very purpose. The army is to be expanded. Its present strength, which is two lakhs, has to be increased to five lakhs, or half a million in English expression. Now such will be the external defence of India. So far it was confined to the frontiers of India. At one time Aden was a part of India administratively. You maintained some force there because India had to defend Aden, but after it has been separated from India you still say not only Aden, but even Egypt and the Middle East must be defended by India. I could very well understand if the British said that they were in

dire difficulty, could not spare their forces, had got a formidable foe, and had therefore asked the people of India to come to their aid and send some of the Indian troops to their far off possessions. Some men of those countries pretend to be very friendly and talk in friendly terms as some of our friends in this House do. Some of those countries so far as words go are sympathetic and use all sorts of expressions of sympathy; but when it comes to action they will not use their men or material for the defence of British interest in those countries. We are told that war is very near us. I believe war is spreading. We have also to bear in mind the attitude of those countries in regard to the war as also of the Government in regard to Indianization. I say, Sir, that a few officers are Indians and most of them are Europeans in the Indian army. No country can give its assent in voting money for such an army. Even now we are not told as to how many Indian officers will be taken in the proposed expansion of the army. Liberal praise has been bestowed and showered on the Indian officers serving in the army. The argument that has been advanced so far by the Defence Department was that they wanted to see how Indians will fare in the Indianised units in a major war. They have now been tested in a major war and we have now Government's admission about their efficiency and capacity to lead the forces. Let Government now make up their mind that so far as the new units are concerned they will be officered entirely by Indians. But I don't think it is in Government's mind yet. We want a national army and if every Province of India is to give money for the purpose, each one of them should have its adequate representation in a national army. I am not saying that any Province should be excluded, but what is the proportion in which men and officers from different Provinces, like Madras, Bengal, Bombay, the Central Provinces, the United Provinces, Bihar and others, will be recruited? Will they have a fair share of it or not? It is no use persisting in the best material argument. That theory is unacceptable. You must realize that every wrong theory which you advanced has exploded. Your pet theory of limiting Indian officers to Indianized units has also exploded. All that for years you hugged to your bosoms you have given a go-by. The theory of suitable material is also incorrect. If Indian youths from every Province are taken into the army, they will become fit material for it. But if you deny them the opportunity, you make them unfit for being good soldiers. May I cite the instance of a friend's son who went into military service and holds a commission. I had seen him before he joined the army. And, Sir, about a year ago he came to see me as he was spending his holiday in Bombay and he was so changed that it was difficult to recognise him. His physique had developed, his health had improved and he looked in every way as good as any other officer. So, Sir, unless they give Indians the opportunity and take them into the army, but instead keep on pleading their specious arguments which they can continue to do to the end of the day, they will never be able to carry us with them.

Sir, there has been in fact a policy of discrimination against Indians in their own country in every sphere of life. Several instances have already been mentioned, but I will mention one more which comes uppermost to my mind sitting in this House. We see the Honourable Mr. Dow here whom we congratulated the other day on his being elevated to the Governorship of Sind. I do not grudge him that elevation, Sir, because I am happy to think that a Member of my House has been so elevated. But there have been distinguished Indian Civilians and not one of them has yet been made a Governor. Is this not discrimination against the Indians? I know they have been as loyal, perhaps more loyal to the British rule than an Englishman. (An Honourable Member: Sir Girja Shankar Bajpai would do quite well.) Not that this much

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alone would satisfy me. It is one of the attributes of Dominion Status, apart from constitutional freedom. In the Dominion of Canada, for instance, Canadians are appointed Governors and the Governor General there is appointed with the consent and approval rather on the nomination of the Prime Minister of the Dominion.

Sir, our main grievance is that in the last war we were told that the war was being fought for democracy, for the liberation of the world, but in this war no such declaration has been made. No such noble purpose is now held out. That was the reason why in the last war there was great enthusiasm in India to support the British Government, but this war, it has been declared, is being fought for the freedom of European countries,—only European countries, and by implication India is excluded. Now, Sir, let them put themselves in our position. I want Englishmen to have some imagination and to use it. India today is a vast prison and every Indian stands behind the bars. If you tell him, "My dear fellow, I am fighting for the freedom of the man in the moon, come along with me and fight my enemies", what would the answer be? Would he not say, "Let my chains and fetters be first removed: let me first have my freedom and enjoy it, then and then alone I can think of fighting for the freedom of some one else"? If you want to fight for the freedom of Poland, or any other land, should you not give me my freedom which you have snatched from me? I was sorry to see that Major Attlee had also joined Mr. Churchill's ranks. We read today that even a Labour Leader like him said that they were fighting for the freedom of their country and of Europe. May I ask Englishmen: Are not Indians equally entitled to fight for their own freedom, even against you?—and to fight with all the resources at their command? You are fighting for the freedom of somebody else and can have our sympathy. But you must remember that there is a difference between sympathy and active support and that you cannot ask a man to be always shut behind the bars of a prison and then expect him to give you his active and whole-hearted support. As a representative of the people of India chosen by a section of them and sent to this House to express their views, I assert that the support which you are getting is not whole-hearted support. It is not possible under these circumstances to give you our whole-hearted support. I now came to the offer for the expansion of the Executive Council of the Central Government. It is claimed that real power would have been transferred to Indians by it. I submit, Sir, that this claim does not stand the true test by which we can judge transfer of real power to the people of India. Even Mr. Brailsford said the other day that what was in effect offered was the status of distinguished civil servants to the Indian Leaders. Obviously the Indian Leaders can not accept this position. Can Indian Members now on the Executive Council of the Viceroy, for whom we have every respect, say that they are the instruments of the will of the people of India and not of the people of England? Can they say that they are free to follow the policy which the people of India want? In and out of time they have been saying that the constitutional position is different from that of the Dominions. Unfortunately, in this country, a great deal of importance has been attached to the letter of the constitution. The power has not been used for the growth of constitutional practice and usage which brought the Cabinet system into being in England. If under the constitution the power belonged to the Viceroy or the Secretary of State, he must exercise it to the detriment of similar growth. Twenty years have gone by since the Montagu-Chelmsford Reforms were introduced, and only three Indian Members have been in the Viceroy's Executive Council, and they too not from the Legislature some being distinguished public men and some distinguished public servants.

Even if they had been given real responsibility, and the Council had been gradually expanded and constitutional practice of ministerial responsibility adopted, the position today would have been different. Such an attempt has never, however, been made by those in power. It is too late to satisfy us with inclusion of Party leaders in the Executive Council. If Government are prepared to form a Cabinet responsible to the Legislature, let them say so clearly. I know there has been much in the past responsible for the suspicion which exists on either side. You may feel that if real power is transferred to Indians today, they may not help the British Government in the war as effectively as the bureaucratic Government is doing. But statesmanship requires that a new chapter should be opened in our relations. It is within your power now to do it. I do not know what the position will be tomorrow. It is not given to me to prophesy. But, while there is time, you can win India to your side. If you have suspicion in your mind about our attitude, tell us very frankly what you want. We do not want to bargain. Our claim is not a new one. We say that India wants to be an independent nation and she shall have her freedom and responsible Government. You might say we are bargaining. I do not think there is anything to be ashamed of even if we bargain. What are Governments doing every day when they enter into treaties with one another? It is nothing but bargaining, giving and receiving mutual undertakings. If you have any suspicion, tell the leaders frankly. Once they promise you they would stand by their word. As one who has friends among the Britishers, I feel that it is up to all of us—though it rests with you and not with me—to do our best to have a new chapter opened which will set at rest Hitler and his Goebles and their propaganda. What an impression you would create in the world if you tell the whole world that you are fighting for the freedom of various countries but deny it to India, whom you can set free today without firing a single shot, without losing a single soldier and without spending a single farthing? No one can believe you. Hitler is fighting for his hegemony and you for your safety through balance of power and for your Imperialism. Such must be the conclusion. No wonder that the German radio carries on a vigorous propaganda against you and you have no answer to it. I have no answer to it. Some of our friends here abuse us. I have been provoked to say that, if England, the richest country in Europe, with all her vast possessions, can produce a few Lord Haw Haw's, I should also be prepared to have a full share of my own Lord Haw Haw's who will run us down and say that the Congress does not represent anybody. Others say that the Muslim League does not represent the Muslims. Is there any single party in any country in the world which represents the whole nation. Take England herself. Do they not have a Conservative Party? Have they not got a Labour Party and the Liberals, leave alone the other sections? Were there not several parties in Germany? In France, a most democratic country, how many parties were there? 20 parties. Would you say that France should not have self-government and that England should occupy that country?

THE HONOURABLE SIR MUHAMMAD YAKUB: None of these parties claim to represent the nation or the country.

THE HONOURABLE MR. G. S. MOTILAL: I have not claimed to represent the nation. I represent a majority party. The Congress and the Muslim League are the most representative parties in India. When the Congress leaders approached Mr. Jinnah, unfortunately he took up an impossible position. He said, "You must recognize that the Muslim League is the only representative body of the Muslims of India". The Congress was prepared to say that it is the most representative body of the Muslims. It would have been a patent untruth to say that it is the only body which represents Muslim opinion in India. This is how the negotiations broke down. My Honourable

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friend Mr. Hossain Imam has given us credit for being wise and called the Hindu Mahasabha foolish. I wanted to know to which class he belonged, wise or foolish. I did not get an answer but I worked my mind and thought that he belonged to a class which was neither wise nor foolish. I admit there are differences in this country. But has there been any country in which there were no differences? I say there are genuine differences. I do not say it is a stunt. You want Pakistan. You sincerely believe in the virtues of Pakistan. I think you must give me the credit for feeling that Pakistan will be a disaster, not only to me but to you also. Pakistan means the Balkanisation of India. You know the fate of the Balkan States for many years past, and also the fate of Europe. If Abraham Lincoln had not fought for the unity of the American Continent and brought it about, America would have been a warring camp similar to Europe. We feel honestly that the division of India on a communal basis will be still worse. This devastating European war is the result of lack of unity there. There are advantages both to the Hindus and to the Muslims in the Pakistan scheme, but the disadvantages to both communities are surpassing. If you allow fury and passion to run their course, they will not allow you to solve these problems in a cool and collected frame of mind which alone ought to be brought to bear. My Muslim friends will repent the day if Pakistan is ever brought about in India. My friend Mr. Hossain Imam said that Mr. Savarkar had said that he will treat the Muslims in free India as Jews have been treated in Germany. I can assure Mr. Hossain Imam with all the emphasis I can command that we should be untrue to our culture if any Hindu ever did it. We shall lay down our lives before any Muslim is ill-treated. It is not in our culture. I would ask the Honourable Mr. Hossain Imam to read "The History of the Civilizations" in the University Series. You will find that the author who has deeply studied the problem tells you that the Hindus are the most tolerant race on earth. When Jews were ill-treated in other parts of the world, they sought asylum in India. So did the Parsis and even the Muslims. Religious persecution is unknown to this country. We do not believe in the theory that a man who follows a different religion from ours is a sinner and ours is the only road to salvation. We believe in perfect freedom to each person to follow his own religion. We have no quarrel with followers of other religions. Mr. Hossain Imam made a reference to the depressed classes. He said, "How have you treated the depressed classes? Is that the sort of treatment you will mete out to us?" Sir, does he know the history of the depressed classes? No doubt today the treatment is unjust, but the genesis of it lay in giving them more humane treatment than hanging for capital offences. For certain heinous crimes, e.g., the killing of a father or a Guru and offences like that, we did not behead people in those days. They were kept apart from society, and that is how these depressed classes have grown up. (An Honourable Member; Certainly not.) You find that in the Hindu books of law, the Shastras, and it is an irrefutable fact. Their sons and daughters lived with them. That is how the depressed classes have grown in this country. But you cannot expect that we shall treat you in the same way, because we are now amending our ways. We do not want to treat them in that way any longer and are trying our very best in the matter. Sir, I do not desire to take more time of the House and finish my speech by saying that I oppose this Bill.

THE HONOURABLE THE PRESIDENT: The debate will stand over till tomorrow, when it will be resumed.

The Council then adjourned till Eleven of the Clock on Thursday, the 28th November, 1940.

COUNCIL OF STATE

Thursday, 28th November, 1940.

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

BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill to amend the Excess Profits Tax Act, 1940, which was passed by the Legislative Assembly at its meeting held on Wednesday, the 27th November, 1940.

INDIAN FINANCE (No. 2) BILL—concluded.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General): Sir, after a lapse of about 18 months our Congress friends have returned to the Central Legislature and the result of it is that this House has got to face a certified Bill. My Honourable friend the Leader of the Congress Party in this House instructed us the other day in his speech that the Progressive Party should vote against the Bill. I need not tell him that the Progressive Party in this House knows its responsibility to the country and to its constituencies and they will do whatever they think fit in the circumstances. Sir, the Bill before us is a certified measure, and according to the law we have no power whatsoever to make any changes in the Bill. Either we have to accept the Bill or reject it. The situation that has been brought about is not due only to the action of the Congress Party, but I think the Government is also responsible for the political deadlock in the country. Sir, the British Government want our help for war efforts. Those like me who believe in Dominion status, who wish that our connection with Britain should not be severed do desire to play their part in giving support for the successful prosecution of the war; but, I must ask the British Government what efforts they have made up till now even during the last 18 months to bring about a change in the political atmosphere of the country so as to give them sufficient help that is needed for the prosecution of the war. I find, they have made promises which they do not intend to fulfil. In this connection, Sir, I refer to the demand of the Congress Party for a national government at the Centre. The Congress Party made this demand for a national government at the Centre after the Right Honourable Mr. Amery made a statement to that effect. Sir, he said, "We want in India a national government like the one we have in England". As he has expressed his view in unequivocal terms I do not know why that promise was not fulfilled? They come out with a plea of administrative and legislative difficulties but India knows what administrative and legislative difficulties there are which prevent them from fulfilling this promise and we also know that if the British Government means to do anything they would be able to go ahead and implement their promise. They never intended to fulfil the promise and therefore they are seeking pretext

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under one excuse or the other. It may be said, Sir, that the discordant element and want of unity amongst the various parties in the country could not help to bring about this desired end. Sir, I am fully convinced of the fact that the presence of the discordant element in the country is not due to any activities on the part of the parties but it is due to the acts of omission and commission of the British Government from 1905 to 1940. Sir, about the difficulties of having a national government at the Centre I think the Leader of the Opposition in the other House has given an effective answer to that question. He said :

"It is not a democratic majority government that we asked. What we mean, all we demand is a national government like the government you have in your own country. It will reflect every single representative of this country, for, after all, if under the constitution of 1935 elections have any meaning, it certainly is this, that there is not a single man or woman who has a right to vote, who is not represented by one or other of my Honourable friends in this House, apart from the nominated officials and nominated non-officials. We wanted no revolutionary change during the course of the war."

Sir, that shows that the Congress Party was not out for a revolutionary change in the administration and if Mr. Amery gave this promise about three months ago before the Congress made this demand it was the bounden duty of the British Government—

THE HONOURABLE THE PRESIDENT: Why are you defending the Congress Party?

THE HONOURABLE MR. V. V. KALIKAR: I am not defending the Congress. I am defending the interests of my country. I want a national government at the Centre which will give more impetus to the war effort.

Sir, as I was saying it was the bounden duty of the British Government to give effect to this promise which had been made by no less a man than the Secretary of State for India. Indians know that if Mr. Churchill, three days before the collapse of France, could give a promise of sharing all their possessions and liberty with France, they should have found no difficulty in fulfilling the promise given by Mr. Amery. Now, Sir, the man in the street thinks—and rightly thinks—that it is not the intention of the British Government to part with power. Sir, I cannot subscribe to the attitude adopted by my friends of the Congress Party in withdrawing the Ministries from the provinces. Sir, the Ministries in the provinces, if they had been there, would have brought their influence on the Government in the matter of making India self-sufficient in military matters. Sir, the question—if we are going to make India self-sufficient in this matter—is whether we are to equip ourselves for the defence of our country or not. I believe that mere *charkha* or spinning is not going to give us that courage which is required for the defence of the country. I believe that the *charkha* is not going to equip us for defending ourselves against any aggressor, whether he be Hitler or Stalin or Japan. They have lost a very good opportunity and I hope they will reconsider their position and think over the matter again. The danger is there, the danger is at the throat of India. Our complaint against the British Government is that by their acts of omission and commission during the last so many years they have practically emasculated India. The British Government gave us a pen and the Congress Government want to give us *charkha*. Neither the *charkha* nor the pen will be able to defend us against aggression. So, Sir, my quarrel against the Congress is that they have committed a very grave blunder in withdrawing from the power which fortunately they had got after a fight of so many years.

THE HONOURABLE SIR MUHAMMAD YAKUB (Nominated Non-Official): Not only one: they have committed so many blunders.

THE HONOURABLE MR. V. V. KALIKAR: I am speaking of the present. I am not speaking of their past actions.

THE HONOURABLE SIR MUHAMMAD YAKUB: Not their old sins!

THE HONOURABLE MR. V. V. KALIKAR: Then, Sir, I am very sorry to have to refer to the statements that have been made and are being made by the Congress throughout the country about the motives of the young men who enter the army. Sir, many youths who have entered the army and who are desirous of entering the army do desire to enter the army not for mercenary reasons but for the purpose of defending their hearths and homes. It is a slur on the educated youths of India to call them mercenary. What do they mean by calling them mercenary? Do they mean to say that they should confine themselves in their homes, use *charkhas*, go on giving lectures about the use of *charkhas* and not get themselves prepared for the danger? We, who desire to give our utmost help in the successful prosecution of the war, do take it as an insult to our young men and I must request my Honourable friend not to use such phrases as that.

Sir, it may be said that as the offer that was made in the memorable declaration of 8th August was not accepted, no expansion of the Council could take place because the offer was not accepted by the Congress Party. Sir, the very declaration in which we find that offer is so much encouraging to the minorities not to co-operate in the forming of a government at the Centre that Britain should not blame them who have not accepted the offer. What is the declaration? I will just read one sentence from the declaration to show that in that declaration we find a statement which gives encouragement to the minorities not to bring about unity between the two communities:

"His Majesty's Government's concern that full weight should be given to the views of minorities in any revision has been brought out. That remains the position of His Majesty's Government. It goes without saying that they could not contemplate the transfer of their present responsibilities for the peace and welfare of India to any system of government whose authority is directly denied by large and powerful elements in India's national life. Nor could they be parties to coercion of such elements into submission to such Government."

Sir, the man in the street interprets this decision in the way that the British Government have no desire whatsoever even to part with nominal power. Sir, apart from firebrand political agitators, even the moderates, about whose honesty nobody can say anything, do not desire to take active part in giving support for war efforts. I want to repeat, Sir, the sentence used by my Honourable friend Pandit Kunzru yesterday. He says, "The attitude of Government makes even the mildest man turn round against the Government". That is the position in the country. The Congress are out against you. They have started what they called a non-violent fight but to my great dissatisfaction I find in today's papers that violence has already started. In Bihar there was a *lathi* charge. They can judge their position best for themselves and they will, I hope, take into consideration the situation in the country and try to mend their ways. Even the Liberals are not satisfied with your action, especially during war time. The Servants of India

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Society have declared in their memorandum that they are not enthusiastic about your war efforts. They say :

" In consequence of this, while they are not prepared to hamper England in her efforts to bring the war to a successful issue, they are unable to render the enthusiastic co-operation that would be possible only if England co-operated wholeheartedly with them in the establishment of freedom in India. The members of the Servants of India Society adopt the same attitude. They cannot, therefore, join the war committees that have been set up in the provinces to urge the people to put forth their maximum efforts to help England, or ask others to do so. They can neither for themselves nor ask others to forget that India has a claim on their energies even during the war "

My point is this. You have got the firebrands, the Congress on the one side, and the Moderates, the Liberals, on the other side, who are also not enthusiastic in their war efforts. There is the third party, the Hindu Mahasabha. The Hindu Mahasabha is willing to co-operate with you on just and equitable terms. So far as the expansion of the Executive Council is concerned, I learn from the debates that recently took place in the House of Commons that Mr. Amery told them that the Hindu Mahasabha was not at first willing to co-operate with them in the formation of the Executive Council but ultimately they agreed to the proposal. If that statement is correct, why did you keep your proposal in abeyance? Simply because the Muslim League did not join you. That means that you regard the Muslim League as the only representative of Muhammadans in India. There are other parties like the Jamiat-ul-Ulema and Ahrars and others who were willing to co-operate with you. Even in a small matter like the expansion of the Executive Council you are ignoring the claims of the majority and giving encouragement to the minority. The man in the street thinks that by keeping the proposal in abeyance you have given encouragement to the minority not to agree to proposals of unity if made by the majority. In this expansion of the Executive Council you were not giving us real power. You were giving us only nominal power. But, even in giving us nominal power, you are so conservative that you do not want us even to exercise nominal power over the administration of the country and that too even during the time of the war when you want the utmost co-operation from us.

Sir, I have not up till now given vent to my feelings on the communal question in this House, but I am very sorry I am constrained to refer to it. My Honourable friend Mr. Hossain Imam yesterday—I do not find him here today—attacked the revered leaders of the Mahasabha for a statement alleged to have been made by them. I have the authority of Mr. Savarkar to state to this House that he never made the statement which Mr. Hossain Imam made yesterday that if Hindus were to get into power, they would exterminate the Muhammadans like Jews. I had a talk with him on the 'phone yesterday and he gave me the authority to contradict this statement. Sir, statements like this made by responsible leaders of the Muslim League Party create more troubles in the way of bringing about unity, for which we all desire, between the two communities in India. It is very unfortunate that he should call the Hindu Mahasabha a foolish party and call the Congress a wise party. But if my Honourable friend Mr. Mahtha, who is the President of the District Hindu Mahasabha in his province, were to call the Muslim League Party a wicked party, with what feeling my friend Mr. Hossain Imam would accept that remark? It is very unfortunate that we have to deal with these things in this House. But I am sorry my Honourable friend Mr. Hossain Imam has forced me to speak on these matters.

Sir, one word about the activities of the Defence Department, and I am finished. In the beginning of my speech I made clear my attitude that

we are for the prosecution of the war. We will give our utmost help. We will give whatever help lies in our power for the successful prosecution of the war. But I am very sorry to state that the Defence Department of the Government of India is still following the old policy of maintaining the distinction between martial and non-martial, or enlisted and non-enlisted classes. In my province, Sir, I had something to do with this matter. As a member of the Provincial War Committee, some youths approached me for entering the new expanded army. The recruiting officer there had told them that he had definite orders from the Government of India not to recruit Maharashtra Brahmins. Sir, is that the way we are to help the war effort in India? Do you want to have the army as the close preserve of certain provinces? Do you think that if you create a national army in India, there will be danger? Sir, I am very sorry to make these remarks, but your acts of omission and commission do really come in the way of our giving you substantial help in this matter. We want that our youths should enter the army, should equip themselves for the coming danger, but it is your action that is coming in their way and is damping their enthusiasm.

THE HONOURABLE THE PRESIDENT : Your promised half an hour is up.

THE HONOURABLE MR. V. V. KALIKAR : Well, Sir, I want to stick to my promise and I will finish within one minute. So, Sir, though as an individual I know that it is my duty to help in all these war efforts, as the grievances which we have against the Government have not yet been removed, I do not think I shall be in a position to give my vote for the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I would like to preface my remarks by stating that if I fail to deal with any of the points, either of principle or of detail, raised in the course of the debate in connection with matters of defence, and I hope that there will not be many which I do not deal with, it will not be for lack of consideration or for want of time, but for reasons connected with public policy.

I come first to the observations of my Honourable friend Sir A. P. Patro, whom I do not find here. He made the assertion, which I am in a position emphatically to contradict, that, in his own words, "most of the money" (that is, the money being spent on the war effort) "goes on salaries of officers".

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Not now, Sir. What he said was in the past.

THE HONOURABLE MR. A. DEC. WILLIAMS : I did not understand him in that sense. In any case, I am in a position to state that by far the greatest part of the money spent at present is naturally, as would be expected, spent on equipment.

The Honourable Member further made the assertion that for the last 20 years Government has consistently resisted the pressure put upon it to modernize the defence forces. I must say, Sir, that this comes strangely in a Legislature which year in and year out has resisted the amount of expenditure on the defence forces.

The Honourable Member referred in somewhat derisory terms to the efforts going forward at present in this country to enlarge the Royal Indian Navy. I sometimes think that the cost of building and maintaining a navy is imperfectly appreciated by Honourable Members. It would appear so at

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any rate from some observations to which I have listened. It may be of interest to Honourable Members to know that the capital cost of a single modern battleship is equivalent to one-quarter of the whole defence budget of India in normal years, that is to say, about Rs. 18 crores; and other vessels are in proportion, from a heavy cruiser, £2,000,000, down to a submarine, some £350,000.

THE HONOURABLE MR. HOSSAIN IMAM: What about "E" boats?

THE HONOURABLE THE PRESIDENT: Order, order. Please allow the Honourable Member to speak. You have had your say for over an hour and you must not disturb the Honourable Member.

THE HONOURABLE MR. HOSSAIN IMAM: I am not disturbing him, Sir, I am asking the cost of a single item.

THE HONOURABLE THE PRESIDENT: I cannot allow it. You will have perhaps 50 questions to ask!

THE HONOURABLE MR. A. DEC. WILLIAMS: Further, as I said, this is only capital expenditure. There is also the colossal expense of establishment, dockyards, and so forth. As I said before, we have been always told that defence expenditure in India is out of all proportion to the paying capacity of her population. It is therefore lucky for a country which is in that position and which can ill afford to meet the cost of her defence expenditure that she has for years past practically free of cost been defended, so far as the sea is concerned, by the Royal Navy. But as for what is being done out here, and I am sorry to see that my Honourable friend Sir A. P. Patro does not think much of it, it is to the limit of the capacity of India. Vessels of a more complicated or expensive nature than those mentioned in the Honourable the Finance Member's speech in another place cannot be manufactured in India. For them we must depend on external sources and it only stands to reason that in war time we must wait our turn and that our turn is likely to be late.

I come now, Sir, to my Honourable friend Mr. Hossain Imam. He wanted an assurance that India will not be denuded of her most seasoned troops. Well, I can tell him that that is not being done. In expanding the armed forces the process of dilution is being employed and the more seasoned troops are being used to form the backbone of the new units, while an adequate number are being retained in the old units; and that will be the case whether the troops remain in India or go overseas.

THE HONOURABLE MR. HOSSAIN IMAM: On a point of information, Sir. Is the army at present abroad consist only of seasoned troops or of the diluted?

THE HONOURABLE MR. A. DEC. WILLIAMS: I have said quite clearly, Sir, that whether the troops are overseas or in India the proportion of seasoned troops and new troops is being maintained.

Then the Honourable Member complained that what my Honourable friend Mr. Motilal (shall I say, happily?) described as the "India-rubber" defence frontiers of India have been stretched as far as France. Well, Sir,

this Council will freely admit that my Honourable friend Mr. Hossain Imam is an authority, or perhaps it would be more accurate to say, is prepared at any time and in any place to discourse at length on any subject ranging from the vagaries of the Congress High Command to bimetalism! But I think even the Honourable Mr. Hossain Imam will not expect those who are responsible for the external defence of India to accept his ruling as to where her external defence frontiers should be located. This must be left to the practical man to judge according to the requirements of the moment.

Mr. Hossain Imam also wished to know why we have not got "thousands" of anti-aircraft guns. An anti-aircraft gun is a mechanism of extreme complexity, even more complicated than an aircraft. The training of some of the technicians employed in its manufacture, for instance on the optical parts, may take as long as seven or eight years. In the present state of the industrial development of this country it would be quite impracticable to produce in India, even more so, as I have stated, Indian manufacture of aircraft or motor vehicles. Here again, we must depend on external resources. It has to be admitted that there is still a considerable shortage of these weapons throughout the Empire, because the demand is enormous wherever fighting is actually going on—

THE HONOURABLE MR. HOSSAIN IMAM: Sir, on a point of personal explanation. In the booklet circulated by the Defence Department it is stated that it is going to be manufactured in India.

THE HONOURABLE MR. A. DEC. WILLIAMS: I do not understand how this can be regarded as a personal explanation. I was about to say that, in spite of world-wide shortage caused by very heavy requirements in certain parts where fighting is going on, this shortage is rapidly being rectified and before long we hope to get our requirements in full, that is, from outside India.

Then several other Honourable Members including the Honourable Mr. Hossain Imam complained of what they described as the completely insignificant expansion of the Air Force in India. I can only say that we are going ahead just as fast as the necessary equipment and machinery will let us. When more arrives we hope to be able to go ahead rapidly. I say that in all seriousness. Our system of training should provide a reservoir of partly trained officers for further training, and as soon as necessary equipment comes we hope to be able to expand at a rate which I think may prove more encouraging to Honourable Members. (Hear, hear.)

I now come to my Honourable friend Mr. Kunzru who, as usual, has dealt with many aspects of defence matters in considerable detail. Knowing as I do the seriousness of purpose of the Honourable Mr. Kunzru I would be the last to tax him with any lack of ingenuousness, though I have never found him lacking in ingenuity. (Laughter.) But it does strike me as a curious coincidence that several, if not most, of the points of detail which he dealt with almost certainly would have been discussed by way of answer to supplementary questions on the questions which stood in his name the other day and which he was unfortunately not present to ask. However, I by no means desire to withhold the information and the Honourable Member shall have it.

Now the Honourable Member started by saying, "Defence must be decentralized. Small countries are arming themselves". I am surprised that he made that statement. I should have thought that the progress of this war has shown more plainly than anything else that small countries which have not sheltered themselves behind some great power such as the British Empire or the Axis, have come to a sorry end.

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Then the Honourable Member touched on his long-standing grievance as regards Indianization and he quoted figures, of which I do not dispute the accuracy, which boiled down come to this, that within a certain period some 216 Indian combatant officers have been recruited as against some 550 British officers. These are the figures which the Honourable Member gave and I have verified that they are substantially accurate.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern : Non-Muhammadian) : I believe that 500 was the total of the officers mentioned by the Honourable Member in reply to one of my questions. To this have to be added emergency commissions granted to Europeans in this country. About 300 Europeans have been granted these commissions. Therefore you have employed about 850 European officers while you have granted commissioned rank to only 200 Indians.

THE HONOURABLE MR. A. deC. WILLIAMS : Whatever the figures may be, my reply will be the same. I have already stated that so far not one single Indian applicant to join the army, who appeared to the selection committee to be likely to make a good officer, has not been sent on for training.

I am not clear whether the Honourable Member wished to make any capital out of the fact that out of a figure of 516 officers commissioned some 300 went to the Indian Medical Service ; but I think that some explanation should be given. The reason that the proportion of officers of the Indian Medical Service is so high is that they do not go through the same course of training as the others and so join straightaway. So, if Honourable Members consider these facts, they will see that figures of the Indian officers under training will not include Indian Medical Service officers.

The Honourable Pandit Kunzru made the statement that His Majesty's Government have in the course of the war contributed to the protection of the Dominions and have neglected India. I would say that the more accurate way of putting the proposition was that the Dominions have very substantially, on their own initiative, contributed to the defence of the Empire.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : On their own initiative as self-governing countries.

THE HONOURABLE MR. A. deC. WILLIAMS : The Honourable Member further made the suggestion that the production of aircraft and mechanical vehicles and so on in Canada and Australia had been fostered and arranged for by His Majesty's Government. Now actually—I do not know if the Honourable Member will derive any satisfaction from the use of the word "spontaneously"—these industries were started in these Dominions spontaneously. They were in a position to start them because they have for some time past been able, as India was not and still unfortunately is not able, to produce the internal combustion engine.

The Honourable Member stated and it would be a true statement if his premises were correct, that it would be a bad lookout for India if she was still in the same position as she was in 1936. But surely, any fair-minded person who listened to or has read the speech of the Honourable the Finance Member on this Bill in the other House must agree that he has described a most remarkable record of progress and development.

The Honourable Mr. Kunzru, in connection with the Air Force—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Would the Honourable Member allow me to interrupt him for a second ? The statement that I quoted with regard to the production of munitions in this country was taken from a pamphlet published by the Royal Institute of International Affairs. I should like to know whether that statement is correct or not.

THE HONOURABLE MR. A. deC. WILLIAMS : I, was concerned with the remark of the Honourable Member suggesting that there might not have been any progress since 1936 and I have endeavoured to show that there has been.

The Honourable Mr. Kunzru also inquired why it is not possible to send— if we could not expand the Air Force more rapidly in India—why it was not possible to send young Indians to England to be trained there to go into the Royal Air Force. Well, as we know, that has already been done as an experiment ; and, as the Honourable Member has indicated, it would appear from what has been said by the Secretary of State for India that it has been a great success. If His Majesty's Government ask us to do so, we shall be very willing to send further instalments of young Indians for this kind of training—consistently always with our growing requirements in this country. I would ask Honourable Members not to take this point too lightly.

There was one case which the Honourable Member mentioned, and I have been wondering why he should have hit upon that particular case because it is from his point of view a singularly weak one—the case of a certain Major Foster who has been employed in the Headquarters office of the Master General of the Ordnance. It is true that he has been made a temporary Major and his salary is in the neighbourhood of Rs. 1,400 a month. It is also true that he has not got any University degree. On the other hand, this officer was a workshops officer in the last war and recently he was employed as a ground engineer by a firm that considered that his services were worth Rs. 1,600 a month. I do not think this appointment is a striking example of any public scandal or needless or improper expenditure of public funds.

The Honourable Mr. Motilal asked me whether Dominion troops had been ordered overseas like ours. Well, Sir, I do not know—and if I knew I should not be able to tell the Council—what kind of orders pass between His Majesty's Government and the Dominions in matters such as these. But it is common property that Dominion forces have gone overseas and have gone very far afield—for instance, there are Australian forces in Egypt.

Last, though not least, in chronological sequence—and certainly not last in importance, I come to my Honourable friend Mr. Sapru. Now, Mr. Sapru had stated in his speech that he would not deal with the question of Defence but, as he was concluding his remarks, he could not deny himself the pleasure of referring to one occasion at least on which I had rejected on behalf of the Government a most moderate proposal of his for the constitution of an advisory committee of the Legislature on defence matters, and he characterized my rejection of this proposal as being in the best manner of the traditional "diehard". Well, Sir, I am not seriously concerned at this ; but I would like just to repeat the actual words uttered by Mr. Sapru on that occasion. He said that he would like to express his appreciation of the very conciliatory terms of the speech of Mr. Williams but he must say that he was disappointed with his "No".

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : I have, even in my last speech, distinguished between the Honourable Mr. Williams and the Defence Department. He is merely an advocate or spokesman for, not the head of, the Defence Department and the grievance is against the head of the Defence Department.

THE HONOURABLE MR. A. DE C. WILLIAMS : I am not stressing the matter, Sir. The point that I do wish to make, Sir, is that it seems to me that on that occasion Mr. Sapru regarded my bite as worse than my bark. I would like to think of Mr. Sapru, as of other Members opposite, that their bark is worse than their bite. But unfortunately it has been made only too clear in the course of this debate that they are going to bite—they are going to vote against the Bill as well as voice their dissatisfaction with the Government.

Now, the Honourable Mr. Sapru impressed on this Council in the weightiest terms—and, I admit, in the most convincing manner—the need for an appreciation of realities. He stated in compelling terms the

12 Noon. seriousness of the situation in which we find ourselves and the magnitude and the iniquity of the forces against which the British Empire is contending. I maintain, Sir, that any Honourable Member of this House who feels as Mr. Sapru feels on these points, who further states that he is anxious that this country should be defended in an efficient manner and that the war should be prosecuted to the full, and then votes against this Bill—I can only compare the action of a Member who does so to that of a householder who, when his house is burning about his ears, refuses to allow the fire brigade to turn on the water-tap and, while the flames are spreading, delays well-meant efforts to save his property by a deliberate discussion as to whether the fire will be better extinguished by use of the metered or unmetered water supply! (Laughter.)

I would only add one thing, Sir, that if any Honourable Member goes further and justifies his action in voting against this Bill and refusing to vote the necessary supply for war by a reference to the fact that the Bill has come here in a recommended form, why, I submit, Sir, that the last vestige of gestural significance will have disappeared from his action.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House) : Mr. President, the present Prime Minister, when in Opposition, once described debates on the Finance Bill as one long, dreary drip of disparaging declamation. I do not think that it can be contended that on this occasion either the declamation or the disparagement has been lacking, or, from the point of view of Honourable Members opposite, insufficient. I have no quarrel with that. It is the function and also the duty of the Opposition to criticize, and I should like to pay a tribute, not merely to the sincerity of conviction with which Honourable Members opposite have stated their case, but, if I might indulge in some personal characterization, I should like to pay a tribute to the telling and somewhat sombre cogency of my Honourable friend Pandit Kunzru, to the patriotic vehemence of Mr. Sapru, to the dignity and restraint of Mr. Ramadas Pantulu and last, but by no means the least, to the tempestuous eloquence of Mr. Hossain Imam. These, Sir, are qualities which are at once the object of my envy and my admiration. They are not qualities which I expect to emulate or to copy with success. I shall, however, Sir, endeavour, in the time at my disposal, to deal with some of the points that have been raised in the course of this debate and, I hope, Sir, that

while I develop my argument, Honourable Members opposite will extend to me credit for the same sincerity of conviction which I have attributed to them.

Sir, in the course of this debate Honourable Members have covered very wide ground. Constitutional and political questions have been discussed ; questions of defence have been discussed ; questions of finance,—which ought to have come first, but I believe only one Honourable Member has referred to them,—have also been discussed. My Honourable friend Mr. Williams has discussed, and if I may presume to congratulate him, discussed with very good humour, the criticisms of the Department of Defence that have been levelled by Honourable Members opposite. I have no doubt that Mr. Jones, when his turn comes, will deal with equal good humour with the criticisms of finance that fell from my Honourable friend Mr. Hossain Imam. I, Sir, shall deal briefly with one or two political points that have been raised. But my main argument will be directed to answering two questions : first, why are we at war ; and secondly, if we are rightly at war, then, in that case, is it the path either of good sense or of true patriotism to withhold support from those who are engaged in the waging of this war ?

But, Sir, before I pass on to develop my argument, I should like to strike one personal note. Today, I speak in my capacity as Leader of the House. But I recognize as well as anybody that the trappings of office are transient. Accident or fortune may clothe you with those trappings today and may strip you of those trappings tomorrow or the day after. I speak, mainly, Sir, as a plain man, but a plain man of honest and, I hope, honourable convictions, for, after all, we are "all, all, honourable men" in this House!

Sir, taking up the first question—why are we at war ? There are three considerations : first, the constitutional, second, the ideal, and third and last, again by no means the least, the consideration of self-interest. Let us take the first consideration—the purely constitutional. I do not make much of that. We are at war because Great Britain is at war. I know that some Honourable Members opposite consider that it constitutes both a constitutional and a national affront. Whether that particular point of view reflects the correct perspective in so far as the plea for withholding support from the war effort is concerned is an aspect of the matter with which I propose to deal later. But, let us assume for the sake of argument that we had been a self-governing Dominion. Then what should have been our path ? Canada, as everybody in this House knows, has the might of the United States of America and the Monroe Doctrine to protect her. Why is Canada in this war ? Australia and New Zealand in the remote recesses of the Pacific are not in imminent danger of attack from Germany. Why are they at war ? South Africa, with its chequered history both of war and peace with the United Kingdom—why should she be at war ? They are at war, because, as lovers of freedom, they have considered it the nobler path to rally round the banner of those who today are fighting the cause of freedom. Will it be contended, Sir, that we are not lovers of freedom ? I am quite confident that no Honourable Member of this House will say that. We are in this war because we share the ideals of those who today are fighting totalitarianism. And what, Sir, is this totalitarianism, against whom is it directed ? It is not I submit a mere clash of rival imperialisms. It is something very much worse than that. Totalitarianism today stands for the denial of individual liberty and for the destruction of free institutions. In the words of an impressive English writer of our own time, totalitarianism stands for sealing "the springs of innocent aspirations and goodwill in common men". Now, is it contended that we should refrain from co-operation in the war effort in order that totalitarianism may

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triumph? Will that be consistent with our ideals? Will that be consistent with our desire that we should be free, that free institutions should flourish in this ancient and glorious land of ours? Again, Sir, I say No. So, first, we are at war because of our constitutional position. Secondly, we are at war, and that is more important, because of our ideals. Now let us go on to the question of self-interest. My Honourable friend Kumar Shankar Ray Chaudhury the other day, in a somewhat rhetorical excursion into the domain of diplomacy, proceeded to suggest that, if India were free, then India would remain neutral. I think I understood him correctly; that was the trend of his argument. Well now, I ask: China has been in pursuit of peaceful reconstruction at home. What has that availed her against the aggressor? Surely Belgium, Holland, Denmark, they did not desire to come into conflict with Germany. Did neutrality avail them? Abyssinia, how did she wish to wrest the trident of empire from Mussolini whom Mustapha Kemal described as "the swollon bullfrog of the Pontine Marshes"—I believe it was not an inappropriate description. Was Abyssinia threatening Italy? No. All these independent and neutral countries, though seeking to preserve their independence, were not permitted to do so. Is it contended for a moment that if we had remained neutral, if we were to stand aside today and not to help Great Britain in her war effort, that, on the assumption that the totalitarian powers win, we shall be allowed to ascend at leisure the steps that lead to the temple of freedom? Is that suggested by any one? Is that seriously argued by any one? No, Sir. And that is not enough. We know perfectly well what, if the totalitarian powers have their way, would happen to this country. For instance, Herr Hitler has described us as Oriental mountebanks, an extremely complimentary expression no doubt. He has also described us as an inferior race, with which the destinies of his people, the great, the elect Aryan German people, may not be linked except as masters. He would also reserve for us the "fate of poodles" because "it is a crime against the Eternal Creator to train the dark races for intellectual careers". That is what would become of us as individuals. And now let us think of the form of government that we should have. Well, we have examples before us. Gauleiters and the Gestappo are now rampant in those countries which have had the misfortune of coming under the German sway. Even France, the land of liberty, of equality, of fraternity, the land of Danton and Gambetta, what is she doing today under German pressure? She is being forced to worship at the altar of political as well as economic autarchy, totalitarianism in other words. That, Sir, is what would be our fate if Germany were to win. In the circumstances, Sir, I think I do not claim too much when I claim that self-interest also demands that we should help in the war effort.

That, Sir, disposes of my first question; why are we at war? I now go on to the second. If we are at war, and rightly at war, then I would ask, should assistance be withheld from His Majesty's Government in the United Kingdom or from the rest of the British Commonwealth? Three arguments have been put forward in support of the view that such succour or aid should be withheld. The first is that India's political demands have not been satisfied. The second is that India has not been properly prepared for this war; and the third is that Great Britain does not trust India. Now, Sir, in so far as the political point is concerned, both the Secretary of State and His Excellency the Viceroy have descanted only recently upon the constitutional and the political issue. It is not in my judgment either meet or proper that I should attempt the labour, the supererogatory labour of refining "gilded gold". Those two exalted personalities are quite capable of explaining and

expressing the intentions of His Majesty's Government. But, Sir, there are one or two points, debating points if you like, which I should like to make. My Honourable friend Mr. Shivrul Motilal, to whose speech I listened with a great deal of interest yesterday, said that it is a tradition of Hinduism to be tolerant. I take it that he will not dispute my assertion as a Hindu that chivalry is also one of the attributes of Hindus and Hindu civilization. Well, if that be so, then, in that case, may I ask whether it is any part of chivalry to start bargaining with somebody who has been long associated with you at a moment when he is in dire and deadly peril?

Then, Sir, I will not say much about the conception of national government. That, again, has been discussed by persons far more competent to deal with that question than I am. But my Honourable friend Mr. Sapru sought to discharge for the Secretary of State and the Governor General their functions in the manner that he would discharge them if he were Secretary of State and Governor General. He gave us a description of how he would have constituted the Executive Council to deal with this war. I do not know to what extent my Honourable friends of the Congress Party would altogether accept that version of a national government, but, at any rate, so far as my Honourable friend Mr. Sapru's version is concerned and the Viceroy's offer is concerned, the difference, I submit, is one of degree and not of quality. He wants an absolute majority of Indians on the Executive Council.

THE HONOURABLE MR. P. N. SAPRU: Of political elements in the Executive Council.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: Political elements in the Executive Council. I think my friends will concede that men like Sir Zafrulla Khan and my Honourable colleague Sir Ramaswami Mudaliar are not altogether devoid of what we may call political instinct and outlook. If the Executive Council were expanded in the form in which His Excellency the Viceroy suggested that it should be expanded, is it any one's contention that there would not have been a majority of Indians on the Executive Council; is it even contended that there would not have been a majority of politically-minded Indians on the Executive Council? If that is so then I turn to my Honourable friend Mr. Kunzru. He had some trenchant things to say about the withdrawal of the Congress Party from the ministries of the provinces. And the moral he proceeded to draw from that act of the Congress ministries was that they had, at a critical juncture, withdrawn the pressure which as representatives of the people, they would have brought to bear upon the Government of India and upon His Majesty's Government in the United Kingdom. May I enlarge that argument and ask whether if we had an Executive Council, with a majority of politically-minded Indians, then, even though it might have worked within the framework of the existing constitution, it would not have been able to exert, by virtue of the representative capacity of its members, that moral and political pressure upon the Government of India and His Majesty's Government which all the Honourable Members opposite desire. Surely that is not an argument that can be considered as convincing.

But there is one other point relating to politics with which I shall deal before I pass on to something else. The Secretary of State is not merely a very distinguished man of public affairs but is also a very experienced parliamentarian. It would be presumptuous for me to attempt to defend him against so redoubtable an opponent as my Honourable friend Pandit Kunzru. But there is one point that I think I may elucidate. I refer to the distinction which Mr. Kunzru had drawn between status and functions in relation to

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Dominion status. He went on to say that that was a distinction which really detracted from the offer of Dominion status made to his country. Historically speaking—no more than that—I should like to draw his attention to the fact that—I was present in the Imperial Conference concerned and know the facts—the Report of the Imperial Conference which is the basis and foundation of the Statute of Westminster, definitely recommends that distinction itself. I will read from that Report :

"Equality of status so far as Britain and the Dominions are concerned..... should govern our inter-Imperial relations, but the principle of equality and the similarity appropriate to status do not universally extend to functions. Here we require something more than immutable dogmas".

If my Honourable friend will reflect I am sure he will realize that the distinction is inherent in the very inequality of resource and power—

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: May I interrupt the Honourable Member? When that Report was presented the Statute of Westminster had not been passed. It was the Balfour Report. The Statute of Westminster removed that inequality. It is within the power of the Dominions themselves whether they exercise equality with the United Kingdom or not. If I may say so it was want of correspondence between status and functions that was at the root of the differences between His Majesty's Government in the United Kingdom and some of the Dominions.

THE HONOURABLE SIE GIRJA SHANKAR BAJPAI: Sir, I welcome my Honourable friend's interruption, because it gives me an opportunity of pointing out to him that, in the first instance, it was the Balfour Report which led to the Statute of Westminster. I think he will agree with me when I say that between 1926, when this Report was presented, and 1929, when the Conference on Dominion Legislation met, there was no other Imperial Conference. Secondly, the differences to which he referred are not differences of formal definition. Neither before the passing of the Statute of Westminster nor since the passing of the Statute of Westminster has there been any failure on the part of the Dominions to recognize the inequality to which I have referred, namely, that unto him that hath the greater resources shall be given the larger measure of responsibility for defence. However that is by the way. Political arguments carry us no further. But as an Indian, I wish to say this much. Yesterday there was some heat in the debate about Pakistan and about united India. I am sure all patriotic Indians must feel distressed at the exhibition of these differences. I only wish to say a word or two borrowed from what might be the exclusive cultural apparrage of Pakistan if there were Pakistan of the variety that some people imagine. This is what the Persian poet says :

"Kist Hindu ya Mussulman, kuza-i-yak kuzagar,
Gar che kuza dar ehumar ayad walakin gil yakist,
Dar Tariqat K'aba-o-Butkhana ra rahe yakist,
Gar che mansil du buwad, maqsud-i-har mansil yakist."

This is the spirit, Sir, in which I want all Members opposite to live and to adjust their differences.

(Several Honourable Members asked for a translation.)

These lines are mentioned in Jami.

"What is a Hindu and what is a Muslim: both are pots fashioned by the same potter: though in the matter of enumeration you count one as one and the other as two, yet the clay which they are made of is the same".

This is the true spirit of religion; the paths that lead to Ka'aba and to a temple ultimately leads to one destination. There may be two mansions, but in the words of the Bible "In my Father's house there are many mansions".

Then I go on to the next charge, that India has not been prepared for this war. Now, Sir, it is not my task today to enter into an elaborate defence of the past policy of the Government of India in the matter of defence. And he would be a bold man who would say that, in the past, there have not been defects, there have not been deficiencies. Nobody can claim perfection, with honesty at any rate. But the question which I ask Honourable Members is this: Who was prepared for this war, except Germany? There you had the dedication, in Kipling's phrase, of the body, will and soul of an entire nation to preparation for war. You had it because they wished to wage war and wage it for the purpose of domination. But for the rest, only recently Sir Neville Henderson revealed that at the time of the Munich crisis, for the protection of London there were only seven anti-aircraft guns,—for a city with a population of roughly eight millions. Then we will leave England alone. Historically, England has long relied upon the Navy as the sure shield of her defence. But look at France, the land which has produced a Condé, a Turénne, and a Napoleon, perhaps the greatest military captain of all time; a nation which within the memory of many men still living has known the ruthless ravages of Teutonic invasion twice; was France prepared?

Then there are the United States of America. They have now come to realize the all-expansive terror,—were they prepared? If not, in that case, is it really fair to twit us with our unpreparedness and say that we are not ready to meet the challenge of Germany? No one, Sir, when this war broke out, except Germany itself was prepared to meet a challenge which had been secretly, sedulously, persistently and ruthlessly prepared ever since the advent of the Nazis to political power.

Finally, Sir, one comes to the question of trust. I remember reading many years ago an Essay on Shelley by Francis Thompson, and one phrase stuck in my memory. "Trust begets trust and distrust begets its own cause". When the enemy is knocking at the gate, Honourable Members, shall we dispute about trust and distrust? Is it not better to trust one another? That is the question that I ask.

Sir, I have already detained the House for more than half an hour and, though I am a believer in an endeavour at persuasion, I am not a believer in repetition of arguments. There is not very much more on the subject-matter of the debate that I have to say. But I should like to make an appeal. I know that, so far as the voting is concerned, possibly other considerations will prevail and the appeal will have no effect. But that does not matter. After all, we have a personal as distinct from a political existence and it is to that personal existence really that I wish to make the appeal. I appeal to Honourable Members to preserve their sense of historical and political perspective. And I appeal to them to be true to India and to the heritage of ideals which have come down to us. The issue, Sir, today is not between what my Honourable friend Mr. Sapru described as the Victorian Imperialism of Great Britain and the Imperialism of Hitler and Mussolini. The issue, Sir, in the phrase of Mr. J. B. Priestley, is between despair and hope; for to those who prize individual liberty Nazism can only appear as a creed of despair. Its one belief is that man is a contemptible creature, "incapable of finding any truth anywhere, to be ruled by alternate doses of crude flattery and cruel punishment, a fool, a liar, a coward, and a perpetual cheat". I ask, Sir, shall we out of political resentment or distrust, out of scepticism as regards Great Britain's future intentions or pique at alleged present neglect, help the triumph of those

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who not merely terrorize the greater part of Europe and Africa but who seek to extend their domination to the entire world? I think, Sir, to that question there can be only one answer.

Mr. President, the habit of quotation has become old-fashioned. I am old-fashioned enough to quote language which can express with greater emotion, greater directness and greater power my meaning than any words that I can command. I shall quote to Honourable Members some lines from Shakespeare's well-known play "Julius Caesar". The speech is the speech of Brutus; I think it is Act III, Scene 4 :—

"There is a tide in the affairs of men which taken at the flood leads on to fortune, omitted, all the voyage of their life is bound in shallows".

I cannot venture to say today that the sea in front of us is a sea of victory. On the contrary, I recognize that there are perils and dangers ahead. But surely that is a challenge to our courage? It is not a caution to us to keep away from the fray. And again, Sir, as in the quotation, I would plead with my Honourable friends here to take the tide now. The venture is nothing less than reaching the beacons of victory that shine beyond,—because freedom and victory are one. (Applause.)

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN (United Provinces West : Muhammadan) : Sir, on this Bill we had so many kinds of expressions of opinion in the Lower House as well as here, from various parties that one cannot remain in doubt as to what their case is and why they oppose this Bill? On the larger political question, it is just as well that the House had the advantage of hearing the various points of view which found expression in the debate. So far as the Bill itself is concerned and so far as it goes, I am quite sure that there is only one view of all the parties and there is not a single soul who opposes it on the ground that extra money is not required. We are in the middle of a terrible war about which every individual, every party and all the leaders have unequivocally expressed their opinion that they are with the cause of Great Britain and against Nazism. Why is this Bill being opposed? It is done on various grounds, not because they grudge the little money that is required which is a drop in the ocean of the war expenditure. It is the political considerations that weigh with these people. My Honourable friends on this side, as well as the Honourable Mr. Hossain Imam, have said a good deal about the financial considerations. It is not necessary for me to repeat those criticisms. I associate myself with all that has been said. I am sure Honourable Members on the other side will bend their heads when they realize the situation in which India stands today. The enormous amount of money that has been spent year after year on the military, about which we have always been blamed for trying to curtail, has produced not even a mouse worth its name. Today, a country like India is in such a hopeless condition that it cannot even raise its finger to resist outside attack. Is it not a negligence of criminal character that the people of India—millions and millions of them belonging to the martial classes, who have shown their worth in wars outside India—are in such a position that they are impotent to defend themselves from outside aggression? All the military expenditure that has been incurred has not been able to produce an effective result even on the Frontier. It is true that it is the expert who is the judge of military

measures. But we judge them by the results produced. What is the result of all this expenditure? Hopeless impotency of India even to help the British Government, the Paramount Power, which is responsible for all this. We are impotent to help even by our resources which will be useful for the war as none are left. Untrained men and money can be brought from anywhere, but it is the effective help which is required at the present moment, for which we are entirely incapable and the responsibility is with the British Government. A terrible war is staring us in the face today. It is a dreadful war and will have dreadful consequences. It is like a house which is attacked by dacoits, the inmates of the house who cannot see eye to eye with each other in certain matters cannot sit down and say, "Let us settle our differences first and only then we will defend our house from the common danger, that is the dacoits". Criticize the Government as much as you like. They certainly deserve it too. But withholding of help in the war effort is certainly meaningless. Then why is it done by people of eminence? We cannot say that they do not realize the situation. The reason is entirely different. The brunt of the war has fallen on Great Britain. Great Britain is certainly in a very critical position today. We have our grievances against the British Government. Some people have thought it fit to take advantage of the present position to dictate their terms and to coerce the British Government to accept their terms. This is the attitude of the Congress. It is said that the Congress is absolutely against the Nazis and will do anything to crush Nazism. In fact, some of the leaders are prepared to pray for British victory and destruction of the Nazis. They say they do not want to put any obstacle in the prosecution of the war. And yet they ask that they should be allowed to propagate anti-war policy. This is absolutely senseless. It is difficult to understand what these two inconsistent things mean. I am going to place before the House the real reason. We cannot deny that there is very acute communalism in India today and a very grave situation has arisen owing to Hindu-Muslim dissensions. I want to say this fearlessly in this House in the presence of the members of the Congress Party and others that we should not be under any delusion. The Mussalmans know it. They are not under any delusion that the object of our Hindu brethren is to dominate in this country and rule over the Mussalmans in order to establish a real Hindu raj. Now, it is no good trying to camouflage this point of view or to conceal it. Is there any one who can give any other answer but "Yes" to the statement that they want a form of government in this country in which they may be able to dominate the Mussalmans and other minorities?

THE HONOURABLE MR. RAMADAS PANTULU : We say "No".

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Do they want to go in any way beyond the principle of democracy that the majority must prevail?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : I was just expecting this answer. I do not know what "No" means, but the other answer means "Yes". You say that we want democratic rule in this country and you say that democratic rule means the rule of the majority. But you go a step further and you interpret the expression "rule of the majority" as not the rule of the majority party but the rule of the majority community.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY : The majority party.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Well, you say so, but it has been said by your leaders and leaders of the Mahasabhas that India is for the Hindus and the Mussalmans are nothing more than Jews.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY : They are not right.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : They may be right or wrong, but that has been said from the platform. It is no good trying to conceal it. The question of India will never be settled by keeping something in the mind while saying another thing. It is no good saying things with mental reservations. If you want to dominate this country and the minorities in it, say so. But if you do not, I appeal to you to give up the idea of establishing a Hindu raj, and then you will find that the Indian question is solved. Freedom will fall at your feet. It will come running to you. But so long as you have in your mind the establishment of a Hindu raj you cannot rest assured that it will not come and I can tell you as a Mussalman that so long as one Mussalman is living in this country he will see that that ideal is not realized.

THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY : Then you are not for democracy ?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Sometimes it amuses me very much when my friend talks in the garb of democracy. Democracy as understood in India is the rule of the majority. My friend knows that they are in a majority and they can afford to talk about wanting democracy, the rule of the majority. But when they speak of majority rule, when they speak of nationalism, I say it is arch-communalism ; and the whole idea and object in their talk of nationalism is that it is through that expression that they wish to convince the people outside that all they want is democracy and nationalism. But really they know that it will produce for them what they want, arch communalism with a Hindu raj in this country. Well, Sir, that is really the crux of the whole thing which is responsible for the position in India today and which is in fact perpetuating our slavery. If it is possible for you to shake off this idea from your mind, then let us sit down and come to an honourable settlement. You will find that the whole problem will be settled. You will not have to beg a foreign Government for freedom. By a stroke of the pen you will be able to get it. But the Hindu leaders ostensibly plead on the line of the democratic ideal in trying to persuade the British Government to accept their demands. The British people are democrats, and such of them as have not been in this country have fallen into this trap of democracy and nationalism stunt. They do not know the conditions in this country, and through this appeal to their democracy and nationalism the British people are being deceived into accepting this demand which must mean a Hindu raj in India. Failing that, now the game of bluff and coercion is being played. Now, is there any sense in their utterance, which is this. Although I want the British Government to win this war, although I want with all my heart to help the British Government, although I am willing to go to the extent of fasting for British victory, yet I am not going to co-operate, I am going to jail shouting anti-war slogans. We have got to seek the motive behind it, and I have told you what the motive behind it is. Now, Sir, I do not say that the British Government has not made mistakes in the past and is not guilty of many political crimes in dealing with Indians. Let us assume

that the British Government has been very unsympathetic towards Indians, but what is the remedy ? I have said it before and say once more, settle this question of Hindu and Mussulman. It rests with you and not with the British Government. Once you and I are united, the British Government is bound to listen to what we say. We will be in a position to dictate to the British Government and it is bound to listen.

THE HONOURABLE THE PRESIDENT : Have you many observations still to make ?

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : I will take about 15 minutes more, Sir.

THE HONOURABLE THE PRESIDENT : Then you can continue after Lunch. There is a function and many Members have to attend it and I must adjourn the Council at this stage.

The Council then adjourned for Lunch till Three of the Clock.

The Council re-assembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Sir, there is a charge against Muslims that they are obstructing the advancement of India and that our obstructionist attitude is standing in the way of the freedom of this country. Let me say to my friends who make this charge against the Muslims that if the attitude of the majority would have been conciliatory they would never have had any opportunity of saying that we were obstructionists. We want the freedom of this country more than they want ; but we want freedom : we do not want merely change of masters. The Muslims feel that there will be another type of slavery and a worse type of it. I can assure my friends that Muslims will never obstruct the advancement of this country, but they will resist any kind of Muslim domination and will shed the last drop of their blood even if it came to that. Muslims are going to live and die in this country generation after generation : there is no other country in the world which will give a place to them and invite them to leave India. Muslims are ready to live in this country preferably as your younger brother if you extend your hand and treat them as such. As I have said and I repeat it and if there is any illusion I want to disillusion it that Muslims can never be dominated not only here but anywhere. They will try to free themselves from the yoke of everybody, whether it be the British Government, the Congress or the Hindus. (Hear, hear.) Sir, let us see what are the objections of the Congress in non-co-operating with the war efforts. I am taking up some of the important ones. One is that India was not consulted in the declaration of war. Well, I ask the Congress people had they been consulted what would have been their verdict ? The same spirit of bargaining and imposition of conditions and placing of all sorts of obstacles in the declaration of war. Their subsequent actions have proved it. Therefore, it would have been of no use if they had been consulted at that time. The refusal of their demands has been made an excuse for non-co-operation, i.e., the right of making the constitution by a constituent assembly. It is only a lame excuse. I ask them that if we go to the electorate, is it not a fact that the result of elections will again be Gandhi and Jinnah and nothing else ? Why should not these gentlemen sit together and decide ? Is there any doubt that the Muslim League will not come into power in the elections ? If there is any doubt I have nothing to say. They ought to correct

their point of view. Why all this worry of a constituent assembly. Another demand is for a provisional government responsible to the Legislature during the period of war. Well, if that had been alone one would have accepted that demand and if the Government had refused it then certainly the Government would have been in the wrong and you would have been perfectly justified in your non-co-operation in the war. But that is not the only one thing : there are other things attached to it which it is not possible for the British Government owing to communal dissensions, to accept. I would like my Honourable friends to remember, and the Government that anything which is detrimental to the Muslims interests here will not be accepted by the Muslims, whether it comes from the British or the Congress. I want them to remember that the voice of the Muslim is not confined within the four walls of India. The Muslim has got his voice in world politics, and it is not possible, even if you succeed in coercing the British Government to ignore the Muslims altogether. For the British the friendship of the Muslims is a necessity and if they ignore that then I will believe that the British statesmanship is bankrupt. They are friendly with Turkey, Egypt, Iran and Afghanistan and but for that you would not have been sitting here peacefully. What I say is this that the friendship of Britain with the Muslims is a necessity : it is in the interest of both and it is not possible for them to ignore the Muslims. You are going, willingly or unwillingly, to jail and become guests of the Government. Let me tell you that even if you adopt worse tactics and make more so-called sacrifices, not for the right cause, but for the purpose of bluffing and coercing, you will not succeed. Come out fairly and frankly and at this moment and let us both try to co-operate, willingly or unwillingly, for the defence of this country. Isn't it true that Indians are absolutely impotent to defend themselves ? Isn't it true that India requires help of some great Power to help in the defence and that great Power can only be the British at present ? It is a most remarkable mentality. You ask British people to defend your shores, to defend your frontiers, and yet you say : " We are not going to co-operate with you ". I know that to Government your co-operation or non-co-operation does not matter very much except for the purpose of showing to the world that they had the goodwill of India behind them. You cannot supply men nor money for the war. Your creed is non-violence, and you are entirely useless in the war. It is only a little bit of money which may come from the Congressmen, but since you are master of economy, and sometimes of false economy, even that may not be forthcoming. Therefore, that co-operation or non-co-operation does not matter in the least. Go and see recruiting centres and then come and say in this House that you are voicing public opinion. Men of all nationalities and all classes are rushing for recruitment. If you invite applications for the Air or Army service, think how many you get for a few posts. And still you claim here that you are voicing the public opinion that they are not with the Government in this war. In your own self-interest you must come forward and be prepared to defend your country with the last penny in your pocket and with the last drop of blood in your veins. What will happen to you if your country is over-run by the Germans, the Russians or the Japanese ? You will be slaves of a worse kind. It is absolutely correct that the Government of today does not deserve the co-operation of the people. Why ? Because they do not trust the people. We have been told just now, " Let us have the public ! Have they ever trusted the representatives of the people ? It is like this : " What will you give me when you come to my house, and what will you give me when I go to your house ? " That won't do. The war has just started, and I am afraid it looks like going on for some time. I ask the

Now, Sir, only a few more words in which I am going to explain the attitude of the Muslims and the Muslim League. It has been said that Mussalmans also have not joined the war effort. I want to make it quite clear that the Mussalmans from the very beginning have decided to co-operate with the war effort. During the course of the conversations which were going on between the Muslim leader and His Excellency the Viceroy no doubt they were advised to wait and not join the war committees but it was only during the progress of the conversations. The Mussalmans have put no conditions precedent to their co-operation in the war. Even when the conversations broke down, the Leaders of the Muslim League have very clearly declared that they advised individual Mussalmans to wholeheartedly co-operate in this war to crush Nazism. In fact, Mr. Jinnah in the course of one of his speeches said that he was prepared to shed his last drop of blood to crush Nazism and defend his country. That was the speech which he gave in the Muslim League and it was reported in the press. Even after the breakdown of the conversations which was due to only one fact, that the Muslims wanted their proper share proportionate to the responsibility which they were going to undertake, Mussalmans as a whole co-operated in the prosecution of the war effort. That share which was demanded was proportionate to the responsibility which they were prepared to take and that share was denied and in spite of this the Mussalmans decided that they were not going to put any obstacle, they are going to co-operate wholeheartedly in the war effort but as an institution they will not participate in the administration and they will not take responsibility which does not bring with it a share in the administration proportionate to it. That was the point of view of the Muslim League. If they abstained from voting in the Lower House and decided to remain neutral here, it was for this very reason that they wanted to show to the Government what difference it would have made, if the Government had taken them into their confidence and had been prepared to give a proper share proportionate to their responsibility. I ask the House to consider and decide for itself whether it is not an honourable and generous attitude on the part of the Muslim League that in spite of the fact that they did not get their share and in spite of the fact that they refused to take responsibility, they have decided that all co-operation should be forthcoming from the Mussalmans in the war effort. As a proof of it, I would ask my Honourable friends to see what the Indian Mussalmans have done and are doing in the war effort in recruitment, etc. See what Hyderabad has done in the prosecution of the war. Go to the Punjab, Bhopal, and other provinces.

[Haji Syed Muhammad Hussain.]

You will find that Mussalmans are not lagging behind in co-operation. His Excellency the Viceroy has said that the door is open. The Muslim League has also said that the door is open on their side. If the Government are prepared to take the Mussalmans into confidence and give them a just and reasonable share proportionate to their responsibility, they are prepared to take it.

THE HONOURABLE THE PRESIDENT: What is the difference? You accuse the Hindus of bargaining, and you are also now supporting bargaining.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: The only difference, which I want to emphasize, is that the Mussalmans, in spite of the fact that they have not been able to see eye to eye with the offer of His Excellency the Viceroy, have decided that co-operation in war efforts and in everything which is necessary to prosecute the war should come from the side of the Mussalmans. The big difference is that they are not bargaining with the Government with a view to put pressure upon the Government to have something in return for something. We are giving all that can be given. We are not keeping it for the sake of gaining anything. We all the same give whatever we possess and the Government knows that they are getting help from the Mussalmans, and that it has not been withheld. This is the difference—

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar: Non-Muhammadan): The Hindu Mahasabha is doing the same thing.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: The Hindu Mahasabha is prepared to do the same thing but the Hindu Mahasabha, apart from the Congress, has no power, and therefore I do not think anybody bothers about the Hindu Mahasabha unless it is with the Congress. That is the attitude of the Muslim League. The difference, which I have just explained, I hope you will realize, is a very big difference. On the one side is the spirit of bargaining—"What are you going to give me if I give this"—and on this side, the attitude is, "I am going to give all that you require, but I will not accept what you are giving". The difference is obvious.

In the end I appeal to my friends on this side to try and induce their organizations to come, if they have sufficiently tried the mentality of establishing a Hindu raj in this country, and then we can sit down and come to a settlement. If my friends are afraid of a Muslim raj, they will all the more be ready to come to a settlement. And on this side I appeal to the Government at the present juncture not to do anything which is resented by the Indians, to take the Indians and particularly the representatives of the people into confidence and try to establish its own confidence which has been lost by its past deeds in the mind of the people. It does not matter in the least whether one institution as an institution co-operates or not. But the people will.

With these few words, Sir, I resume my seat.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, while discussing the supplementary Finance Bill which is before us, we cannot help examining the position of our country in respect of her defence. Sir, when we examine this position, we cannot help confessing to a feeling of disappointment and dismay. It is a wonder that all the huge military burden which the country has been shouldering from year to year, that the huge sums of Rs. 45 to Rs. 55 crores which the Indian Exchequer has been spending annually on the Defence Department, have proved of no

avail and that the position is that the country is in a helpless condition as regards her defence. We knew and we protested against it in season and out of season, on the occasions of budget discussions and even by way of Resolutions moved in this House and the other, that nothing substantial was being done to build up an efficient defence for our country. There was no response from the Government. Government did not care to heed the warning that has time after time been given to it by the representatives of the people in both the Houses. We had, therefore, very serious apprehensions about the way in which things were being managed in the Defence Department. But, Sir, the Report of the Chatfield Committee has disclosed facts which go to show that the defects are far beyond even the most serious apprehensions that we had. It is clear from that Report that even the one arm on which we had concentrated, the land forces, even that has not been brought up-to-date, that it is ill-equipped, ill-trained and hardly suited to modern warfare. Sir, when such is the condition of the army, can one expect anything better in the other arms of defence on which not much attention was bestowed? Sir, the Air Force, which has been built up, is hardly of the size and quality which is in keeping with the position of the country and the responsibility it has in the matter of the defence of India. Sir, it is a fact that some aerodromes have been built up and recently some young men have been selected for training as pilots to be employed in the Air Force. But what we find from the statement of the Honourable the Finance Member makes us very despondent about the development of this arm of defence. From the statement it is clear that no improvement could be effected in this direction until the aeroplanes are brought from outside. There is no hope held out in the statement that there will be any attempt made to get these aeroplanes in the near future. It may be that all the aeroplanes in Britain are needed there to meet the air raids which are being made on England and for carrying out reprisals on Berlin. But what about getting these planes from America? Why should not some attempt be made to get them from America as soon as possible and begin to give the necessary training to these young men who have been selected for our Air Force?

Sir, the Royal Indian Navy has also had no better attention paid to it. After all the great Royal Indian Navy comprises only seven sloops, and now the Government have got hold of a few merchant vessels and with their help are trying to police the coast of India, but the Navy we have for this purpose is hardly sufficient.

Again, Sir, what is the future programme? We find not much hope held out of effecting improvement in the matter of our defence in any reasonable time. It is said on page 6 of the Finance Member's speech that there is a scheme for preparing tanks and armoured vehicles in this country and that this scheme will be put into effect next year. But there is a discrepancy between this statement and that made by Mr. Amery on the same subject. The other day Mr. Amery said there is a scheme for the making only of armoured cars and not of tanks. So we feel that even now after all the experience that has been gained by Great Britain about the danger of unpreparedness for an emergency the lesson has not been of much profit to the authorities and they are still very slow in building up the defences of the country. I will close my remarks about this aspect by drawing attention to what has been said in the Finance Member's speech about the future. About the end of page 3 he says—

"Indeed it is not too much to say that apart from having made invaluable contributions to the conduct of the war on many fronts, India has reached the stage when virtual self-sufficiency in matters pertaining to her local defence is no longer a distant dream."

[Saiyed Mohamed Padahah Sahib Bahadur.]

It looks as though the Government are satisfied with visions and dreams and not thinking of taking up things in right earnest. This is a state of affairs, Sir, on which we cannot afford to look with unconcern. My Honourable friend Mr. Williams tried to defend the Defence Department, but even the advocacy of the Honourable Mr. Williams, who is such a skilled debator and who by his lively humour makes himself persuasive, has not succeeded in carrying conviction to this House. From what he said it is clear that now alone there is some attention paid to see that the greater part of the money which is spent on the Defence Department is utilized for providing equipment. He qualified his statement by saying that this was the state of affairs at present, the inference being that that was not the case in the past, when all those huge sums of money were spent mainly on the salaries of officers. Again, Mr. Williams took shelter behind the fact that the Indian representatives in the Central Legislature have always objected to the amount spent on the Defence Department. If my Honourable friend brushes up his memory he will find that we not only objected to the big amounts spent upon defence but suggested ways and means as to how it could be cut down. We did not want that there should be economy at the expense of safety. Honourable Members who suggested economies pointed out that it could be very easily effected without any loss of efficiency by simply changing the personnel, by replacing the British element with the Indian.

Now, Sir, as regards the question as to what India should do in the present emergency, now that war seems to draw nearer and nearer this country. As Sir Muhammad Yakub observed, the high flames of the conflagration have already begun to cast their lurid glow on the Middle East and also on the Far East. There is a danger of India also being involved in this conflict. I agree with the Honourable the Leader of the House in this part of his very able and eloquent speech, that there are threefold reasons for what India should do, that is to take steps to ensure the success of Great Britain in the present conflict. Constitutionally and also morally for the sake of the principles we hold, for the belief that we have in man's liberty and his freedom of action, and also for our self-preservation we have to see that everything possible is done to help the powers that are now fighting totalitarian aggression. That the country and the Mussalmans have realized this is borne out quite amply by the fact that the young men are coming forward in thousands to join the army and that contributions to war funds are being very liberally made. We realize that the present war is not the concern only of Great Britain but it is one in which India is vitally involved. Not only constitutionally but also for the fact that Britain is fighting for a cause for which we also stand, and the aspirations and the ambitions that we have will fructify only if Britain emerges triumphant out of the struggle. The final issue of the war is a thing of deep concern and of vital importance, which will go to determine the future of our country. In view of this fact, even though the Muslim League had not made up its mind as to whether it would co-operate with His Excellency the Viceroy in the expansion of the Executive Council, the Muslim League had permitted individual Muslims to join the army although the Muslim League wanted that leaders should not join war committees, but individually they are quite at liberty to help and recruits for the army, but they were not to be formal members of the war committees. This ban was only for a short period but it has now been lifted. Muslims are now free to join the war committees.

Now as to the attitude that the Muslim League would take in this House. I do not think there is anything further to be said about it, since my Honourable

friend Mr. Muhammad Husain has explained at length the reasons which make us refrain from voting. The needful is being done. Muslims are supporting the war effort, though it is not possible for the Muslim League to vote for this Bill in this House.

Now I do not want to say anything about the communal matters. All I would say is that it is very unseemly even at this juncture that there should be all these bickerings. There has been a wordy warfare going on for a long time. We know that save for a few individuals, whose task is to create differences among different communities, the majority of the people, either in the Congress or in the Hindu Mahasabha or in the Muslim League, would only like to have unity among the various classes and communities in the country. (Hear, hear.) Therefore, I would appeal to my friends on my right and also to my Muslim brothers, that they should try and see whether we cannot put down these differences. In spite of the present sharp differences we should see whether it would not be possible for us to evolve some sort of scheme by which the interests of all the parties concerned could be reconciled. I do not think it is an impossible task; but there is one thing that will have to be taken into consideration in this respect. I do not say this because I stand to gain by it, but anyone with a knowledge of the way in which settlements are affected would at once realize that when a settlement is to be made between two parties, one of which is weak and the other is strong, the generous gesture has got to come from the party which is strong, because the weak has always apprehensions, as is quite evident from what is going on even now in the world. Germany armed herself to the teeth and found that other countries were giving effect to disarmament policy. She at once pounced upon them and brought most of them under her heel. Therefore, it is quite natural that the weak should have doubts as to the *bona fides* of the strong. Our Hindu brethren, who are in the majority, could make up their mind to be a little generous and realize the fact that it is not only the majority community, but other communities, like the Muslims, which is a very large community, or even the smallest communities like the Parsis and Indian Christians, have the right to exist in this land and they should all live together in peace and harmony. Therefore, I would close my remarks by making an appeal to my Hindu friends that they should cease to think of their separate demand and concentrate upon this that they have to find a way how they should set at rest the suspicions of the minority and persuade them to join hands with them which will be for the common good.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, we have been reminded once or twice during the course of this discussion that the Bill before the House is essentially a financial measure. The reminders, Sir, in my opinion, were necessary and opportune because from the course of discussion I think that fact might possibly have been in danger of being lost sight of. We have heard much on the subject of defence, to which my Honourable friend Mr. Williams has replied generally on behalf of the Government. We have heard still more on the political and constitutional plane, which has been so ably replied to by the Honourable the Leader of the House, that master of oratory who made half an hour seem less than five minutes. I would like respectfully to congratulate him on that brilliant speech (Hear, hear) which received the tribute that it deserved in the silent and rapt attention with which it was listened to by this House and the chorus of approval which greeted it at its termination. My only regret is that the speech was not available for its Members of this House to consider and ponder over at leisure, because I think that the facts, arguments and pleadings embodied in the speech deserve thoughtful attention and well require a lot of answering. Now, my rather

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prosaic task is to reply to the financial points which have been raised in the course of the discussion. They were meagre, but I admit that they were moderate. They were few and far between. In the intervals of waiting for something of a financial nature to seize upon, I had plenty of opportunity of listening to the discussions from perhaps a somewhat detached point of view, and at times I let my mind wander away from this House to the realities of the world situation as it is outside. I thought of aeroplanes and bursting bombs. I thought of wrecked houses, wrecked hospitals, wrecked seats of learning. I thought of cities laid low. I thought of whole countries, which not long ago were enjoying freedom and prosperity, ground down under the heel of a brutal Nazism. These things, Sir, are rather close realities to some of us who get first-hand knowledge of what is going on in our periodical letters from home. And as I let my mind wander on these lines, I tried to visualize what these things mean in terms of human suffering,—mangled bodies, wives widowed, husbands made widowers, children orphaned. I thought of concentration camps and people who for no other cause than their race are subjected to barbarous ill-treatment worse than death. Then as my mind came back to the discussions in this House, to talks of slavery and servitude, of exploitation and so on, it seemed to me, Sir, that, instead of coming back from dream-land to a world of reality, I was coming back from a world of grim and stark reality to a world that was unreal. At the close of my speech moving for the consideration of this Bill, I put in a short plea for this question being approached in a realistic spirit. I am afraid my small plea got rather swamped. For the realities today are stark realities. I submit that everything that we hold dear is today in the balance. Yet from the discussions of the last three days the impression gathered by the plain man—I have no authority to speak in this sphere on behalf of the Government; I merely give my own reactions as those of a plain man, and I do so because they seem to be relevant to the consideration of this Bill—is that in this country men's minds seem to be obsessed mainly with party cleavages. We find the representatives of great parties, each party numbering adherents by the million, standing up and saying, "Our terms are so and so; we are determined to work for them, we are prepared to fight for them; we are willing to die for them". That comes not from one community, not from two communities, it comes from at least three; and those claims are apparently irreconcilable, absolutely and completely irreconcilable. So far as I can see, as a plain man, these communities with their mutually irreconcilable claims then join hands and turn to the British Government and say: "We are agreed that you are not granting freedom to India. We are agreed that you should form a national government in India", and so on. As the leader in this House of one party put it, "You can have our help on our terms or you can go without it". Other parties adopt the same attitude, and although the stipulated terms are all mutually irreconcilable, yet these parties join hands and say: "We cannot help you because you won't give us freedom, because you won't give us a national government, because you won't accede to our terms," each party—so it seems to me—being aware of the fact that, if the terms demanded by it were granted, then the terms demanded by the other parties could not be granted. Is it surprising that such a state of affairs gives to a detached observer a feeling of bewilderment and a sense of unreality?

I listened with interest to the Honourable Mr. Sapru's impassioned statement of the line which in his opinion His Majesty's Government should have taken. Unfortunately, perhaps, I am of rather a practical turn of mind, and as that impassioned plea went forth—I believe that it was put forward in all sincerity—

I wondered what would have happened if that line had been taken. I thought of the microscopic examination to which it would have been subjected, the demands for elucidation and clarification and reduction into concrete figures or percentages of representation and so on. I tried to picture how a statement on those general lines would have emerged from such a microscopic examination. The realities at the present time, Sir, are life and death; destruction; the very things that we hold dear—national liberty, freedom of speech, freedom of religion, and the recognition of the spiritual basis of religion. All these things are now at stake, all these things are now being fought for. And this war, in which these issues are at stake, is approaching nearer to the shores of India. It is coming nearer from the west. It is coming nearer from the east. It may at any time come nearer from the north. It may come from the land. It may come from the sea. It may come from the air. These are the realities of the situation that I had in mind when I asked this House to approach this problem in a realistic spirit. And that is the background which I shall have continually in mind while I deal with these prosaic details of finance, and which I hope that Honourable Members will also bear in mind.

The first financial point to which I would draw attention is the point referred to by the Honourable Mr. Hossain Imam at the commencement of his speech. He waxed very wrath upon it. He looked upon me with a piercing eye as he thundered—"We have been given no detailed estimates. What do you mean by asking for money without giving us detailed estimates with all the paraphernalia of an ordinary budget?" I am glad there was no request of that sort from any other quarter. The first thing Mr. Hossain Imam asked was, has there been a reduction in the capital expenditure on your railways by Rs. 22 lakhs? What do you mean by this discrepancy of Rs. 22 lakhs? I ask you, Sir, in view of the issues involved, is that question going to alter the course of this debate? I have the answer. The answer is that the capital of the railways of India has not altered since the budget was framed. There was one mistake of Rs. 22 lakhs in the original budget in the loss on strategic lines which has to be deducted before the amount of the contribution is determined. That error was detected after the budget was framed and it was put right in the statement which my Honourable Member gave in the other House, but we did not deem it necessary to give an elaborate explanation of this thing.

Then the Honourable Mr. Hossain Imam drew our attention to the fact that whereas in the statement to which I have referred it was stated that civil expenditure had increased by Rs. 230 lakhs, particulars had been given which only amounted to Rs. 194 lakhs. And the Honourable Mr. Hossain Imam lifted his eyebrows, raised his hands and shrugged his shoulders, as much as to say, "Here is something dreadful; Government has something which they wish to conceal. What wickedness is this?" Need I point out, Sir, that the statement made in this connection was that the increase in civil expenditure amounting to Rs. 230 lakhs was comprised mainly of items which were directly attributable to or arising out of the war, such as certain items which were specifically mentioned by way of illustration. When an illustrated list is given totalling Rs. 194 lakhs out of a total of Rs. 230 lakhs, I think the illustration has been pretty fully given. I have gone to the trouble of finding out what the 4 p. m. balance represents. I do not know if the House will want to hear them. But these insinuations, gestures and smiles lead to reports and rumours which get round exaggerated and multiplied, that Government are extravagant, that Government are concealing this or hiding that; that they are not being frank. So perhaps I had better read out the list. The first item is a

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payment to the Imperial Council of Agricultural Research on account of cess on agricultural produce—Rs. 7 lakhs—which represents an item covered by a corresponding receipt, and is one of the self-balancing items referred to generally in the Honourable the Finance Member's statement. The next item is expenditure by the Supply Department on the purchase of wattle bark and on flax cultivation, Rs. 10 and Rs. 4 lakhs respectively, total Rs. 14 lakhs. The next is a temporary building for the activities of the Supply Department in Delhi, amounting to Rs. 4 lakhs. The next is the additional cost of a Survey of India building at Murree, Rs. 2 lakhs. The next is additional famine expenditure in Ajmer. The figure given by the Honourable the Finance Member in his statement unfortunately happened to be Rs. 8 lakhs short of what it should have been. That was just an error. The next and last item is housing accommodation in Calcutta for the Director General of Munitions Production, Rs. 1 lakh. These are the items, Sir, and I think their enumeration will lay at rest any apprehensions that we had anything to conceal, and also justify our view that detailed enumeration would have been out of place in a statement of the kind made by the Honourable the Finance Member. We did not think it necessary for the purpose of this Bill to come before the House with full and detailed estimates. For one thing, it is a little early in the year to be at all sure of your revised estimates. So far as we know, income-tax will turn out as in the budget, but it is rather early yet to say. We are no nearer now to knowing what the receipts from the excess profits tax will be than we were before. Even the first assessment has not yet been made. It is a bit premature, therefore, to come with all the paraphernalia of detailed estimates to which Honourable Members could apply their microscopes, when the broad facts of the situation are so clear and the amounts in issue run not in tens or hundreds or thousands, not even in lakhs, but in crores. The plain situation is that we are now running to a deficit of something like Rs. 13 crores, to the best of our knowledge and belief, and we lay the broad facts of the situation before the House and say that it is time we got on with the raising of some additional revenue to meet this. I think the House will endorse the view that it would have been a waste of time and a waste of stationery to have gone to the length of bringing full and complete estimates before the House for this purpose.

The second financial point that I would like to touch upon is the demand that has been expressed for proper control over, and elimination of extravagance from, Government expenditure. This demand, Sir, has been strongly urged by a number of speakers. It is a perfectly fair and proper demand. Of my 25 years in India, I have spent some 12 years in the Finance Department either of the Madras Government or of the Government of India. I have got, I suppose, the instincts of a Finance Officer by now deeply ingrained in my very system. As Secretary of the Finance Department of the Government of India, I am entirely at one with the House in its anxiety to avoid any tendency to extravagance in Government expenditure, whether defence or civil, especially at a time like the present. But I do ask Honourable Members to realize that there is still a Finance Department in existence. What we call the Finance Department, Ordinary Branch, looks after the civil expenditure. That expenditure, as the House knows, was drastically pruned a couple of years ago—in 1938-39. It was cut to the bone in a severe retrenchment drive. It is not very long ago since we met with criticism from the Public Accounts Committee, sitting in Simla this very year, that the retrenchment had been pushed too far in certain directions. These cuts we maintained almost entirely in the budget of the following year, 1939-40, and they have been largely maintained, in so

far as they could without detriment to Government interests, in the Budget for 1940-41, that is, the current year. As regards new commitments, we have issued special instructions that no new commitments whatsoever are to be allowed or accepted unless they are necessary for the progress of the war, or, on a broad view, are calculated to improve the economic condition of the country. The Finance Department, then, still exists. In normal times you trust it. Is there any reason now why you should not trust it? I realize that this is a time of rapidly growing expenditure on the Military side and on the Supply side. The Finance Member is asked to satisfy himself that for every rupee that is spent, a rupee's worth in value is obtained. It is a perfectly legitimate demand. The Honourable the Finance Member accepts his obligations in this matter. But how do you expect him to carry them out? Would you expect him personally to scrutinize this huge and growing expenditure? It is not practicable. The Honourable the Finance Member discharges this obligation, first of all by seeing that an efficient instrument of financial control is brought into being; secondly, that it is staffed by officers who know their job and who can be trusted; and thirdly, by seeing that the system of working is such as to guarantee that the control is effective. That responsibility, I submit, has certainly, in my opinion, been well and truly discharged. We have brought into being a Military Finance Department which has taken over Financial control of the Supply Department as well. This Finance Department was staffed by good and true men,—proved men. We have approached other existing Departments of Government and secured reliable officers from them, frequently at the cost of considerable strain and inconvenience to them. I can give you a few personal examples to show how persistent we have been in seeing that a strong Military Finance Department was brought into being. I myself lost my Joint Secretary, Mr. Coates, shortly after I came up here. He is now in charge of that Department after four and a half years in the Ordinary Branch of the Finance Department of the Government of India in the responsible post of Joint Secretary. I have given up one of my two Deputy Secretaries, Mr. Symons, who is now Financial Adviser with the Director General of Munitions Production in Calcutta. I have given up an extremely able and intelligent Under Secretary in the person of Mr. Mohammad Ali. Another Under Secretary, Mr. Bhattacharji, has also gone from the Ordinary Branch of the Finance Department to that Department. The Finance Department on the Communications side has been equally mulcted. There was a sudden and urgent call for the services of its head, Mr. Ghulam Mohammad, for the Supply Department. We had to make rapid arrangements. I can give you the personal side of that question as it is illustrative. I had to give up Mr. Ghulam Mohammad at very short notice. I had to do so consistently with my own responsibilities and so had myself to secure a man who had some acquaintance with the responsible work which Mr. Ghulam Mohammad had been doing as Financial Adviser, Communications. The only man available was Mr. Sen Gupta, who happened then to be Financial Adviser to the Chief Commissioner of Delhi. I approached Mr. Jenkins. It was a most inopportune time for him to give him up, but he realized the necessity in the public interest. He gave him up on condition that he got another man on whom he could rely for the responsible financial work that had to be done there. I looked round to give him a good man, and I took a man from the financial side of the Political Department whom the Political Department were particularly loth to give up at the time because it was a time of intense financial activity, working out reappropriations and so on, where they needed a man with knowledge of the past year's work. That is only one appointment, and you can see the chain of inconvenience to secure

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a good man for the job. This particular Branch (Communications) has given up its head, Mr. Ghulam Mohammad, its Special Officer Mr. Seshagiri Rao, and an Under Secretary, Mr. Raman, who is now Assistant Financial Adviser in Munitions. The Auditor General has co-operated to the best of his ability and has given up a number of reliable men, and other Departments have also shared in the combing process. These are the things we have done and I mention them to show that we do not treat lightly the responsibility for securing a suitably expanded and efficient Military Finance Department for dealing with this difficult and important question of financial control on the military and supply side. I can give another personal illustration. I went once personally to the Finance Member to query certain expansions in that Department, and the Finance Member said that on Mr. Coates rested a very grave responsibility; that he would be very loth to refuse any additions of staff which Mr. Coates considered essential in the interests of his work, unless it could be fairly clearly shown that the demands were not reasonable. I accepted that decision and I am convinced, and everything that has passed has made me more convinced, that my Member was perfectly right and correct. And the result is that we have a large and efficient and hard-working Military Finance Department which is scrutinizing expenditure on the Military side and on the Supply side, scrutinizing contracts that are given outside the ordinary contract rules, and so on. I am aware that one or two individual cases, which were decided on grounds of policy outside the scope of the ordinary financial control, have seized the attention of the public which, without perhaps being aware of all the relevant circumstances and considerations, regards them as being *prima facie* extravagant. These cases have been given constant and excessive publicity. They have been talked about a lot; this talking has led to rumours, and those rumours have fed on themselves, and multiplied just like the rumours to which I referred earlier in this speech. I think in this way exaggerated notions get about that the Government of India are not particular about questions of financial control, about economy, and so on. I think it was with a view to reassure people who have got these impressions that the Finance Member has agreed to place the whole question of salaries in the Supply Department before the Standing Finance Committee of the Legislative Assembly, to obtain their opinion on it and their recommendations as to the principles on which pay should be fixed in such cases for the future. The Honourable Member for Supply has also agreed to associate a Standing Advisory Committee with the Supply Department. These two measures I think, taken against the background of the day-to-day activities of the Finance Department in both Branches, will indicate that endeavours have been and are being made to control expenditure on a just and equitable basis. The system adopted is that for the sake of speed (because in these matters speed is all essential), our financial officers actually sit in the sections of the department with which they are concerned, so that control may be concurrent and there may be no delay on account of paper objections and controversies. But a demand has been made that a Committee of the Legislature should be appointed, practically (I think) to exercise day-to-day financial control over these large and growing departments. The Honourable the Finance Member has already said that in his opinion the appointment of such a committee for such a purpose would be impossible and impracticable. That sounds rather bold and official, and I would like to elaborate a little. I have had some experience of the working of committees. Not long ago I attended the meetings of the Public Accounts Committee in Simla. It sat for only 16 working days. I attended morning and evening. The whole time I was sitting in there my work was

piling up in my office. I had a rush lunch of about 10 minutes, and attended to my blue slips in the remainder of the lunch hour. I went home after the evening session and attended to my day's work in the evening and after dinner, and sometimes in the morning before going off at nine o'clock to office. The Honourable the Finance Member did the same; my budget officer, who was Secretary to the Committee, did the same. You can stand that sort of thing for a week or a fortnight. You give up all idea of relaxation, mental or physical. This happened at a time which is supposed to be the slack season for the Finance Department; I would call it the less busy season. But I submit that you cannot do that sort of thing in the day-to-day business of a concern such as the Military or the Supply Departments, week in and week out, and month in and month out, without respite of any sort. The work involved in preparing papers for the committee's consideration, sitting with them and explaining matters, arranging for the examination of witnesses, preparing minutes of proceedings and writing up reports, is so great, and these officers are already so heavily worked, that we could not possibly contemplate the association of a Committee with the day-to-day working of the Military Finance Department unless we practically duplicated the staff. It is for these reasons I think that the Honourable the Finance Member has said that he regards this proposal as impracticable. I trust the House will regard that view as reasonable and accept the two measures which have been agreed to as indicating the willingness of Government to meet this type of criticism in so far as lies in their power and to reassure them that Government are keen and most particular on the question of economy.

The next point on which I would speak—I am afraid I can only touch briefly upon it—is the question of the working of the agreement with His Majesty's Government on the allocation of defence expenditure. I say that I need touch upon this only briefly because that matter has already been fully explained in broad outline in the Budget speech last February. The agreement still operates; it has not been altered, and I cannot improve upon the way in which it was presented in the Honourable the Finance Member's Budget speech. The general lines on which the agreement works are clear. It is recognized that, because His Majesty's Government has undertaken a considerable burden in implementing the Chatfield proposals for mechanizing and modernizing the army,—and as the Finance Member has said His Majesty's Government are still implementing the Chatfield proposals at considerably enhanced cost to themselves over what was originally anticipated—India should recognize to a certain extent her liability in her external defence. That seems a perfectly logical decision, because this mechanization and modernization mean that the type of warfare is changing, and the changes in warfare from the old style to the modern style mean that it is very much more satisfactory to go out to meet your enemy before he reaches your frontiers than to sit on your frontiers and wait for him, and have the war perhaps fought out on your own soil. So a small percentage of India's standing army is earmarked for purposes of external defence. When these external defence troops are sent abroad India continues to pay their standing charges on a peace time basis, but His Majesty's Government pay everything else. When other troops are sent overseas, His Majesty's Government pay the full cost, pay, transport and everything else, from the time they leave Indian shores. That roughly is the position, but it does not work as simply as that because of complications in such matters as replacement and equipment, and the question of ordnance factories. Our defence expenditure for everything, whether in India or overseas, is met in the first instance by His Majesty's Government, and then we reimburse what is due from us according to the terms of the agreement. The amounts so payable are settled or will be settled at some sort of round table conference between the interests concerned.

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That is how the arrangement will work. It will be done *en bloc* and these accounts settled as was explained by the Honourable the Finance Member in his Budget speech—

THE HONOURABLE MR. HOSSAIN IMAM : On a point of information, Sir. I want to know who debits : is it the Government of India or is it the British Government who debits ?

THE HONOURABLE MR. C. E. JONES : That point has not yet arisen. We pay month by month at one-twelfth of what we think the charge to us made for the year will be. The final adjustment for the year will be at the end of the year in consultation with the audit and accounting authorities. I cannot say anything more about the specific details at present. As I have already stated, the agreement still operates. We still think that this agreement is favourable to India, and I think it fully justifies the Finance Member's statement that the financial settlement with His Majesty's Government has enabled the mobilization and development of India's resources for war to be expanded with the utmost rapidity at a cost to the Indian taxpayer which represents no more than a fair charge to India for her own requirements.

The fourth point, raised by the Honourable Mr. Motilal, is one to which I feel I ought to make possibly a detailed reply. The point, as I understood it, was, whether the Government of India are responsible for the defence of British India only or of the Indian States in addition, and the justification for taxing only British India for defence measures covering also Indian States. I recognize, Sir, that this is a point which may well arouse the interest of the average man, although I think that it is possibly a little ungracious to raise it at a time when, as we all know, Indian States, large and small, have spontaneously rallied to the defence of India and the Empire, against the common foe, without making any distinction between British India and Indian India, in a magnificent manner, and have offered all their resources for this purpose. But to understand the position, the legal and the constitutional aspects cannot be ignored, and I would commend to the Honourable Member a study of the Report of the Indian States Committee (1929) which was presided over by Sir Harcourt Butler, the Indian States Enquiry Committee (Financial) 1932, and the Report of the Joint Parliamentary Committee, 1934. These reports will perhaps suffice adequately to give the legal and constitutional background to the question. Briefly, the position is that although there are two Indias—British India governed by the Crown according to Statutes of Parliament and enactments of the Indian Legislature, and Indian States under the suzerainty of the Crown—geographically Indian States and British India are assuredly one and indivisible for purposes of defence against outside aggression and internal security. The relations between Indian States and the Crown and their mutual rights and obligations are based on long standing treaties, engagements and usage often dating back to the East India Company, and reaffirmed from time to time. Indian States have no relations with any foreign powers, and the Paramount Power in India is under a definite obligation by virtue of its relations with Indian States to defend them against both external aggression and internal disorder, and this function is inseparable, as I have said already, from the defence of India as a whole. The term "Paramount Power" connoted until the 1st of April, 1937, when the Government of India Act of 1935 came into operation, the Crown acting through the Secretary of State for India and the Governor General in Council. From that date, it means the Crown acting through His Majesty's Representative for the exercise of the functions of the Crown in its relations with Indian States, but this has merely changed

the machinery but has not affected the rights and obligations of the Crown itself. This Act contains provisions (section 145) whereby the Governor General is under an obligation to provide funds from Central Revenues to the Crown Representatives for the discharge of the functions of the Crown in its relations with Indian States, and also (section 286) to provide the necessary armed forces to the Crown Representative if he requires such assistance for the discharge of his functions, which include the protection and defence of Indian States. The Honourable Member, I think, suggested that Indian States get the benefit of defence against aggression and of protection by the Crown in India solely at the expense of the British India taxpayer. This suggestion is wholly incorrect and I think I must—

THE HONOURABLE MR. G. S. MOTILAL : On a point of personal explanation, Sir. I did not say that British India solely bears the burden. I am aware of the various contributions made by the States, such as customs duties and others.

THE HONOURABLE MR. C. E. JONES : I will proceed with my speech, Sir. Apart from the fact that the surrender to the Crown of all external relations has involved the counter obligation of defence and protection of States, it should be noted that States make various direct and indirect contributions to Central Revenues as the result of the treaty relations of the Crown. Some States make cash contributions specifically imposed by treaties and engagements, and some have ceded large territories in return for the obligations undertaken by the Crown, while the majority of them also contribute indirectly to the revenues of the Government of India, for instance, in the shape of sea customs, salt and central excise duties, and postal and telegraph rates imposed by the Central Government. States also maintain, at considerable expense, Indian States Forces which are available to the Crown for the defence of India and, as on the occasion of the last war, these forces are playing a very important part in the defence of the whole country. The Governments of Indian States have spontaneously undertaken heavy additional burdens in raising and reorganizing their forces for modern conditions. I may add in this connection that, while the direct and indirect financial contributions of States to Central Revenues are generally as described above, they vary somewhat from State to State depending upon the treaty relations established under varying conditions over a period of 150 years. The burden is therefore uneven and it is hard to generalize. The problem of equalizing this burden not only as between States but as between British India and the States is an extremely difficult one which it was hoped the Federal scheme would solve on a reasonably equitable basis.

Then the last point that the Honourable Member made in this connection was that, if we go piling on income-tax in British India, the effect would be to drive industry and capital from British India to the Indian States. Well, Sir, all I can say about that is to draw attention to the fact that the income-tax laws prevalent in the Indian States and British India have always varied considerably, yet we find in actual fact that industries do establish themselves in British India, and they seem to think that in spite of the burden of heavier income-tax there are countervailing advantages which make it worth their while to locate themselves in British India. There is also ample provision in the British income-tax laws for subjecting to taxation any business done in British India by an industry established in an Indian State. And that, I think, affords automatic protection against any unfair competition from industries established in Indian States.

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The next financial point raised, Sir, was as to the need for introducing a Supplementary Budget at this stage. I dealt with this in my speech moving for consideration. We are satisfied that our deficit this year is going to be of the order of Rs. 13 crores and the question is, would we be justified in sleeping over a deficit of this magnitude? But I specifically stated and stressed the point that it is not merely a question of the deficit for this year but the basic fact that we are now embarking on a scale of expenditure which goes far beyond present revenue and which will inevitably increase above what it is now, and that meanwhile the revenue which we are getting from our main revenue heads is likely to go down. Is it, therefore, unreasonable for the Government to take the first opportunity possible of beginning to meet this new position at least in part now? That is the underlying reason why we brought forward this Bill, which contains two simple measures involving no administrative inconvenience or dislocation and no expansion of staff, to supplement the taxation measures provided for in the Finance Act of last March in view of the change of circumstances. It is possibly a matter of opinion but I think it is strictly in accordance with the principles of sound finance, and I think also that there are many who feel that, in the changed conditions involving heavy outlay on defence and rapid expansion of all defence activities, the taxation burden represented by the original Budget for this year has become totally out of date and inadequate.

The last point that was raised, Sir, was as to the effect of these taxation measures. It was said that they will adversely affect trade and industry. That, I suppose, is inevitable. It is a criticism which could be advanced against any possible type of taxation that could be introduced. The answer to that argument is, whether the sum total of the burden is excessive in circumstances as they are at present, having regard to the jeopardy in which the trade and industry of this country would be placed if no additional defence measures were taken. But then the other argument was: "Yes, but what about the poor man? To what extent are you hitting him?" Admittedly not hardly at all. If he cannot pay the extra postage on his letter, he can switch over to the postcard. Then the further argument is trotted out: "So many millions in this country are so poor that they cannot pay anything. What is your answer to that?" My answer to that, Sir, is that Rs. 56½ crores worth of purchases in this country in 13 months must mean more wages for the industrial workers, more pay for those engaged in war work, more profits for industrial and manufacturing concerns. Incidentally, Mr. Hossain Imam raised the question of 30,000 tents being sent overseas. I did not understand what his point was, whether he thinks that we should not engage in profitable industry in connection with the war. But all these supplies that are being sent out of the country are being paid for, and all this money is coming into the country. It is undoubted, I submit, Sir, that industry is expanding under the pressure of war necessity and that the reactions of these developments, the extent of which was recently explained by the Honourable Mr. Dow in this House, cannot but be favourable to the country.

Then, my questioner turns to me and says: "What about the poor agriculturist? The bottom is being knocked out of his prices. He is in a bad way. What about him?" I agree, Sir, that the prospects of the prices of primary commodities in which this country is particularly interested are somewhat sinister but, I submit, also that we have not reached that stage yet. I have taken the trouble to obtain from the Commerce Department from their Statistical Section the latest prices of the main commodities in which this

country is interested. The latest figures as compared with the immediate pre-war figures are: in the case of rice 38 per cent. up; in the case of wheat 71 per cent. up; in the case of ground-nuts 14 per cent. down; in the case of linseed 3 per cent. up; in the case of cotton 32 per cent. up; in the case of raw jute 14 per cent. down; in the case of wool 47 per cent. up, and in the case of hides and skins 8½ per cent. down. I submit, Sir, that taking that list of movements of prices, it gives us every reason for encouragement and solid grounds for satisfaction that the situation has developed in the world conditions of today so favourably to this country. The final argument in support of this taxation, having regard to its possible adverse effects on the country which one can't deny, is the argument of imperative necessity. This extra taxation is required by the circumstances in which we find ourselves, for which we are not responsible, and from which we cannot escape. Further taxation and sacrifices will probably be required before we are through. They will have to be shared by all sections of the community. Defence equipment in modern times is expensive. The price has to be paid. Our intention is that the emergency financial measures which we have had to undertake to meet the emergency conditions shall not continue longer than is necessitated by the conditions arising out of the emergency, and I am confident that responsible opinion will recognize and admit that Government had no other alternative.

Those, Sir, I think, are all the points of a financial complexion which were raised during the course of this debate. I appreciate and gratefully acknowledge that the criticism of this Bill on financial grounds has been extremely moderate. In fact, the financial provisions, I think, have obtained more support than criticism. But now, Sir, we come to the crucial question of voting. We have representatives here of the Congress Party. They have come bound by their instructions to oppose. I suppose nothing that could have transpired in this House would have altered their decision. No argument could have been effective. I have known my friend Mr. Ramadas Pantulu longer than I have known the Central Government. I have known him for his moderation in outlook and his reasonable spirit. I do not think he could have been a very happy man when he was discharging the task which was assigned to him. The Muslim League, I believe, have been given their instructions not to support this measure. Mr. Hossain Imam has a Resolution down tomorrow pleading for extraordinary measures for financing our war effort. I shall be interested to know how he can reconcile that with his orders to oppose orthodox methods of financing the war effort. I am not surprised that he found himself in a little bit of a fix. But I would apply my remarks particularly to those Honourable Members who have not come here merely to oppose but who have come here to listen to reason, who agree that war effort is essential, who recognize that it has to be paid for, but who say that their objection is against Government's attitude on the constitutional question—a gesture, a demonstration, a protest. I ask, Sir, in the light of the realities that I tried to stress when I began this speech, if the time is not a little late for protests and demonstrations? I ask if a protest of this kind at this particular juncture is not ill-timed and unfortunate? My friend the Honourable Sri Narain Mahtha said, "I am going to vote against this Bill; it will not be a vote against Hitlerism". I ask again: Can you vote with a caveat? Can you vote with a rider or an explanatory condition attached? A Member who votes against this Bill, Sir, is doing all that he can as a Member of this House in voting against our war effort, and, therefore, necessarily, he is doing all that lies in his power as a Member of this House and within this House in support of Hitlerism. Actions speak louder than words and they

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travel farther. Can you imagine German propaganda, for instance, which is pouring insidious poison into the minds of the dwellers of this land from end to end, pointing out that of the votes cast against this Bill for the purpose of refusing supplies for the war effort of the Government a certain number were specifically stated to be not in support of Hitlerism? We have heard much today of the defects and deficiencies of the past, of the sins of omission and commission of the Government in the years gone by. I would remind Honourable Members of the statement of that practical statesman, Mr. Winston Churchill, that if you seek to provoke a quarrel between the past and present, you stand in danger of losing the future. No man had more right to make an observation of that sort. I ask, Sir, how much nearer to the shores of India must these realities that I have been trying to stress come before we face realities? Was there not the same problem in Palestine? Did not divisions there run deep? Were not races and communities there so divided that they flew at each other's throats? But when the danger came near to the shores of Palestine, these mutually hostile communities sank their differences and they are now uniting in the war effort of their country against those forces which are equally odious to both. Must we wait until the war is actually within the frontiers of India before we can take an example from them? Would not the better course be to line up and lend the weight of our support—and united support—in these critical days to what is admitted on all sides to be a just and righteous cause? (Applause.)

THE HONOURABLE THE PRESIDENT : Motion moved :

"That the Bill to alter the maximum rates of postage under the Indian Post Office Act, 1898, to increase the rates of the taxes on income imposed by the Indian Finance Act, 1940, by a surcharge for the purposes of the Central Government, and to increase the rate of super-tax payable by companies, in the form recommended by the Governor General, be taken into consideration."

Question put and Motion adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE THE PRESIDENT : We shall now proceed to the third reading and I have to request my Honourable friends that in the debate that may take place on the third reading they should strictly confine themselves to the provisions of this Bill. I have given them the widest latitude during the last three days. Every Member of this House who was desirous of speaking has expressed his views freely and frankly to the House and I do not think it is necessary that on the third reading of the Bill another debate should take place on the political, economic and administrative aspects of the policy of the Government of India or on questions connected with defence, supply, etc.

THE HONOURABLE MR. C. E. JONES : Sir, I move :

"That the Bill, in the form recommended by the Governor General, be passed."

Question put : the Council divided :

AYES—27.

Bajpai, Hon. Sir Girja Shankar.
Charanjit Singh, Hon. Raja.
Chinoy, Hon. Sir Rahimtoola.
Conran-Smith, Hon. Mr. E.
Das, Hon. Rai Bahadur Satyendra Kumar.
Devadoss, Hon. Sir David.
Dow, Hon. Mr. H.
Ghosal, Hon. Sir Josna.
Govindachari, Hon. Rao Bahadur K.
Haidar, Hon. Khan Bahadur Shams-ud-Din.
Hissamuddin Bahadur, Hon. Lt.-Col. Sir.
Hydari, Hon. Mr. M. S. A.
Jones, Hon. Mr. C. E.
Khurshid Ali Khan, Hon. Nawabzada.

Lal, Hon. Mr. Shavax A.
Lloyd, Hon. Sir Alan.
Menon, Hon. Sir Ramunni.
Muhammad Yakub, Hon. Sir.
Mukherjee, Hon. Sir Satya Charan.
Nihal Singh, Hon. Sirdar.
Parker, Hon. Mr. R. H.
Patro, Hon. Sir. A. P.
Richardson, Hon. Mr. H. J. S.
Roy, Hon. Mr. S. N.
Sobha Singh, Hon. Sardar Bahadur.
Williams, Hon. Mr. A. deC.
Wilson, Hon. Mr. L.

NOES—11.

Chettiyar, Hon. Mr. Chidambaram.
Dalal, Hon. Mr. M. N.
Das, Hon. Mr. N. K.
Kalikar, Hon. Mr. V. V.
Kunzru, Hon. Pandit Hirday Nath.
Mahtha, Hon. Rai Bahadur Sri Narain.

Motilal, Hon. Mr. G. S.
Pantulu, Hon. Mr. Ramadas.
Ray Chaudhury, Hon. Mr. Kumarankar.
Sapru, Hon. Mr. P. N.
Yuveraj Datta Singh, Hon. Raja.

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Friday, the 29th November, 1940.

COUNCIL OF STATE.

Friday, 29th November, 1940.

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

MEMBER SWORN :

The Honourable Mr. John Francis Sheehy (Nominated Official).

QUESTIONS AND ANSWERS.

PUBLICATION OF THE INDIAN TRADE JOURNAL.

60. THE HONOURABLE MR. G. S. MOTILAL : (a) Will Government state the reason for discontinuing publication of the *Indian Trade Journal* ?

(b) Is it a fact that the *Board of Trade Journal* published from London is not discontinued ?

(c) What other publications have Government discontinued or propose to discontinue, and for what reasons ?

THE HONOURABLE SIR ALAN LLOYD : (a) The publication of a few issues of the *Indian Trade Journal* was discontinued because it was thought that the information given therein might be sent out of the country and be of use to the enemy. Recently, however, publication and sale within India have been renewed pending further enquiry into the matter.

(b) It is a fact that the *Board of Trade Journal* is still being published in London.

(c) The sale in India of a considerable number of other publications was temporarily suspended in similar circumstances to those in which the sale of the *Indian Trade Journal* was suspended ; but their sale has been resumed with the exception of the ten named in the list which I lay on the table.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member give reasons for the discontinuance ?

THE HONOURABLE SIR ALAN LLOYD : I have already given them.

THE HONOURABLE MR. HOSSAIN IMAM : I want reasons for their discontinuance.

THE HONOURABLE SIR ALAN LLOYD : I have given them in reply to part (a) of the question.

THE HONOURABLE MR. HOSSAIN IMAM : I am referring to the list which the Honourable Member is laying on the table.

THE HONOURABLE SIR ALAN LLOYD: The reason is the same.

Publications the sale of which has been discontinued.

1. Statistics of Rail and River-borne Trade.
2. Accounts relating to the Inland (Rail and River-borne) Trade of India.
3. Accounts relating to the Sea-borne Trade and Navigation of British India for the calendar year.
4. Annual Statement of the Sea-borne Trade of British India with the British Empire and foreign countries, Volumes I and II.
5. Accounts relating to the Sea-borne Trade and Navigation of British India.
6. Monthly Statistics of the production of certain selected industries in India.
7. Trade at stations adjacent to Land Frontier Routes.
8. Trade Statistics relating to the Maritime States of Kathiawar and the State of Travancore.
9. Accounts relating to the Coasting Trade and Navigation of British India.
10. Large Industrial Establishments in India.

REDUCTION IN THE OFFICE ESTABLISHMENT OF DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, NAGPUR.

61. THE HONOURABLE MR. V. V. KALIKAR: (a) Has there been heavy reduction in the office establishment of the Deputy Accountant General, Posts and Telegraphs, Nagpur? If so, will Government state the number and the maximum and minimum length of service put in by the discharged persons?

(b) Was the retrenchment made by the Deputy Accountant General, Posts and Telegraphs, Nagpur, on his own initiative or under the instructions of Government?

(c) If the retrenchment was made under the instructions of the Government of India, will Government state the reasons for the same?

(d) Has any retrenchment been made in the offices of the Deputy Accountants General, Posts and Telegraphs of Calcutta and Delhi?

(e) Do Government propose to make any provision for the discharged men in the Nagpur office? If not, why not?

THE HONOURABLE MR. C. E. JONES: (a) Yes; 53 temporary men were discharged. They had rendered temporary service ranging from about six weeks to about four years.

(b) and (c). The surplus men were discharged by the Deputy Accountant General in accordance with Standing Orders, under which the strength of the Postal Audit Offices staff is regulated according to the volume of work from time to time.

(d) Yes.

(e) Every possible effort is being made to obtain re-employment for the discharged men, either in the Nagpur office, or in other civil or military accounts offices.

SHIPS REQUISITIONED BY GOVERNMENT.

62. THE HONOURABLE MR. G. S. MOTILAL: (a) How many ships have been requisitioned by the naval authorities with the approval of the Government of India?

(b) How many of them belong to companies registered in India and how many of them to companies registered abroad?

(c) Whether the amount of compensation to be paid to the companies concerned has been fixed for the ships requisitioned for use and also in case of loss of ships?

THE HONOURABLE SIR ALAN LLOYD: (a) and (b). Government are unable in the public interest to furnish the information asked for by the Honourable Member.

(c) The matter is still under investigation.

RESTRICTIONS ON THE MOVEMENT OF SHIPS EMPLOYED IN THE COASTAL TRADE.

63. THE HONOURABLE MR. G. S. MOTILAL: (a) Have the Government of India issued an Ordinance restricting the movement of ships on the Indian Register? If so, how many such ships are affected?

(b) Whether similar restrictions are applied to ships registered abroad and carrying on coastal trade?

(c) Are these restrictions applied only to Indian-owned ships?

(d) Are the ships of the British shipping companies free to charge such rates as they like and have no restrictions been put on their movements?

(e) Why is this discrimination against Indian shipping adopted?

THE HONOURABLE SIR ALAN LLOYD: (a) With regard to the first portion of this part, the attention of the Honourable Member is invited to the Commerce Department Notification No. 160-M. I. W. (3)/1/40, dated the 19th September, 1940, issued under rule 65 (1) of the Defence of India Rules, a copy of which is in the Library of the Legislature. As regards the latter portion, about 80 vessels may be affected.

(b) No.

(c) The restrictions are applied to all Indian Registered ships without regard to ownership.

(d) The Government of India are not at present imposing any restrictions on the rates of fares and freights levied by ships whether on the British or Indian Register employed in the coastal trade. No restrictions have been imposed on the movements of British Registered ships as they have all been requisitioned by His Majesty's Government and their movements are fully controlled by that Government.

(e) Does not arise in view of the position explained against part (d).

[64.* THE HONOURABLE MR. G. S. MOTILAL: Do Government propose to discontinue payment of the subsidy to Sind in view of the continuous campaign of murder and loot of Hindus in that Province?]

INDIAN SHIPPING ADVISER.

65. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What are the reasons for the creation of the post of Indian Shipping Adviser and what are the functions and powers of the Adviser?

THE HONOURABLE SIR ALAN LLOYD: The attention of the Honourable Member is invited to the Press Communiqué, dated the 22nd August, 1940, a copy of which is laid on the table of the House.

*This question was not put by the Honourable Member.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Simla, the 22nd August, 1940.

Press Communiqué.

The Government of India are creating a post of Indian Shipping Adviser in Bombay. This Adviser will be subordinate to the Government of India but, in respect of ships on the British Register, will work under the control of the Shipping Controller for India. He will keep himself informed of movements of all ships based on India and also, through the Port Committees of the Export Advisory Council of the position relating to cargo awaiting shipment. His duties will be to co-ordinate the use of ships based on India to meet defence requirements, requirements of the coastal trade, and where freight is available for the purpose, requirements of the export trade also. Enquiries in connection with shipping space should continue, as at present, to be addressed to the Shipping Controller for India at Calcutta, but copies of such enquiries may be sent also to the Indian shipping Adviser.

H. C. PRIOR,

Additional Secretary to the Government of India.

INDIAN SHIPPING ADVISER.

66. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will Government state the reasons for appointing a non-Indian as Indian Shipping Adviser?

THE HONOURABLE SIR ALAN LLOYD: With your permission, Sir, I shall answer questions Nos. 66 and 67 together.

Captain H. L. Davis, R.I.N., is performing the duties of Indian Shipping Adviser in addition to his duties as Nautical Adviser to the Government of India. No fresh appointment to Government service has been made and Captain Davis' experience in the Mercantile Marine Department made him the most suitable officer among those already in Government service for taking on these additional duties.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is he performing his ordinary duties in addition to the new duties entrusted to him?

THE HONOURABLE SIR ALAN LLOYD: Yes, Sir.

INDIAN SHIPPING ADVISER.

67. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What are the special qualifications of Captain Davis for which he has been appointed Indian Shipping Adviser and why has not a non-official Indian been appointed?

(See answer to Question No. 66.)

INDIAN SHIPPING ADVISER.

68. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will the Indian Shipping Adviser work under the control and direction of Sir George Campbell, Shipping Controller in India? If so, to what extent?

THE HONOURABLE SIR ALAN LLOYD: One of the duties of the Indian Shipping Adviser is to advise the Government of India in connection with the requirements of the coastal trade of India, and in the performance of this

duty he requires to know the position of British registered ships based on India and requisitioned by His Majesty's Government. As the Shipping Controller for India working under the authority of that Government has control of these ships, the Indian Shipping Adviser is dependent on him for the necessary information required and he therefore works in consultation with him though submitting reports direct to Government.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Has there been any shortage of tonnage in Indian waters?

THE HONOURABLE SIR ALAN LLOYD: Not at the moment.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Why has the Controller of Indian Shipping been appointed then?

THE HONOURABLE SIR ALAN LLOYD: There may be a shortage at any moment.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: At the present time there is none.

THE HONOURABLE SIR ALAN LLOYD: Not at the moment, Sir; but there is such a thing as being prepared, as was explained yesterday in the course of the discussion.

PROJECT OF THE SCINDIA STEAM NAVIGATION CO., LTD., FOR A SHIPBUILDING YARD AT VIZAGAPATAM.

69. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will Government state what support they are extending to the project of Messrs. Scindia Steam Navigation Company, Limited, for having a shipbuilding yard at Vizagapatam?

THE HONOURABLE MR. H. DOW: The Scindia Steam Navigation Co., Ltd., Bombay, is negotiating with Government for a long term lease of about 2,78,000 square yards of land at the Vizagapatam Harbour for a shipbuilding yard, and of 145 acres in the vicinity to be used for establishing a labour colony in connection with the proposal. Government will be prepared to give such assistance as is possible from time to time, having regard to the higher priorities which must be accorded to certain other war demands, in the acquisition of the necessary plant and materials.

BUILDING OF MERCHANT SHIPS.

70. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will Government state whether they propose to consider the question of building merchant ships in India as a part of war effort and to encourage actively such shipbuilding as is being done in Australia and Canada?

THE HONOURABLE SIR ALAN LLOYD: Government are not proposing to encourage actively the merchant shipbuilding industry in India as part of their war effort, though they are prepared to give such assistance as they may find advisable in such matters as leasing of sites.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are they aware of what is being done in Australia and Canada in this matter ?

THE HONOURABLE SIR ALAN LLOYD : Yes, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What are the reasons for their not being prepared to give more active assistance than that referred to by the Honourable Member ?

THE HONOURABLE SIR ALAN LLOYD : Sir, I find some difficulty in answering that question. I do not know what "active assistance" the Honourable Member has in mind.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The other governments are following a positive policy in this matter. Have the Government of India too a positive policy or not ?

THE HONOURABLE SIR ALAN LLOYD : Yes, Sir, the positive policy that was described by my Honourable friend the Vice-President of the War Supply Board.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That is, they will give the minimum assistance of the kind described by Mr. Dow.

THE HONOURABLE MR. H. DOW : No, Sir, I did not say they could give the minimum assistance.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : I did not say that, but I want to know what the Secretary of the Commerce Department means.

THE HONOURABLE SIR ALAN LLOYD : They will give all the assistance that is practicable and reasonable.

THE HONOURABLE MR. HOSSAIN IMAM : Any subsidy included in that every possible assistance ?

THE HONOURABLE SIR ALAN LLOYD : No subsidy has been asked for by anyone wishing to undertake the enterprise.

THE HONOURABLE MR. HOSSAIN IMAM : Any guaranteed work ?

THE HONOURABLE SIR ALAN LLOYD : I am not aware that any guarantee has been asked for.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But I take it that none of these forms of assistance is ruled out ?

THE HONOURABLE SIR ALAN LLOYD : I think, Sir, that in the conditions in which we live today, we might say that nothing is ruled out.

SUPERIOR STAFF OF THE OFFICE OF THE PRESS ADVISER AND THE OFFICE OF THE DIRECTOR OF PUBLIC RELATIONS.

71. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Will Government state the names of the superior officers in the Press Adviser's Department and the Defence Publicity Section together with the salary paid to each of them ?

(b) Are any of them Indian ? If not, why not ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a) I lay a statement on the table.

(b) None of them is an Indian. They were selected in view of their special experience in the type of work required. I may however add that Press Advisers have also been appointed by Provincial Governments and a considerable number of them are Indians.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Am I to take it, Sir, that the Central Government could not find a single competent Indian journalist for appointment either in the Defence Publicity Section or to a superior post in the Press Adviser's Department ?

THE HONOURABLE MR. E. CONRAN-SMITH : I don't think, Sir, that is a fair deduction from what I have said.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Why is it that Europeans alone have been appointed to the posts referred to in my question ?

THE HONOURABLE MR. E. CONRAN-SMITH : One of the particular officers concerned happened to have been called up for service and was immediately available and Government felt that his special qualifications could more profitably be used in this office than in ordinary service.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But what about the other posts ? Why could not Indians be appointed to some of the other posts ?

THE HONOURABLE MR. E. CONRAN-SMITH : I think, Sir, I have really adequately answered that when I said that these officers were selected in view of their special experience for the kind of work required.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Sir, are there not a number of Indian journalists here whose experience of journalism is not less than that of some of the men who have been appointed ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have no doubt there are, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Then why have Indians been completely ignored ?

THE HONOURABLE MR. E. CONRAN-SMITH : I have answered the question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Honourable Member has not answered it at all. I have asked him why Indians with suitable qualifications have not been appointed, as it is not his contention that no Indian with proper qualifications was available.

THE HONOURABLE MR. E. CONRAN-SMITH : I have already explained, Sir, as regards one of the officers in the Chief Press Adviser's office, and as regards the other, Government considered that, having regard to all the circumstances of the case, the appointment was a proper one.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Do Government think that the information that these officers are likely to obtain in the course of their work should be available only to European officers and that Indians cannot be entrusted with it?

THE HONOURABLE MR. E. CONRAN-SMITH : The answer, Sir, is in the negative.

THE HONOURABLE MR. HOSSAIN IMAM : May I ask, Sir, when was the last appointment made of any of the officers in this grade?

THE HONOURABLE MR. E. CONRAN-SMITH : I must ask for notice of that question, Sir.

Statement giving the information asked for in part (a) of question No. 71.

(1) Office of the Chief Press Adviser to the Government of India.

Name.	Designation.	Pay.
		Rs.
1. Mr. Desmond Young . . .	Chief Press Adviser . . .	2,750
2. Mr. E. V. Britter . . .	Assistant Press Adviser . . .	1,200

(2) Office of the Director of Public Relations.

Name.	Designation.	Pay.
		Rs.
1. Lt.-Col. I. S. Jehu . . .	Director of Public Relations . . .	1,880
2. Captain N. L. Emmerson . . .	Assistant Director of Public Relations . . .	980
3. Captain G. C. D. Dorsett . . .	Official Photographer . . .	940

WAGE RATES OF INDIAN LABOURERS IN MALAYA.

72. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With reference to the reply given to my question, No. 70, on the 2nd April, 1940, have the Government of Malaya gazetted the wage rates for Indian labourers which came into force on the 1st October, 1939, viz., 50 cents per day for men and 40 cents for women? If not, what is the delay due to?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : The reply to the first part is in the negative. As regards the second part, the level at which the standard wages should be gazetted is still the subject of correspondence between the Government of India and the Malayan Governments.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : How long has this subject been under correspondence?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : Sir, my Honourable friend is well aware of certain discussions which we had with the representatives of the Government of Malaya. Since then, the actual wage rates have been brought up to what we considered to be suitable standard rates for the old labourers. These rates are still being paid. The question is one of gazetting them and that is a point which is still in issue between the Government of Malaya and ourselves.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What is the Government doing to expedite the conclusion of these negotiations?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : I think, Sir, that my Honourable friend would appreciate the undesirability of saying too much on the subject publicly. What I can tell him is that Government have not lost sight of the desirability of getting an early settlement of this question, nor have they in any way relaxed in their intention that the wage rates should be gazetted rates.

PAYMENT OF COST OF LIVING ALLOWANCES TO INDIAN ESTATE LABOURERS IN MALAYA.

73. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With reference to the reply given to my question, No. 71, on the 2nd April, 1940—

- Are Government aware that since May last the Government of the Federated Malaya States have raised the rates at which cost of living allowances are payable to labourers employed under any public authority and that labourers whose daily wages do not exceed \$ 1.50 are paid \$ 2.20 per month or about 8 cents per day?
- What steps have Government taken to have the same allowances paid to Indian labourers on rubber plantations?
- What reply they have received from the Malayan Government to their Despatch "regarding labour conditions generally in Malaya as affected by the outbreak of the war"?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI : (a) Yes. There has been a further increase since October. Labourers earning less than \$1 a day get a monthly allowance of \$ 2.60 and those earning from \$ 1 to \$ 1.50 get an allowance of \$ 3.00.

(b) The Honourable Member is aware that this question is closely allied to the whole question of wages which is now under discussion between the Government of India and the Malayan Government. Some estates have sanctioned an increase over the rates of 50 cents for men and 40 cents for women.

(c) The reply is now under consideration and it would be premature to disclose its terms at this stage.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : With regard to the answer given by the Honourable Member to part (b) of my question, may I ask why the labourers working on plantations should not be given any war allowance independently of the settlement of the standard wage rates?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: Sir, my Honourable friend will again, if I might remind him, recollect that we have fixed standard wage rates on the basis of a family budget. That family budget again in turn is related to the cost of living. The difference between the two sets of workers, that is to say, those who have got this bonus or cost of living allowance and workers on Indian plantations is this, as far as I know, that the wage rates of the former have been in no way increased nor do I know that they have in any way been related on the basis of the family budget to the cost of living, whereas the contrary is the case with Indian labour.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: But is it not a fact that the rates paid by the Malayan Government to Indian labourers have been related to the wages paid on rubber plantations? Only, the Government have set a good example to the planters in this matter by always being a little in advance of them.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: I have no doubt, Sir, that like for like, the question of supply and demand is taken into account by different sets of employers. What I would submit for the consideration of Honourable Members is that there has been no such detailed investigation as to the basis of fixing wage rates for ordinary government labour as there has been for Indian plantation labour. I would, however, like to inform my Honourable friend that the question as to whether a special cost of living allowance for Indian plantation labour is desirable in the prevailing circumstances is under consideration.

REVISION OF WAGES OF INDIAN LABOURERS IN MALAYA.

74. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Are Government aware that strikes in the rubber industry which has been declared to be an essential industry have been made illegal by the Malayan Government and that the Indian labourers on rubber estates can not therefore secure an increase in their wages without the active support of the Government of India?

(b) In view of this, have Government taken or do they propose to take any special steps to help the Indian labourers?

(c) Are Government aware that the wages of Chinese labourers have risen substantially since the outbreak of the war and are 80—90 cents per day now?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: (a) and (b). The Government of India understand that under the Emergency Regulations in force in the Straits Settlements and Federated Malay States strikes and lock-outs in the rubber industry have been prohibited. With reference to the second part of (a) and part (b) of the question I would invite the Honourable Member's attention to the reply I have just given to part (b) of his preceding question.

(c) Yes.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: With regard to (b), what are the special steps Government are taking to help Indian labour?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: Well, that would be a long story. The report of the Indian Agent in Malaya can give an account of the steps that are being continually taken to help Indian labour.

INDUSTRIAL UTILIZATION OF THE RESULTS OF THE INVESTIGATIONS CONDUCTED UNDER THE AUSPICES OF THE BOARD OF SCIENTIFIC AND INDUSTRIAL RESEARCH.

75. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: (a) Is the Board of Scientific and Industrial Research empowered to take steps to bring about the industrial utilization of the results of the investigations successfully conducted under its auspices? If not, what measures have Government adopted to secure that scientific research leads to increased production and the establishment of new industries?

(b) Has the Board, during the few months that it has been in existence, been able to benefit any existing industry or to help in the establishment of any new industry?

THE HONOURABLE SIR ALAN LLOYD: (a) The answer to the first part of the question is in the affirmative. The second part does not arise.

(b) It has been possible to collect useful industrial information and to achieve results from certain researches that will prove beneficial to industrial development in this country.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Has the attention of Government been drawn to the article contributed by Dr. Bhatnagar to the Eastern Group Conference number, that is, the Industrial number of the *Hindustan Times* in which he has said that the Board of Scientific and Industrial Research is not concerned with the practical utilization of processes already known or of the results of the investigations carried out by it?

THE HONOURABLE SIR ALAN LLOYD: I have not seen the article referred to, Sir, but what the Honourable Member has said leads me to explain that the sort of steps which I had in view when I answered his question in the affirmative was that of bringing the results of researches to the notice of industrialists. It is that which the Board of Scientific and Industrial Research is competent to do. That statement is in no way in conflict with the statement attributed to Dr. Bhatnagar that the Board is not itself competent to undertake industrial utilization.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What are the steps that Government themselves have taken or propose to take in order to see that the results of the investigations are properly utilized in the interests of the country?

THE HONOURABLE SIR ALAN LLOYD: The concern has been going on for such a short time that it has not been possible or practicable to do anything very much so far. But I might say we have at present in the Press a survey of researches, which will be given wide publicity amongst all industrialists who might be interested; and when the Board next meets in a few weeks' time we shall consult them as to further measures that can be taken, now that sufficient time has elapsed to produce results the publication of which to industrialists will be useful.

THE HONOURABLE MR. HOSSAIN IMAM: Have Government yet found that any of these investigations have been utilized by the industrialists?

THE HONOURABLE SIR ALAN LLOYD: I am afraid I cannot answer that question specifically, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What I want to know is whether Government realize that while it may be profitable by itself to take advantage of certain results achieved by this Board, from the commercial point of view, at the present time, private companies might find it more profitable to continue the work in which they are already engaged, as it yields them a higher profit. In such cases what do Government propose to do in order to see that the establishment of industries which may be regarded as of national interest is not impeded by the refusal of the industrialists to utilize the results of these investigations?

THE HONOURABLE SIR ALAN LLOYD: I have listened to the Honourable Member's speech with some interest, but if I might try to reduce it to the dimensions of a question, the answer, I think, is what I have already given. We have under active consideration the measures to be taken to bring the results of the researches to the notice of industrialists. Until that has been done it would be a little unreasonable to accuse industrialists of not taking advantage of the results of the researches.

DEVELOPMENT OF INDUSTRIES.

76. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Did the Commerce Member state in the Legislative Assembly on the 12th March, 1940, that he was engaged in an active examination of the industries which were essential for war purposes and the key industries which should be developed to make up for the reduction of imports owing to the war? If so, will Government state what has been the result of this examination? Which industries have been developed or started since March last?

THE HONOURABLE SIR ALAN LLOYD: I repeat the actual words used by the Honourable the Commerce Member in the Legislative Assembly on the 12th March, 1940. He said: "The question is under active consideration as to how far the essential industries that are needed for the prosecution of the war and for making up the lacuna to key industries that is found owing to the loss of our imports can be encouraged by Government." As regards the other parts of the question, I would invite the attention of the Honourable Member to the statement laid by me on the table of the House on the 25th November, 1940, in reply to question No. 33 asked by the Honourable Mr. M. N. Dalal.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the Honourable Member referring to the statement in which he mentioned that three or four industries like canvas and one or two other things had been promoted since March last?

THE HONOURABLE SIR ALAN LLOYD: I am referring to the statement which included an account of activities promoted through the Department of Supply and I think it would be a very grave under-statement to say that that only referred to three or four items.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Could the Honourable Member mention again the industries that have been developed since March last and which he referred to in the statement which he placed on the table in reply to the Honourable Mr. Dalal's question?

THE HONOURABLE SIR ALAN LLOYD: I regret to say that I have not got a copy of the statement that I laid. It is in the records of the House.

LIBERALIZATION IN THE CONDITIONS OF THE FISCAL COMMISSION FOR THE GRANT OF PROTECTION TO INDUSTRIES.

77. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Did the Commerce Member state in the Legislative Assembly on the 12th March, 1940, that Government were thinking "of making a little liberalisation in the conditions of the Fiscal Commission so as to encourage the production of those commodities which we feel essential for our war needs"? If so, what are the conclusions at which Government have arrived and which industries have been encouraged? Will Government make a full statement on the subject?

THE HONOURABLE SIR ALAN LLOYD: Yes, Sir. I would invite the attention of the Honourable Member to the Press Note issued by Government on the 26th March, 1940. As a result of the liberalization in the conditions laid down by the Indian Fiscal Commission for the grant of protection to industries assistance has been offered to the manufacture in India of—

1. Bichromates;
2. Steel pipes and tubes up to a nominal bore of four inches; and
3. Aluminium.

Other industries requiring assistance from Government are expected to present their case to the Department of Commerce. Such cases undergo an *ad hoc* examination, without an elaborate Tariff Board enquiry, and the Government of India are prepared to waive or to allow such modifications in regard to the conditions as would seem to be justified by the circumstances of each case.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Are Government considering any further departure from the recommendations of the Fiscal Commission or does the Press Note to which the Honourable Member has referred express their final views on the subject?

THE HONOURABLE SIR ALAN LLOYD: I would again repeat what I said earlier today that in present circumstances it would be difficult to say that finality has been reached anywhere.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What I want to know is whether the matter is still under consideration or whether Government have stopped considering this question altogether for the time being?

THE HONOURABLE SIR ALAN LLOYD: Sir, the Government consider this question on every individual case that comes before them.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: What about the policy? I am not putting the question so much about any individual industry as about the policy to be pursued in this matter.

THE HONOURABLE SIR ALAN LLOYD: Sir, in present circumstances, it is extremely difficult to specify a policy within the four corners of which every application must be dealt with.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : May I take it to mean that the Government of India will not consider themselves bound by the recommendations of the Fiscal Commission at all?

THE HONOURABLE SIR ALAN LLOYD : The Government of India hold themselves at liberty to relax those conditions in suitable cases.

ROYAL INDIAN NAVY.

78. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What has been the increase in the number of (a) officers and (b) ratings in the Royal Indian Navy since the outbreak of the war? How many of the additional officers are pure Indians, Anglo-Indians and Europeans, respectively?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): It is not in the public interest to disclose the figures of the increase in the strength of the Royal Indian Navy since the outbreak of the war. The proportion of European, Anglo-Indian and Indian officers and warrant officers recruited since the outbreak of the war is—

	Per cent.
Europeans	52
Anglo-Indians	3
Indians	43

THE HONOURABLE MR. HOSSAIN IMAM : Can the Honourable Member give the communal proportion?

THE HONOURABLE MR. A. DEC. WILLIAMS : I have not got the information, and, what is more, I am not prepared to give it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Government having supplied similar information with regard to the Army, why is it contrary to the public interest to supply the information I have asked for with regard to the Royal Indian Navy?

THE HONOURABLE THE PRESIDENT : That is your argument.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But I want to know that, Sir.

THE HONOURABLE MR. A. DEC. WILLIAMS : I should like to say once and for all that so far as defence matters are concerned, if I am unable to answer a question because it is not in the public interest, I am not prepared to enter into a discussion as to why it is not.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : That means that the Defence Department has something to conceal.

THE HONOURABLE THE PRESIDENT : That is an inference which I disallow.

GRANTS SANCTIONED FOR VARIOUS SCHEMES UNDER THE BOARD OF SCIENTIFIC AND INDUSTRIAL RESEARCH.

79. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Will Government (a) state the amounts sanctioned for the various schemes of scientific and industrial research worked directly under the supervision of the Director of the Board of Scientific and Industrial Research, and individual scientists, and (b) place on the table a list of the colleges and universities where research financed by the Board is being carried on together with the amount sanctioned in each case?

THE HONOURABLE SIR ALAN LLOYD : (a) A statement containing the information asked for is laid on the table.

(b) The information is being collected and will be laid on the table in due course.

Statement showing the amounts sanctioned for the various schemes of Scientific and Industrial Research worked directly under the supervision of the Director of Scientific and Industrial Research, and individual Scientists, during 1940-41.

Schemes worked under the direct supervision of the Director, Scientific and Industrial Research.	Amount sanctioned for remuneration to scholars, equipment and stores, etc., for the current financial year.
	Rs.
1. Scheme for utilization of vegetable oils	2,200
2. Scheme for manufacture of ammonium phosphate from calcium phosphate	1,350
3. Researches in Plastics	3,250
4. Scheme for extraction of Sulphur Compounds from coal, oil and other mineral products	1,102
5. Scheme on the preparation of some alkaloids and Industrial utilization of Bhilawan resin and manufacture of plant drugs. (To be worked by Dr. S. Siddiqui, Organic Chemist of the office of the Director, Scientific and Industrial Research)	6,000
	13,992
Schemes worked by individual scientists.	Amount sanctioned for remuneration to scholars, equipment and stores, etc., for the current financial year.
	Rs.
1. Dr. N. N. Godbole for researches on use of neem oil for producing Denaturant for rectified spirit	1,500
2. Dr. K. G. Naik for research on sulphonation of Indian vegetable oils	1,100
3. Dr. M. D. Quereshi for working out a cheap and efficient method for refining castor oil	2,500
4. Dr. Venkataraman for research on fortification of oils	550

Schemes worked by individual scientists.

Amount sanctioned for remuneration to scholars, equipment and stores, etc., for the current financial year.

	Rs.
5. Dr. N. N. Goswami for research on splitting of oils and preparing stearic and Oleic acids	1,800
6. Dr. J. C. Ghosh for research on manufacture of fixed Nitrogen fertiliser independent of Sulphuric acid and manufacture of urea from ammonia and carbon dioxide	5,800
7. Dr. J. N. Ray for research on the manufacture of atropine, emetine, adronaline, afomorphine and aeriflavine	2,750
8. Dr. P. C. Mitter for research on the manufacture of Rivanol	1,500
9. Dr. P. C. Guha for research on manufacture of Organo-arsenical compounds needed immediately	2,100
10. Dr. R. M. Siddiqui for studies in therapeutics of some of the indigenous drugs of India	2,500
11. Dr. P. K. Bose for research on utilisation of commercial xylene for Dettol type of compounds	400
12. Dr. J. C. Ghosh for research on making of formaldehyde from commercial methyl alcohol	4,400
13. Dr. M. N. Goswami for researches on utilisation of oil plastics	1,700
14. Dr. D. K. Sen for the purchase of pilot plant for production of urea and malamine and for that of a wood flour plant	10,000
15. Dr. M. N. Saha for research on manufacture of vacuum and compressor pumps	4,600
16. Prof. K. Aston for research on construction of condensers and of wireless resistances	1,150
17. Dr. Mackenzie Taylor for researches on preparation of Sodium Carbonate	1,484
18. Dr. K. Venkataraman for research on manufacture of alzarine and Indanthrene blue	1,600
19. Prof. M. L. Joshi for research on high grade fire clays, etc.	4,520
20. Dr. A. Nadel for research on purification of sands and preparation of special glass for rodding	1,960
21. Dr. L. C. Verman's scheme for laboratory scale manufacture of carbon electrodes	1,400
22. Prof. L. Aston for research on manufacture of large size electrodes	5,250
23. Dr. J. C. Ghosh for work on refining natural graphite from the mines of Godavari area	750
24. Dr. B. C. Guha for research on production of acetone butyl alcohol & solvent, etc.	3,500
25. Prof. P. Ray and B. K. Mukerjee for research on extraction of potash salts from Molasses	2,200
26. Mr. M. Sreenivasaya for a scheme of collection of type cultures	1,800
27. Dr. K. Venkataraman for research on production of vegetable dyes from indigenous sources	1,000
28. Dr. J. N. Ray for research on manufacture of acids from Molasses	1,950
Total	71,764

Amount sanctioned for expenditure on Travelling Allowance of various research committees formed under the Board of Scientific and Industrial Research

15,160

Grand Total

100,916

AMOUNT SANCTIONED FOR DR. FOX'S SCHEME OF EXPERIMENTAL BORINGS FOR SULPHUR, ETC.

80. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Will Government state the amount sanctioned for Dr. Fox's scheme of experimental borings for sulphur and for other schemes of research in connection with sulphur together with the dates on which the grants were made ?

(b) On what grounds has the Board of Scientific and Industrial Research financed Dr. Fox's scheme, the expenditure on which should be met from the funds of the Geological Survey of India ?

THE HONOURABLE SIR ALAN LLOYD : (a) and (b). A sum of Rs. 10,000 to be met from the grant of the Geological Survey of India has been sanctioned for sulphur investigations by the Geological Survey, and a sum of Rs. 1,192 has been placed at the disposal of the Director of Scientific and Industrial Research from the funds of the Board of Scientific and Industrial Research for research into the possibility of obtaining sulphur from minerals. This expenditure has been sanctioned recently.

PRODUCTION OF A SUITABLE LIQUID FUEL FROM OILSEEDS AND THE PRODUCTION OF POWER ALCOHOL.

81. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Are Government financing research schemes designed to produce a suitable liquid fuel from oil seeds ? Is it expected to be produced at a cost in the neighbourhood of that of power alcohol ? If not, why are the above mentioned schemes being financed ?

(b) What steps do Government propose to take for developing the production of power alcohol ?

THE HONOURABLE SIR ALAN LLOYD : I am making enquiries and will lay the result on the table of the House in due course.

CONTRACTS DIRECTORATE.

82. THE HONOURABLE MR. HOSSAIN IMAM : Will Government give the following information about the appointment of Indian commissioned officers in the Contracts Directorate :

(a) the names, nationality, age and province of the Indian officers appointed ;

(b) the method by which they were selected, the newspapers in which the posts were advertised, the number of applications received ;

(c) the special qualification of each for the post for which they were selected ; and

(d) the total number of European officers in the Contracts Directorate on 31st March, 1939, 31st December, 1939, and 31st October, 1940, the number of Indians, if any, on these dates.

THE HONOURABLE MR. H. DOW : I place on the table a statement giving the required information.

REFRESHER COURSES FOR TICKET COLLECTORS, ETC., ON STATE RAILWAYS.

83. THE HONOURABLE MR. HOSSAIN IMAM: Will Government give the following information about the retraining of Ticket Checking Staff of Indian State Railways:

- (a) Whether on the E. I. R., Travelling Ticket Examiners were examined departmentally and were not sent to Chandausi up to 31st March, 1940? Why are they being sent now?
- (b) Does any other railway follow this system, if so, which railway and from what date?
- (c) What kind of training and for what particular class Chandausi was used up to 31st March, 1940? Has the staff been increased between 31st March, 1940 and 31st October, 1940?
- (d) What are the advantages of extension of training and what is the cost?

THE HONOURABLE MR. L. WILSON: (a) The staff in question were examined departmentally up to July, 1940 and since then are being given refresher courses at Chandausi to enable them more readily to reach the requisite standard of efficiency.

(b) No, but the N. W. R. has refresher courses for ticket collectors.

(c) Prior to July, 1940 training in the Chandausi School was mainly for Transportation staff, training for Commercial staff being confined to roadside Assistant Station Masters and a small number of Coaching Clerks. As regards the latter part, one additional instructor has been appointed for the school.

(d) The Honourable Member is referred to the reply to part (a). The additional annual cost of the refresher courses for ticket checking and collecting staff including Travelling Ticket Examiners amounts to Rs. 2,700 per annum.

THE HONOURABLE MR. HOSSAIN IMAM: May we know whether it is the decision of the Railway Board or of the particular railway to have this refresher course?

THE HONOURABLE MR. L. WILSON: It was the decision of the railway administration concerned.

RESOLUTIONS PASSED AT THE CONFERENCE HELD FOR CONSIDERING THE SUGAR-CANE QUESTION.

84. THE HONOURABLE MR. HOSSAIN IMAM: Has the attention of Government been drawn to the conference held recently by Babu Rajinder Prashad for considering the sugarcane question? If so, will Government state what action they propose to take on the resolutions passed at this conference?

THE HONOURABLE SIR ALAN LLOYD: A newspaper report has been seen by me. The Government of India do not propose to take any action on the recommendations of this Committee as such. If the Honourable Member cares to put down specific questions relating to the substance of any of the Committee's resolutions, I shall be glad to reply, in so far as the responsibilities of the Government of India are involved.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member accept a short notice question on the subject?

THE HONOURABLE SIR ALAN LLOYD: I will consider that when I receive the question.

THE HONOURABLE THE PRESIDENT: There is no time for discussion. Will you please put your next question?

THE HONOURABLE MR. HOSSAIN IMAM: Sir, he has said on this question he will consider a short notice question.

THE HONOURABLE THE PRESIDENT: When you send him notice of it he will consider whether he is prepared to answer a short notice question or not. That does not require any more explanation.

PROCEEDINGS OF THE SUGAR CONFERENCE.

85. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay in the Library a copy of the proceedings of the Sugar Conference held by Government at Simla in July? If not, do they propose to publish a short note on the deliberations of this Conference? If not, what information can they give to the House?

THE HONOURABLE SIR ALAN LLOYD: A copy of the letter issued to the Provincial and State Governments concerned summarising the result of the Sugar Conference held at Simla in June, 1940 and asking for their views on the issues raised, is placed in the library.

THE HONOURABLE MR. HOSSAIN IMAM: Has the Government received the replies of the Provincial Governments?

THE HONOURABLE SIR ALAN LLOYD: Not all, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: From Bihar and the United Provinces?

THE HONOURABLE SIR ALAN LLOYD: I cannot remember exactly which provinces have replied. I think the Government of the United Provinces have replied.

THE HONOURABLE MR. HOSSAIN IMAM: When do the Government propose to take action on the subject?

THE HONOURABLE SIR ALAN LLOYD: We will give a reasonable time for replies to be received.

RESOLUTION RE NATIONALIZATION OF ESSENTIAL AND KEY INDUSTRIES, ETC.—continued.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Hossain Imam will now proceed with the Resolution* which he moved on the 27th November, 1940.

* Vide page 270 of these Debates.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Mr. President, the Resolution which I read out the day before yesterday had different reactions on different parts of this House. A few of my colleagues considered it to be altogether inappropriate and unnecessary at the present time. Some thought it too long and too varied, and there are a few here to whom it appeared to be an almost anti-capitalistic drive tantamount to preaching communism. But our friend the Finance Secretary's reaction was, as he said yesterday, that I was on the horns of a dilemma, that my attitude towards the Finance Bill and this Resolution could scarcely be reconciled. Sir, I shall try to place before the House facts which will show the urgent necessity of doing something on the lines that I have suggested. In order to justify my demands it is necessary that I should first of all substantiate the premises which I have recited in the Resolution; and then I would like to present to the House the background against which these items of recommendations should be taken into consideration. And I believe that the House may not agree with me on each and every item that I have suggested or go to the length to which I propose; but they will be convinced that there is an urgent necessity for doing something and the way in which we are proceeding at the present moment is not sufficient. The first supposition is, Sir, that Indian resources are slender. The people and the Government of India are face to face with a most difficult situation which ordinary means cannot surmount. It has been appreciated by the Government, which would not have imposed an excess profits duty except in exceptional conditions. The representatives of the people to my right were urging intensification of Indianization, tightening up of the rules of the Supply Department, but there was no condemnation of the existence of the Supply Department itself. The Supply Department is not a normal part of the Government. It is agreed that modern warfare is a very expensive thing. In the modern warfare it is the material more than men that go towards winning the war—

THE HONOURABLE THE PRESIDENT : Are you discussing the Supply Department again ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir, I am discussing the supplies. I have brought forward a Resolution for the nationalization of industries and that can only be based on the conclusions that at the moment our supplies are neither sufficiently cheap nor abundant nor there is possibility of increasing the supplies unless there is nationalization.

I was saying that modern war is a warfare of material, it has been stated by Colonel Amery and it was stressed by His Excellency when he addressed us the other day on the 20th November. It is common ground between the Opposition and the Government that the taxable capacity of the bulk of Indian population has been exhausted. It is also an agreed item that the productive capacity of the Indian plants, as far as war requisitions are concerned, is greatly limited. The whole of the tenor of the Honourable Finance Member's speech, and the speeches of the Honourable Mr. Williams and Mr. Jones yesterday, was that we have done the best we could with the plants that we have at our hand. I say that to shape our war policy on such slender resources would result, if we rely on ordinary means, in a negative. Extraordinary circumstances can only be met by extraordinary measures. Who would have passed the Defence of India Act, arming the executive with all the power that they require, in normal and peace times ? Similarly, the mobilization of the entire resources is essential for prosecuting the war to a successful end. Mr. President, muddling is the national characteristic of the British people. They do not believe much in planning ahead, while the Germans

have always been noted for their minutest details in working everything in the Great War I and in the Great War II. Sir, Great Britain in the past had one great advantage. Its diplomacy was marvellous in its history for the last 300 years. It has always succeeded in rallying world opinion—not only rallying world opinion but getting support from the foreign Powers whenever they went to war. Napoleon was isolated. In the last Great War, Russia, Japan, the U. S. A., and other countries sided with Britain. This time England is fighting alone. Your bungling in Russia is responsible for the war, when an ordinary service official was sent to Russia to talk with the successors of the Czar of Russia. That and similar actions of the past have been responsible for your failure. What is the condition now ? His Majesty's Government is fighting alone with their backs to the wall. There is no power which has come to join with England. When Poland was attacked, did we go to support it ? Norway refused to come in and it was attacked and the result is that the Norwegian Government is sitting in London. Similar has been the fate of Belgium, Holland, Denmark, and other countries. Now Germany has got Japan, if not as an active collaborator, at least as a potential ally. Sir, consider further the fact that Germany enjoys an advantage over the British Empire which is physical. Its lines of communications are unexposed. Every raw material which is being utilized in Germany is within three or four days distance from the manufacturing centre. There are many things which we want to manufacture and to get the raw materials it takes four or five weeks. The seas are all exposed. Aeroplanes are not of avail. This is the back ground of our difficulties. What was our strength in the old days has become our weakness. If in these times we do not mend ourselves and do not reform ourselves, we will go down. If not for all time, at least for the duration of the war you should change your methods. Let us see one item alone. How the Germans are conserving their production and how we are squandering, and when I say Germany I really mean the entire Europe; at the moment every country is under German control. Nothing can get out from the lands under Hitler. You may say "we are blockading". It is quite possible you are blockading, but there are war materials which are essential for the prosecution of war which we are squandering and they are conserving—

THE HONOURABLE THE PRESIDENT : What part of your Resolution are you discussing ?

THE HONOURABLE MR. HOSSAIN IMAM : It is nationalization—

THE HONOURABLE THE PRESIDENT : You have not said a word about that.

THE HONOURABLE MR. HOSSAIN IMAM : It is not many days since you have imposed that embargo on the export of scrap iron and pig iron. Nearly a year after the commencement of the war you allowed essential war material to go to potential enemies—(An Honourable Member : Not essential to India.) But it is helping the enemy. It is not a question whether it is essential to Britain or not. My question is, why you allowed things necessary to the enemy to go to them ?

THE HONOURABLE SIR ALAN LLOYD : If I may intervene, I would point out that most stringent measures have been taken to stop essential things going to the enemy.

THE HONOURABLE MR. HOSSAIN IMAM: I shall cite instances. I said that a month after the commencement of the war you allowed things to go to our enemy (*A Voice: Not to our enemy.*) Japan is a potential enemy—.

THE HONOURABLE SIR ALAN LLOYD: Sir, I must protest against that statement. Anything which is said about our attitude towards Japan would be of the utmost diplomatic delicacy.

THE HONOURABLE MR. HOSSAIN IMAM: Very well. I shall cite the case of Germany. Is there anything which could justify export to Germany? Right up to March, 1940, France was exporting scrap and pig iron to Luxembourg. (*An Honourable Member: We are not fighting with France.*) We are not fighting with the French but was it not our ally? Just now a pact has been entered into between Japan and the Netherland East Indies—.

THE HONOURABLE THE PRESIDENT: Have you read the terms of that pact?

THE HONOURABLE MR. HOSSAIN IMAM: It is public property. Japan will get oil from there which is an essential war material. Sir, I need not hammer this point, but it is apparent that your complacency has brought you into your present plight. Some Honourable Member—I forget who—from the Government side cited to us that at the time of Munich pact, London did not have more than a few anti-aircraft guns. It was a statement made by the ex-British Ambassador in Germany. Aren't you ashamed of that? Is that not due practically to the fact that you were concentrating on un-essentials and thought war was far off? And then when the war came, you thought it would be won in a few months. And because Germany did not attack you till March, you thought that the Maginot Line was sufficient to save you and that you had only to prepare yourselves to thrust and to conquer Germany and you were holding your hand because you were not able to go into German territory.

Sir, it is for these reasons that I appeal to the Government, as an extraordinary measure, to control and nationalize those industries which are essential for the war and are key industries.

THE HONOURABLE MR. H. DOW: On a point of information, Sir. Would the Honourable Member kindly enumerate those industries.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I would enumerate them with great pleasure if the Government will accept my proposal.

THE HONOURABLE MR. P. N. SAPRU: Have they nationalized industries in England?

THE HONOURABLE MR. HOSSAIN IMAM: Well, Sir, in England the measures that have been taken for the control of industry are far greater than those which have been taken in India. Is the Government prepared to give an undertaking that it will adopt the same measure of control which has been adopted in England? Even that will go a long way.

THE HONOURABLE MR. H. DOW: You won't even state what industries you want nationalized.

THE HONOURABLE MR. HOSSAIN IMAM: I will cite one instance. It is the steel industry. I think even the Government will agree with me that it is essential and a key industry. And what are the facts? Tata Iron and Steel Co. made during the last financial year a profit of 55 per cent. on the capital invested and Mr. Jones has not been able to get by his excess profits tax even a fifth of that.

THE HONOURABLE MR. C. E. JONES: How do you know?

THE HONOURABLE MR. HOSSAIN IMAM: A statement is published, Sir, giving the amount which is kept for paying the income-tax and the excess profits tax.

THE HONOURABLE MR. C. E. JONES: That is not on an assessment basis.

THE HONOURABLE MR. HOSSAIN IMAM: That is not on an assessment basis but in the next year's account you will know what has been paid. It is no longer a secret.

THE HONOURABLE MR. R. H. PARKER: He is a clever man who knows what the excess profits tax is going to be this year!

THE HONOURABLE MR. HOSSAIN IMAM: Well, they have made a provision of a crore and a half for payment of income-tax and excess profits tax and I think the Honourable Members of the Treasury Benches will admit that Tatas are competent at least in these commercial matters. They are better than Mr. Sheehy's Department might be. They know where Mr. Sheehy will jump in. They will safeguard themselves and take care to have adequate alibis for them. Is the Honourable Member satisfied that the steel industry is a key industry? Would he adopt it for nationalization or for full control of profits? I did not want, Sir, to cite instances. I have been forced by the Vice-President of the War Supply Board to cite only one which came to my mind as the most clear example of people fattening at the cost of the taxpayer. Tatas were making good profit in the past. They are, further, I should say, very well managed, efficient, and their labour is quite contented. They are one of the best industrial organisations that we have. I do not grudge them the profits but when 80 per cent. of that comes from the tax-payers' pocket, you would not object if I ask that this should not be allowed to go on in war time.

Sir, no self-respecting man, whether Indian or of any other country, would admire or have anything but condemnation for the Nazi method of suppression of civil liberties and regimentation. But can you as a conscientious man refuse to admit their superiority in organising war supplies? What wonders they have brought about in 6½ years! We have been at this with all our resources for a year and three months, and look what Lord Lothian had to say in America and the reply to it which has been published today, and to say in America and the reply to it which has been published today, and look at the handicaps Germany suffered from. She had no colonies. She had to pay an indemnity after the war. She had very little foreign resources in the shape of foreign investments, exchange or gold. She had the drawback of having the gold standard while England had gone off the gold standard back of having the gold standard while England had gone off the gold standard in 1931. In fact, when Hitler came into power, Germany was still on the gold standard on the old basis of 20 marks to a pound gold and she continued on that standard, Sir, right up to the beginning of this war. But with all

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these drawbacks, she has prepared a military machine which proved superior to the combined resources of England and France. In mechanization of the army, in aircraft and in everything—

THE HONOURABLE MR. R. H. PARKER : What about the Navy ?

THE HONOURABLE MR. HOSSAIN IMAM : In the Navy too, Sir, they have invented things which have prevented the mighty British Navy from forcing its way or imposing its will on the naval forces of Germany proper. You have not been able to attack a single naval port of Germany.

THE HONOURABLE MR. R. H. PARKER : We have not got an amphibious Navy.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, I would like to dilate much on the point of nationalization. I would say that nationalization is my ideal. If you cannot have it, at least have the next best thing, that is, control. And if you adopt item (b) of my Resolution, it would mean that even without nationalization you will have nationalization in effect.

I now come to part (b) of my Resolution which is the imposition of a 100 per cent. excess profits tax on a more equitable basis than the present.

THE HONOURABLE THE PRESIDENT : You are being very generous at the expense of others.

THE HONOURABLE MR. HOSSAIN IMAM : Mr. President, if the troubles in which the zamindars have been placed by the Congress Ministries were boosted as the industries are in the habit of doing, you would find that we are in a worse plight than we could possibly be even if we had a 100 per cent. excess profits duty. What is this demand ? It is for the excess profits, not for a part out of your legitimate profits. When these profits are directly attributable to the prosecution of the war it is only right that the State should take that. If these profits were being made during peace time, it might have been due to your efficiency or your reduction of costs—

THE HONOURABLE MR. R. H. PARKER : Might even be now.

THE HONOURABLE MR. HOSSAIN IMAM : It is quite a possibility, Sir, but not a probability, just as in the Derby there are a number of entrants and the possibility is that even a 100 to 1 horse might win, but the people usually back those which are the fancied horses.

Sir, I was saying that this 100 per cent. excess profits duty should be imposed with certain safeguards. England has imposed it. They have fixed certain safeguards which are not present in the Bill which the Honourable the Finance Member introduced during the last Budget session. I agree that a 100 per cent. excess profits tax on the present basis would be outrageous. I agree with the Honourable Mr. Parker there. There must be a more equitable basis than the one which we have got. For instance, a man who has got Rs. 2 lakhs of capital can make a 15 per cent. profit without paying a penny to Mr. Sheehy, but a man who has invested Rs. 15 lakhs and has been running at a loss, if he makes even a profit of two and a half per cent.,

his money will be taken. (An Honourable Member : No.) In an old company, if it has been running at a loss in the past, and when it makes two and a half per cent. it will be caught hold of. It will be 37,500.

THE HONOURABLE MR. J. F. SHEEHY (Nominated Official) : Not necessarily. They can make an application for special consideration.

THE HONOURABLE MR. HOSSAIN IMAM : Special considerations might not be given weight. That is not a thing which we can claim as of right. We want that the safeguard should be fool-proof. Now, Sir, I am not very specific about what should be the equitable conditions. Let those who will be subject to this duty give you what they regard as an equitable basis. If we want a 100 per cent. excess profits tax it is only fair that an equitable basis should be found in consultation with those who are going to be subject to it. That is the reason, Sir, why I have not described what I regard as equitable basis. It is for the Government and the industry to settle on the terms—so far you will not be subject to the excess profits duty and any further profits after that will be subject to a 100 per cent. excess profits duty. This is the case in England. You cannot say that the English Ministers are unmindful of the interests of the English taxpayer. If they have justification for that, what possible justification can you have, who are irremovable and unrepresentative of the people and the interests of India, not to do the same ?

THE HONOURABLE MR. R. H. PARKER : If they make a mistake in England there is no reason why we should make a similar mistake here.

THE HONOURABLE MR. HOSSAIN IMAM : This is a mistake which was made at the time they were doing everything more correctly than in Mr. Chamberlain's time. So I refuse to regard it as a mistake.

THE HONOURABLE THE PRESIDENT : You have got only five minutes more.

THE HONOURABLE MR. HOSSAIN IMAM : I am concluding, Sir. I have finished with two items and the remaining three will not take much time.

Sir, I have made a small suggestion that charity should begin at home. The Honourable the Finance Member the other day said that he had imposed on himself a further taxation of 6 per cent. The income-tax and super-tax on their salaries has risen from 24 per cent., as it used to be, to 30 per cent. I ask, when Government members are making sacrifices, when we are asked to make sacrifices, when industries are making sacrifices, why should not Provincial Governments also come in line and make a little sacrifice ? The essential difference with democratic institutions is that we take the war as a thing by the way, while Germany is making it its one and only concern. It had made it so for six years. Even after the beginning of the war you are not prepared to make war as the one thing which must exclude every other. Every non-essential thing that you can scrap must be utilised for the war if you are to win the war.

Sir, another item on which perhaps I may encounter a great deal of opposition from the Finance Department is the troubled question of the valuation of our gold reserves in the Reserve Bank. Here, as I have urged many times in this House, the Finance Department should not be afraid of doing things which all democratic and independent countries have already done. France has revalued her gold stock in spite of being on the gold standard by

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reducing the gold contents of the franc. The land of the mighty dollar, America, has also reduced its gold content and thereby revalued the gold holdings to a higher figure. Great Britain has continued the longest to value its gold on the old parity—

THE HONOURABLE THE PRESIDENT: Don't you think that you will have a suitable opportunity of discussing such matters at the Budget time?

THE HONOURABLE MR. HOSSAIN IMAM: It is better to discuss them on a Resolution than in the Budget where there are any number of items to be considered. England has gone to the extreme length. Since February, 1940, Sir, gold stock used to be valued at the market rate, which happened to be on that date something in the neighbourhood of 153s. At the moment it is at 168s. per ounce. I am not asking you to go to the extreme length to which the British Government have gone. I ask you to take a figure in between the two, and this will result in a saving of Rs. 1½ crores in our interest charges. We might utilize this surplus value for repatriation of our sterling loans. We can thus save nearly Rs. 1½ crores, and I think Rs. 1½ crores is not a saving which can be easily brushed aside as unessential and as one which you can disregard during the time of war.

The last item, Sir, in my Resolution is really a regularization of the irregular action of the Finance Department. The Finance Department, at the moment, are issuing rupee paper coins. They are not rupee notes. They are really rupee paper coins. (An Honourable Member: What is the difference?) The difference is that you have to have no backing for it. The difference is that it can be held as a backing for the Reserve Bank note. I do not condemn you for it. After squandering something like Rs. 40 or Rs. 50 crores of silver coins on the supposition, as is usual with the Finance Department and the British Government, that everything will come right in its own good time, you had sense. You continued to squander it. You would not stop. You thought the run will be over. But the run was greater. You did the right thing but at a late hour. Similarly, Sir, this is an irregular action, if you will excuse me for saying so. It is good action but an irregular action. These coins should be regarded as notes and issued by the Reserve Bank. But, in order to do that—

THE HONOURABLE THE PRESIDENT: Will you please conclude your remarks?

THE HONOURABLE MR. HOSSAIN IMAM: I am closing my remarks, Sir. This is the last item, Sir.

In order not to embarrass the Government you should increase the amount which they can hold of the Government papers. At the present moment under the Reserve Bank of India Act you are authorized only to hold 25 per cent. of your notes in circulation in the form of Government bills. Now, I want you to increase it to 33 per cent., and, incidentally, I want you to include Sterling papers in the internal resources. No country in the world, Sir, has a discrimination against its own loans. The Reserve Bank of India has Sterling loans of the Government of India which are neither eligible to be held as external reserve nor internal reserve. To invest our money in other peoples' securities and not to invest it in our own securities is I think one of the measures which shows how discriminatory your action is against everything Indian.

Because this loan happens to be Indian it should be included as part of your internal security. But you have never looked at it. I need not dilate on that. It is a very controversial point on which I have expressed my opinion many times.

In conclusion I should like to remark that it is not my intention to lay down a fixed rule for the Government. I do not ask them to accept me as an authority on these things. If the Honourable Member will care to read my Resolution he will find that my recommendation to the Governor General in Council is for the adoption as far as practicable and advisable of the steps suggested. I have not made it mandatory that the Government should do this or that. I have simply brought to their notice these things and left them a free choice to adopt the measures as far as they think it to be essential in the public interest. It has never been my desire to pose as a dictator to the Government. I have moved this Resolution in the spirit that the Muslim League has dissociated itself from actively supporting you in your one-sided and wholly self-centred policy. The Muslim League has never stood in the way of the successful prosecution of the war or in lending its support as far as it could lend it consistent with self-respect. There is all the world of difference between a non-voting section and one who actually opposes.

Sir, I commend this Resolution to the House.

THE HONOURABLE SIR ALAN LLYOD (Commerce Secretary): Sir, with your permission I should like to say one or two words about clause (a) of the Resolution which refers to the nationalization of essential and key industries. The Honourable Member who moved this Resolution began by referring to the limited capacity of Indian plants, and he made that the peg on which, first of all, to hang an attack upon the United Kingdom administration, an attack which seemed to me hardly relevant to the point at issue. But he left it at that. He did not proceed to try to prove that nationalization would solve this problem of limited capacity. The Honourable Member, if I may use the expression that is such a favourite of the Honourable Pandit Kunzru's, let the cat out of the bag when he came on to a specific example. It was then clear to me, Sir, that what he was really after was limitation of profits. He had not made any attempt to prove that nationalization of any such industry as the steel industry would lead to more efficient operation or would lead to an improved output or anything of the sort. Well, Sir, I had prepared myself to say a few words about the question whether nationalization naturally and inevitably leads to more efficient operation of an industry, but since the Honourable Member has made it clear that what he is really concerned with in this connection is not a more efficient operation of Indian industries but to prevent Indian industries obtaining what in his opinion is an excessive reward for their own efforts—which in the case of the example given must I think be admitted to be highly efficient—I think it is not necessary for me to dilate at length upon the subject. The Honourable Member in his speech, though not in his Resolution, gave us the alternative of full control of profits. In other words, he gave us as an alternative to clause (a) of his Resolution clause (b) of his Resolution. That, Sir, I think I can leave to my Honourable friend the Finance Secretary to deal with. I am somewhat disappointed in not having an opportunity of meeting a reasoned plea in favour of nationalization, but I must honestly admit that I cannot see that I am justified in wasting the time of the House in saying anything more on the subject in view of the terms in which the Honourable Member has moved his Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab Non-Muhammadan): Sir, as this Resolution practically revives the discussion which this House has had for the last three days, I and my Party do not agree with the proposals which the Honourable Mover has made. Although we are in a position to meet all his arguments and smash them, I consider it best that we should not say anything on the subject, but at the time of voting my Party will oppose the Resolution and vote against it.

THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce): Sir, I must want to say one or two words. The Honourable Mr. Hossain Imam suggested, as an example, that the Tata Iron and Steel Co. were making unreasonable profits. That may be from his point of view, and I cannot refute his figures. He said 55 per cent. on something.

THE HONOURABLE MR. HOSSAIN IMAM: On their share capital.

THE HONOURABLE MR. R. H. PARKER: Well, that is a very different thing from a percentage on the amount of money employed, and that is the only real criterion on which you can go.

If you go through the history of the Tata Iron and Steel Co. with which I had some connection 20 years ago, they were taking very great risks and if you take great risks and attain success I think you are entitled to a reward. There was a time when they could not beg, borrow or steal to keep themselves alive. They very nearly went under and lost the shareholders' money, crores of rupees, although they deserved reward.

I now come to part (b), the suggested imposition of 100 per cent. excess profits tax. Honourable Members will remember that that has been done in England. I think in the circumstances of England it was an unavoidable error. I still think that it was an error. Here if you put on a hundred per cent. excess profits tax you will do two or three things. Firstly, you will discourage efficiency, economy and so on, and, secondly, you do not reward those who make what I might perhaps call super-human efforts. Whether we approve or disapprove of it, the fact does remain that the ordinary man in business has not attained that high moral character which you find in the Indian Civil Service. They are prepared to work during the seven days of the week and for 14 hours a day and for the same amount of money that they got before. From that point of view, and it is the real point of view worthy of consideration, you cannot expect the best results without reward. In my experience you cannot expect the men of this generation to acquire the high standard of perfection involved.

I would also like to ask my Honourable friend Mr. Hossain Imam whether he would be prepared to finance the deficits which would arise in the Provincial Budgets as the result of the proposals he makes under (c) of his Resolution. Obviously the money has got to come from somewhere.

I myself can see no advantage in his suggestion to revalue gold and I must say that it did not seem to me that he gave any satisfactory reason for doing so.

THE HONOURABLE MR. C. E. JONES (Finance Secretary): Sir, I have been listening with some interest to the discussion on this Resolution, partly because it deals with matters in which I am particularly interested and partly because I was at a loss to know what exactly was in the mind of my Honourable friend Mr. Hossain Imam in proposing some of the measures

included in the Resolution. I must confess that in this latter respect I have not been very greatly enlightened. It does not seem that the Resolution has secured a very large measure of approval by this House, and so perhaps a very detailed reply on my part is not called for. I do appreciate the fact, however, that the intention underlying the Resolution is to bring home to the Government and the country the necessity of going "all out" to win the war; and I would like to give an assurance on behalf of the Government that any and every suggested measure calculated to achieve that end is both deserving and assured of the most serious consideration of the Government. I think the Honourable Mr. Hossain Imam will on his part agree that, in deciding whether to adopt any such suggestion after having given it due consideration (especially when the suggestion is of an extraordinary nature or constitutes a radical departure from existing orthodox practice) Government must form their own opinion as to whether the measure is necessary or at least desirable for the reason that it represents an advance on existing ideas or practices and also whether it is free from objections or repercussions which would be so serious as to neutralize the anticipated advantages or benefits.

Of the specific recommendations made, the first is the nationalization of key industries; and I must confess that I could not gather from the speech of the Honourable the Mover in what way he considered that nationalization would lead to greater efficiency, greater economy, greater initiative or greater adaptability in the running of the industries under the stress and strain of war emergency than is the case under the existing system, when the profit motive to the individual is calculated to achieve these objects. Rather would it seem that "red tapism" usually associated with Government administration would be a most serious handicap in the sphere of business and industry. But my Honourable friend Sir Alan Lloyd has dealt with this question and as it is rather outside my purview I leave it at that and come to items (b) to (e). These items, as I conceive them, contain the Honourable Member's suggestions for paying or helping to pay for the country's war measures. Much has been said and written on the subject of war finance, but ultimately all methods of paying for a war, apart from using up "accumulated fat" will be found to fall within one or other of three main categories: taxation, borrowing or inflation. These three are in order of orthodoxy: first taxation, next borrowing, with inflation last; but so far as ease is concerned, the order must unfortunately be reversed. Item (b) suggests a method of increasing our revenue from taxation. Item (c) suggests a diversion of tax revenue (without any increase in the total) from the Provinces to the Centre. Items (d) and (e) in so far as they are used for increasing the resources of the Government, would be inflationary in effect. I will now deal briefly with these items *seriatim*.

Item (b)—The imposition of a 100 per cent. excess profits tax on a more equitable basis than the present. So far as the Government are aware, the basis of the excess profits tax is equitable both to the Government and to the assessor. I do not know in what way Mr. Hossain Imam regards it as inequitable—

THE HONOURABLE MR. HOSSAIN IMAM: More equitable..

THE HONOURABLE MR. C. E. JONES: I think that connotes a measure of inequity. Mr. Hossain Imam has not satisfied my curiosity in this respect. The Government are not wedded to the 50 per cent. (Hear, Hear.) The principle has been admitted and acted upon that the State in time of war has got the undoubted right to a large proportion of extra profits which

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accrue directly from the conditions of the war and so quite possibly something might be said in favour of a higher rate than 50 per cent. That rate was originally laid down when the measure was first drafted : subsequent changes have been made and a concession has been allowed as regards standard period option, while a surcharge has been put on income tax ; it cannot therefore be said that the rate of the excess profits tax has been fixed at 50 per cent. for all time. It is possible that the percentage may some time or other be increased, but whether the increase in such event should be to the full 100 per cent. is another matter, in regard to which other factors would have to be taken into consideration : e.g., whether under the present industrial system it would be in the interest of the country to eliminate altogether any profit-motive for expanding the industry or making it more efficient, and in general, to remove all incentive to economy in the running of business, as 100 per cent. excess profits tax would do. These factors would have to be taken into consideration in deciding to what extent the percentage could with advantage be increased. So far as immediate action is concerned, I would remind Honourable Members that the Excess Profits Tax Act, as it stands, is the result of a large measure of compromise. The Excess Profits Tax Bill aroused considerable apprehension and created a great deal of opposition. The details of the measure were thrashed out between the Government and the interests concerned in the Select Committee, with a good deal of give and take on both sides, and the result is the Act as it now stands on the Statute-book. For Government to come in at this stage and make a substantial alteration in one of its most vital provisions before the measure has hardly got going, before even a single assessment has been made, would seem to be rather premature and perhaps unfair to the people who did their bit of "give" when we did ours. There is also the further point, that during the Bill's passage through the Legislature clause 4 was deliberately changed to secure that the rate at which the tax is charged shall come under review each year at the time that the Finance Bill is before the Legislature, so that the rate might be adjusted year by year to the budgetary position and requirements. So this consideration will necessarily have to be given at the time of the next budget when our budget proposals are placed before the Legislature, and it would be contrary to all recognized practice if Government were to enter on a full-dress discussion of its budget proposals in advance. I think in view of these considerations, the Honourable Member would not expect the Government to give any indication at this stage as to what proposals they might place before the Legislature next March.

I now come to item (c), the suspension of the consolidated payment to the Provinces on account of income-tax and railway receipts. At present we are giving nothing to the Provinces on account of railway receipts. The recent amendment of the Niemeyer Award has the effect of relating the statutory income-tax payments to the Provinces to the proceeds of income-tax alone. Leaving aside this minor point, however, it will be evident that this portion of the Resolution takes us down to the very fundamental principles of the present constitution. The present constitution, the 1935 Act, is based on the Federal system, and in any federation the question of the distribution of revenues as between the federating units and the federation is always one of the most difficult elements in the constitution and, in the very nature of things, one of the most highly controversial. The fundamental feature of the existing constitutional plan for the allocation of revenues between the Centre and the provincial units was that the proceeds of taxes on income, except to the extent specifically laid down in the Act, should be shared between

the Centre and the Provinces, and I think Government would want very strong justification before they could approach Parliament and urge that this provision should be upset, even in time of war. As I mentioned before, this proposal would mean no new or additional taxation revenue being raised for the benefit of the country at large. It would mean merely that the financial difficulties of the Centre should be eased by imposing to that extent corresponding difficulties on the Provinces. Nothing would be gained by reducing the deficit at the Centre by the creation of corresponding deficits in provincial budgets. It is not in the least likely that Parliament would agree to such a drastic change in the very basis of the Act and I do not think that the Central Government would have any justification for urging Parliament to do so. I am afraid the Government of India could not possibly accept this portion of the Resolution.

We now come to items (d) and (e), the two items regarding which I have expressed the view that they would be inflationary in effect in so far as they were intended to place additional resources at the disposal of Government. I put it that way because the question of revaluation of gold can be approached from various points of view. If the object is merely to write up the value of the gold reserves held in the Issue Department to secure an increase in the proportion of the external assets to the total note circulation, it would be little more than a book keeping process and would give no additional resources to Government at all. As that percentage is already over 68 as against the statutory minimum of 40, there would be no object in increasing it further. So, I assume the Honourable Member's intention was, after revaluing the gold, to expand the currency against the higher value, crediting Government with the increase and thereby placing Government in possession of additional funds without having to tax or to borrow for the purpose. And that would be inflation pure and simple. In present circumstances, the revaluation of gold for that purpose is not necessary. We think it would be dangerous. It would also destroy a more or less hidden reserve of resources which would be available for drawing upon should unforeseen developments make it necessary at any time.

Now we come to the question of the Indian sterling securities backing to the note issue. The Honourable Member said that the fact that Indian sterling loans are not eligible as assets of the Issue Department for the backing of our note system showed discrimination against Indian securities. I would remind him that this restriction is imposed by the Indian Reserve Bank Act which was passed by the Indian Legislature. As a matter of fact, however, under our recent repatriation scheme, all these Indian sterling loans can be converted into their rupee counterparts and thereby at once become available for use as Issue Department assets, which in effect secures what the Honourable Member requires.

THE HONOURABLE MR. HOSSAIN IMAM : Has it been done, Sir ?

THE HONOURABLE MR. C. E. JONES : I am coming to that now, Sir. The Indian sterling securities can be converted into rupee counterparts at any time and therefore can be held as Issue Department assets like any other rupee securities. As to the object of the alteration of the proportion from 25 to 33 per cent. the only reason which I can conceive for the proposal would be to expand the currency by crediting the Government account with the price of the additional securities, which again is inflation. There is no objection in theory to enabling the Reserve Bank to hold a larger amount of rupee securities. But it is unnecessary at present because Government are

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in no way hampered in their repatriation programme by lack of resources. But, in so far as such action was taken solely to provide Government with additional resources, it would be open to the same general objections as any other inflationary measure. The Honourable Member asked if it had been done. The answer is that it has not, because the existing proportion of 25 per cent. has proved so far to be in excess of requirements. The Issue Department assets are Rs. 255 crores so that the existing 25 per cent. would allow Rs. 63 crores, which the Reserve Bank has the power to increase by Rs. 10 crores with the previous consent of the Government of India. The value of the rupee securities in the Issue Department is now 49 crores. There is, therefore, an unutilized margin already existing of Rs. 24 crores, and while that unutilized margin of Rs. 24 crores is still in existence it is surely unnecessary to increase the percentage from 25 to 33. But we are far from saying that circumstances may not arise which may justify or even necessitate the variation of that percentage, in which case I can assure the Honourable Member that we will approach the matter with a perfectly open mind, and, if necessary, we will certainly make arrangements to alter the percentage. There is nothing sacrosanct about that 25 per cent.

I think, Sir, that is all I need say on these specific points. The Resolution has raised questions of some interest and, as I say, although we are unable to accept certain items of them, we realize that there is point in other suggestions that have been made, and we are always prepared to give those our earnest consideration as and when occasion arises. I trust that the Honourable Member will be satisfied with that and will feel that the object of his moving the Resolution has been secured by the discussion which has ensued and will perhaps see his way in the circumstances not to press his Resolution but, with the consent of the Honourable the President and of the House, to withdraw it.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, I should like to say a few words. Sir, we had known that the I. C. S. suffer from the superiority complex. Today I find that they are prepared to play second fiddle to the industrialists and an open confession was made that they cannot reach the efficiency which the industrialists can by Sir Alan Lloyd—

THE HONOURABLE SIR ALAN LLOYD: I disclaim that, Sir. I repudiate it altogether. All I said was that the Honourable Member had not attempted to prove that more efficiency would be achieved by transferring these industries to Government.

THE HONOURABLE THE PRESIDENT: That is exactly what you said.

THE HONOURABLE MR. HOSSAIN IMAM: Are the Government prepared to say that they are more efficient?

THE HONOURABLE SIR ALAN LLOYD: I am not prepared to express any opinion on that, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: Silence is golden sometimes.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): No, Sir; comparisons are odious!

THE HONOURABLE MR. HOSSAIN IMAM: The Honourable Mr. Jones referred to the fact that I had not received great support. He put it mildly, I did not expect to get from a Second Chamber a great deal of support, or even any support. I said it in the beginning. I would not like to say much on the financial items although much could be said for and against the things that have fallen from Honourable Members. But the Honourable Mr. Jones has suggested to me a course which will, to a certain extent, satisfy me. I would be quite prepared to have my say at the time of the Budget discussion—

THE HONOURABLE THE PRESIDENT: I told you that at the very commencement.

THE HONOURABLE MR. HOSSAIN IMAM:—about the inflationary effects of my recommendations but I think it is now out of time. I would, therefore, accept his suggestion, and as Government have been conciliatory in their reply and are prepared to give consideration to my suggestions, I would ask your permission, Sir, to withdraw the Resolution.

The Resolution was, by leave of the Council, withdrawn.

INDIAN LIMITATION (AMENDMENT) BILL.

THE HONOURABLE MR. CHIDAMBARAM CHETTIYAR (Madras: Non-Muhammadan): Sir, I move:

"That the Bill to amend the Indian Limitation Act, IX of 1908, be circulated for the purpose of eliciting opinion thereon."

Sir, this is an important Bill affecting many people in the country. The Statement of Objects and Reasons clearly indicates the need for this amending Bill. I therefore request that it be circulated for eliciting public opinion.

Sir, I move.

The Motion was adopted.

RESOLUTION RE FUTURE COMPOSITION OF TRADE MISSIONS TO FOREIGN COUNTRIES.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan): Sir, I move:

"That this Council recommends to the Governor General in Council to see that in future representatives or delegates sent on trade missions to foreign countries for negotiating trade pacts or improving India's trade relations with foreign countries are invariably Indians."

Sir, I would like, first of all, to say that I am not raising what my Honourable friends might consider a racial issue in this Resolution. There is no one, Sir, who hates racialism more than I do. I do not also wish to reflect upon the men who were sent to the United States recently. One of them was a very distinguished Professor of Economics and there are many Indian students who have sat at his feet. The other was the Trade Commissioner in London. I have no doubt, Sir, that in the preliminary talks they had with the United States, they were keeping the Indian point of view prominently before their eyes. I do not know, Sir, what exactly happened, but

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that is not my argument. I am not reflecting upon them or any one else in this Resolution. I am raising, Sir, the question of broad principle, and it is this. After all, we want to send Indians to foreign countries because we wish the status of India to be raised in the estimation of the world. We do not want the people in other countries to think or feel that Indians are in any respect inferior people, that India is lacking in experts or in representatives who can negotiate on equal terms with the representatives of other countries. We do not want India to be looked upon, outside India at all events, as a sort of dependency. We want the international status of India to be improved, and one of the ways in which that international status can be improved is by making it a rule that representation of India outside India shall always be in the hands of Indians.

Sir, you have your ambassadors in various countries. Well, those ambassadors are Britishers. You have in the United States today the Marquis of Lothian. He has done most excellent work. But you have also, I believe, there Mr. Casey. He is the Australian Minister. Now, I know Mr. Casey. I think he is an extraordinarily able man. When I was in Australia three years ago it was thought that he and not Mr. Menzies would be the Prime Minister. Well, I am quite sure that Mr. Casey could have represented England in the United States with just as great distinction as the Marquis of Lothian. I do not think that in intellectual capacity he is inferior to any British statesman. Why does not Australia send an Englishman as its Minister to the United States? Why does not England send an Australian like Mr. Casey as its Ambassador? The fact of the matter is that in these diplomatic posts you want to be represented by your own nationals. I can assure my British official friends that I have a high regard for their efficiency and integrity, and I know that often the British officials in this country have stood for the interests of the Indian people as against the British War Office or against the British Exchequer. That, however, is not my point. My point is that when you are sending men abroad you should send men who are the nationals of the country, so that the country to which they are sent may have some idea of the country they come from. I can not say that a European official is such a paragon of virtue that he can always keep the Indian point of view before him. I know that, circumstanced as he is today, he often cannot take an independent line. That is my point. I would, however, rather be represented in foreign countries by an Indian official than a British official, because I want the outside world to feel that India is on the way to Dominion Status or on the way to independence, whatever the word you want to use. I want that impression to go abroad and I think therefore it is necessary that on these delicate missions you should have Indian experts only. You know that the Indian mercantile community has been emphasising that the export trade of India has gone down. The European markets have been lost to India and they want trade missions to go to various countries. They want India's trade relations to be improved with Afghanistan, Persia, the Malaya States and certain other countries. We want to capture as much trade as possible. I hope the Government of India will send out these trade missions to these various countries, and I hope that in sending out these trade missions the consideration which I have put before the House will be kept in view. England is trying at this moment to improve her export trade. For this purpose she has sent Lord Willingdon, who was Viceroy in this country, to South America. For the purpose of improving your trade relations with the United States you have sent Sir Walter Layton. You have never thought of sending any one abroad for these purposes who is not an Englishman. You

have sent only your own nationals to these various countries. There is no racialism involved there. Similarly we want you to accept that principle here also. It will be said that it has always been usual to associate at least one Indian with these trade missions and that in the trade mission to the United States there was one Indian also. That is true, but why not all Indians? That is my point. It cannot be said that you cannot get efficient Indians. I think there are Indians of distinction always available in this country. You can get distinguished Indian economists; you can get distinguished business men; you can get distinguished Indian Civil Servants, you can get distinguished Indian public men, to represent you in these diplomatic or trade missions.

Sir, the Resolution raises a question of broad principle which reflects upon no one. I have made no reflection upon the men who were sent to the United States. They were from the point of view of efficiency perhaps all right. That is not my point. I have raised a question of broad principle and I would like Government to accept this Resolution. These are small ways in which Government can indicate that it has a new vision before it so far as India is concerned. The Honourable Mr. Jones is not here at the moment, but in the very moving speech which he made yesterday he wound up on what I thought was a rather unfortunate note. He said that those who were voting against the Finance Bill were voting for Hitlerism. Well, Sir, I can honestly say, speaking myself, that there is no one who detests the Hitlerian ideology more than I do, or the Nazi ideology; but if I were to retort I would say that Government by its actions encourages Hitlerism in this country. If it would show responsiveness to public opinion in this country there would be far greater willingness, far greater desire, far greater readiness to recognize the dangers with which India is faced and to support the Government. Unfortunately Government has a limited vision, and they are too much tied to red tape. They always look at questions from an unimaginative point of view. That is why, Sir, the response of India has not been adequate. Therefore, in order to strengthen your hands, not to weaken your hands, I have moved this Resolution. I want you to accept it because I want you to give an indication that at all events, if not in big matters, at least in small matters you are prepared to co-operate with Indian opinion.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary): Sir, the Government of India are so much in sympathy with the views expressed by the Mover of this Resolution in support of his claim that it is a matter of some regret to me that I cannot accept it. I think that the Government of India are at least as strongly impressed as he is by the consideration that it is a good thing to uphold the status of Indians in the outside world by taking advantage of opportunities for sending them to represent India in missions such as those to which the Resolution refers. Now, Sir, I think that the Honourable Member's speech would not have been such as it was if it had not been for a misunderstanding. I must state that the duties which Dr. Gregory and Sir David Meek were asked to perform in the United States of America did not constitute the duties of a "trade mission for the purpose of negotiating a trade pact or improving India's trade relations with foreign countries". When a trade mission is sent abroad there is first of all much preliminary statistical and economic research work to be done and that can only be done effectively in the Departments of the Government, if I may say so, in the Commercial Intelligence and Statistical Departments of the Government, in other words, in the offices that are under the control of the Economic Adviser. Now, Sir, the fact was that if we have attempted to conduct this preliminary survey in the ordinary way,

[Sir Alan Lloyd.]

Dr. Gregory sitting there and corresponding with various departments, there would have been a great loss of time. Dr. Gregory and Sir David Meek were sent to the United States of America on a fact finding mission. It was in no sense a diplomatic mission but a fact finding mission. I think when their report is placed in the hands of the Honourable Members of this House (I hope it will not be a very long time), that aspect of the matter will be clearly understood. Although I remain convinced that these were the two most suitable officials available, the point is that they were officials going on an official mission; and the point of principle, which the Honourable Member has raised, does not seem to have anything like the same bearing as would have been the case with a regular trade mission. It is already the practice of the Government of India to constitute such trade missions almost entirely of non-officials. That constitutes a great difference between their case and that to which reference has been made. I would refer to the most important mission of the kind that has been sent out of India within recent years. I speak of the delegation that was sent to the United Kingdom in connection with the revision of the trade agreement with that country. That was exclusively a non-official mission. Every single member of that mission, with one exception, was an Indian. That is an illustration of the lines on which we have been dealing with regular trade missions such as those to which this Resolution refers; it does not refer to duties such as were performed by Dr. Gregory.

When dealing with the subject of this Resolution we shall have before our minds, as clearly as the Honourable Member could possibly have, the consideration that he has raised, not racial issue, but the need of showing to the outside world that there is no desire at all to do anything which will lower the status of Indians in their eyes. I cannot guarantee that any member of a trade mission who may be an official will not be a non-Indian; that is impossible in the present state of the organisation of the services in India. However, that is a minor point: the major point is about non-officials. I repeat that it will continue to be the policy of the Government of India to make these delegations almost entirely of non-officials; but persons are selected for duties of this sort in consultation to some extent with important trade interests which have in any reasonable view to be represented in the trade missions, if the mission is to be successful. It would be impossible to dictate to these trade interests that they must be represented by Indians invariably. For instance, the Bombay Mill Owners Association is asked to suggest a name for a certain mission; we cannot say 'we decline to accept the nomination of a European'. Are we to say that the interests in India of non-British firms are to be entirely left out of consideration in such negotiations and so we must not, however important the mission, invite those Chambers which are members of the Associated Chamber of Commerce to suggest names? It was, I think, for the reason that I have mentioned that one of their men went to England with the Honourable the Law Member. Are we to say to these Chambers, important as they are to the economy of India, "although your concern is mostly composed of Europeans, you must nominate an Indian to represent you". I think it will be agreed, however sympathetic we are with the underlying principle of the Honourable Member's Resolution, that we cannot accept it in the present circumstances of India. I therefore regret that I must oppose this Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution. The observations which have been made by Honourable Sir Alan Lloyd have not convinced me. I hold that it will certainly advance the position of Indians in case only

Indians are selected for such delegations. The Honourable Sir Alan Lloyd has observed that by accepting the subject matter of this Resolution certain firms which are non-Indian will not have representation. Am I right in that assumption? I think I am right because, Sir Alan Lloyd has not contradicted what I have said. But I would say that now the trade and industry of India is mainly in the hands of the Indians and so an Indian can represent India's case equally as well as a Britisher. In no other country in the world even as the Honourable Mover has observed that migrated Britishers who are now living in the colonies are not selected in English delegations overseas.

Sir, India has sufficiently advanced and you can find good men to perform such duties with equal success. The idea is gaining ground among the public that Indians are not being trusted by the Government to the extent that they ought to be. I think Government has knowledge of this fact and it is, Sir, in the fitness of things that when Indians are capable of performing such duties with equal competence they should be entrusted with this work. It will add to the dignity of India as well as of the Government if the Government will accept this Resolution.

THE HONOURABLE THE PRESIDENT: Sir Alan Lloyd, it seems to me that there is not much difference between the Honourable Mover's contention and what you are saying. Would the Government be prepared to accept the Resolution if the words "as far as practicable" are inserted after the word "future" and the word "invariably" is omitted?

THE HONOURABLE SIR ALAN LLOYD: Sir, I shall have great pleasure in accepting it in that amended form. The whole of my speech was intended to show that that was the attitude of the Government.

THE HONOURABLE MR. P. N. SAPRU: I accept the amendment. Thank you very much, Sir.

THE HONOURABLE THE PRESIDENT: The amended Resolution reads:—

"That this Council recommends to the Governor General in Council to see that in future as far as practicable representatives or delegates sent on trade missions to foreign countries for negotiating trade pacts or improving India's trade relations with foreign countries are Indians."

Question put and Motion adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Leader of the House): Sir, tomorrow being Saturday we shall follow our usual practice and not meet, and on Monday we will take up whatever business stands over as a result of its transmission from the Lower House to this House.

The Council then adjourned till Eleven of the Clock on Monday, the 2nd December, 1940.

COUNCIL OF STATE.

Monday, 2nd December, 1940.

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

QUESTIONS AND ANSWERS.

EMERGENCY COMMISSIONS.

86. THE HONOURABLE MR. HOSSAIN IMAM: Will Government lay on the table a statement giving the following information in regard to Emergency Commissions granted up to 30th October, 1940 for (a) I. M. S., (b) I.A.F., (c) R.I.N. and (d) Army separately:

(i) The total in each of the above categories of Hindus, Muslims, other Indians, statutory Indians and Europeans from each province.

(ii) The method of their recruitment.

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): Figures have already been given up to the end of September. It is not in the public interest to continue bringing these figures up to date.

THE HONOURABLE MR. HOSSAIN IMAM: Do I take it that separately for each Service, the number of Hindus, Muslims and others has been given?

THE HONOURABLE MR. A. DEC. WILLIAMS: No, Sir. All I have to state is that Government do not consider it in the public interest to continue giving any figures of this kind.

THE HONOURABLE MR. HOSSAIN IMAM: Mr. President, the Honourable Member stated that figures have been laid. I asked—

THE HONOURABLE THE PRESIDENT: He has given an explicit reply to your question that Government cannot see their way to give the information. I cannot ask the Honourable Member to give you any more information.

THE HONOURABLE MR. HOSSAIN IMAM: I am not asking for any further information, Sir. I should like him to say in reply to which question this information was laid. He stated, Sir, that figures have been given.

THE HONOURABLE THE PRESIDENT: He refused the information. I cannot press him.

THE HONOURABLE MR. HOSSAIN IMAM: I am only asking in which connection, and in reply to what question, these figures were given?

(The Honourable the President called on the Honourable Mr. Hossain Imam to put his next question).

INDIAN AUDIT AND ACCOUNTS, ETC., SERVICES EXAMINATION, 1940.

87. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the figures for 1940 of students who are actually appearing in the Accounts and Audit Examination.

THE HONOURABLE MR. C. E. JONES: I lay on the table a statement giving the figures for the year 1940 required to complete the statement which was laid on the table in answer to Part (a) (iii) of question No. 19 of the 19th November, 1940.

Number of candidates who actually appeared at the Indian Audit and Accounts, etc., Services Examination, 1940.

Name of Province.	Hindus.	Muslims.	Others.
Assam	1	..	1
Bengal	50	2	1
Bihar	11	2	..
Bombay	13	1	4
Central Provinces	4	1	1
Madras	63	1	8
North West Frontier Province	1	1	..
Orissa	1	1	..
Punjab	20	23	8
Sind	2	..	..
United Provinces	42	11	4
Other Areas	30	5	4
Total	256	48	31
Grand Total	335		

NUMBER OF GERMANS AND ITALIANS RELEASED AFTER FIRST DETENTION.

88. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state the number of Germans, Italians and other citizens of enemy countries, who have been liberated after their first detention.

THE HONOURABLE MR. E. CONRAN-SMITH: I take it that by detention the Honourable Member refers to internment. Five hundred and eighty-eight Germans and Austrians were released after their first internment but of

these 180 have been reinterned. Twelve Italians have been released from internment.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Government give any reason—the general principle on which they have been released?

THE HONOURABLE THE PRESIDENT: That is an argument.

THE HONOURABLE MR. HOSSAIN IMAM: The principle on which they have been released.

THE HONOURABLE THE PRESIDENT: Don't use the word "reason".

THE HONOURABLE MR. E. CONRAN-SMITH: I take it the Honourable Member means those who have been released since detention. The cases of Germans and Austrians who were interned at the beginning of the war were considered by a special committee set up by Government for the purpose and the committee released the numbers which I have already given to the House.

GERMAN G. E. CO.

89. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state fully the circumstances under which the Bombay branch of the German G. E. has been treated as a non-enemy firm.

THE HONOURABLE SIR ALAN LLOYD: Government are not aware of the existence in Bombay of any branch of a firm known as the German G. E. If the Honourable Member has in mind the G. E. Z. Electric Train and Lighting Co., Bombay, I may state that it has been vested in the Custodian of Enemy Property. If the reference is to the A. E. G. India Electric Co., that firm had before the outbreak of war transferred its business to a new firm by name A. E. G. Electric Co., and after consulting legal opinion the Government of India decided that the transfer could not be challenged nor could the new firm be held to be an enemy firm.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that the Custodian of Enemy Property, Bombay, came to the decision that this was an enemy firm and it is only a *benami* transaction?

THE HONOURABLE SIR ALAN LLOYD: To the first part of the question, the answer is in the affirmative.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member state what was the legal opinion which the Government consulted?

THE HONOURABLE THE PRESIDENT: How does that question arise out of the answer?

THE HONOURABLE MR. HOSSAIN IMAM: The Honourable Member stated that on receiving legal opinion Government reversed the decision of the Custodian of Enemy Property. I am asking who was the legal authority which was consulted.

THE HONOURABLE THE PRESIDENT: The Government legal advisers.

THE HONOURABLE MR. HOSSAIN IMAM : Was it the Legislative Department or the Commerce Department ?

THE HONOURABLE SIR ALAN LLOYD : Sir, the opinion was obtained from the Legislative Department.

NUMBER OF MOTOR CARS, ETC., REGISTERED IN EACH PROVINCE.

90. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the number of (a) motor cars, (b) light motor buses, (c) heavy motor buses and (d) motor trucks registered in each province in India on 31st March, 1940.

THE HONOURABLE MR. S. N. ROY : Government have asked Provincial Governments to submit annual statements of the numbers of vehicles *taxed* by Provincial Governments under the following heads :

- (1) Motor cycles.
- (2) Private motor cars.
- (3) Public service vehicles—
 - (a) Cabs.
 - (b) Other public service vehicles.
- (4) Goods vehicles.
- (5) Miscellaneous.

The returns for the year ending 31st March, 1940 have not all been received yet. A statement will be laid on the table of the House at the first opportunity after the figures are received.

SILVER RUPEES.

91. THE HONOURABLE MR. HOSSAIN IMAM : Will Government give the total number of silver rupees which have been withdrawn by the public from the Reserve Bank of India since the beginning of the war to the end of October (or near about that date).

THE HONOURABLE MR. C. E. JONES : The total number of silver rupees withdrawn from circulation between 1st September, 1939 and the 25th July, 1940 when one rupee notes were introduced is about 49 crores. Since the latter date, no distinction is maintained in the accounts of the Bank between silver rupees and one rupee notes which, under the currency Ordinance, are equivalent for all purposes.

ATTENDANCE ON TRAINS BY THE SEVA SAMITI AT CERTAIN RAILWAY STATIONS OF THE E.I.R.

92. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : (a) Are Government aware that the E.I.R. has permitted Seva Samiti or similar organizations to attend trains on certain railway stations and has even provided accommodation for such organizations within the railway premises ? If so, on what grounds ?

(b) Was an application made to the authorities concerned on behalf of Allahabad Muslim League for similar permission and, if so, was it granted or refused and if refused, on what grounds ?

(c) Are Government aware that many incidents have taken place at the railway stations when Muslim women and even men have been improperly treated by members of Hindu organizations particularly during communal riots in the United Provinces and Bihar ?

THE HONOURABLE MR. L. WILSON : (a) and (b). I have called for the information and a reply will be laid on the table of the House in due course.

(c) No.

NUMBER OF MUSLIM AND OTHER CONTRACTORS REGISTERED ON THE E.I.R., E.B.R. AND G.I.P.R.

93. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : (a) Will Government please state the number of Muslim and non-Muslim building contractors registered on the E.I.R., G.I.P.R. and E.B.R. for work over 5,000 and under 5,000 ? How many Muslims actually got work above and below 5,000 in 1938, 1939 and 1940 ? Please give the information in respect of each division on the E.I.R. and G.I.P.R.

(b) How many Muslim contractors applied to be registered during the above period and how many of them were registered and how many of them got any work ?

(c) How many Indian refreshment rooms and dining cars are there on the E.I.R., G.I.P.R., and E.B.R., and how many of them are Muslim ?

THE HONOURABLE MR. L. WILSON : Enquiries are being made from the Railway Administrations concerned and a reply will be laid on the table in due course.

CATERING ARRANGEMENTS FOR MUSLIMS ON STATE RAILWAYS.

94. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Are Government aware that all the Shia Muslims and a majority of other Muslims do not eat food cooked by Hindus and suffer great hardship owing to absence of Muslim refreshment rooms and Muslim section of Indian dining cars.

THE HONOURABLE MR. L. WILSON : I understand that with Muslims other than Shias it is a matter of choice. Where a substantial need exists, separate catering arrangements are made for Muslims.

THE HONOURABLE MR. HOSSAIN IMAM : Are there any Muslim catering arrangements in Indian dining cars ?

THE HONOURABLE MR. L. WILSON : There is catering for Muslims in some of the Indian dining cars.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN : Is there any arrangement for Muslim catering on the G.I.P.R. dining car of the Grand Trunk Express ?

THE HONOURABLE MR. L. WILSON : I must have notice of that question, Sir.

BEGGARS ON RAILWAY PLATFORMS.

95. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: Are Government aware that beggars have become a great nuisance on railway platforms and, if so, what steps have been taken to stop it?

THE HONOURABLE MR. L. WILSON: Government are aware that beggars are a nuisance on some railway platforms, and have under consideration the amendment of rule 17 of Part II of the General Rules for Indian State Railways which would enable Railway Administrations to take more effective action to prevent this nuisance.

CATERING CONTRACTS ON STATE RAILWAYS.

96. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: Have the State Railways carried out the instructions issued by the Railway Board on the recommendation of the Central Advisory Committee in respect of catering contracts?

THE HONOURABLE MR. L. WILSON: I understand State Railways are implementing the instructions.

CONSULTATION OF LOCAL ADVISORY COMMITTEES BY STATE RAILWAYS BEFORE PLACING CATERING CONTRACTS.

97. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: Has any railway put the question of catering contract before any local advisory committee and, if so, which of them and before which local committee and, if not, why not?

THE HONOURABLE MR. L. WILSON: Yes: the N.W.R. before the Local Advisory Committees at Lahore and Karachi, the E.I.R. before their Calcutta and United Provinces Local Advisory Committees, the B.B.&C.I.R. before their Ajmer and Bombay Committees, the M. & S.M.R. before their Madras and Bombay Presidency Committees; the E.B.R. have also consulted their Local Advisory Committee. The last part of the question does not therefore arise.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: May I ask the Honourable Member in what form the E.I.R. put this question before the Cawnpore or United Provinces Advisory Committee?

THE HONOURABLE MR. L. WILSON: I shall require notice of that question, Sir.

CATERING CONTRACTORS ON STATE RAILWAYS OPERATING OVER MORE THAN ONE DIVISION.

98. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: Are there still contractors on State Railways who hold catering contracts over more than one division or over an area which is more than that of a division?

THE HONOURABLE MR. L. WILSON: Yes.

THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: May I ask the Honourable Member why they hold that contract against the instructions of the Railway Board?

THE HONOURABLE MR. L. WILSON: They do not, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Who are those people who hold contracts over more than one division?

THE HONOURABLE MR. L. WILSON: I have not a list with me, Sir.

PROCEDURE FOLLOWED IN IMPOSING DISCIPLINARY PUNISHMENTS ON GAZETTED OFFICERS IN THE INCOME-TAX DEPARTMENT.

99. THE HONOURABLE HAJI SYED MUHAMMAD HUSAIN: Will Government state:

(a) Whether there is any provision similar to that provided for disciplinary punishment of subordinate officers as in paragraph 6 (1) of the Income Tax Office Manual (1933 edition) correction list No. 1, paragraph 30 for the gazetted officers of the Income-tax Department in respect of punishment provided in paragraph 3 clause (2) of the same. If not, why not?

(b) Why the procedure as contained in C. S. (C. C. A.) rule 55 for dismissal, removal or reduction has not been made applicable to other punishments of gazetted officers contained in rule 49.

(c) What do Government propose to do in case of gazetted officers who have been stopped at efficiency bar without being given any information as to their inefficiency or calling for any explanation?

THE HONOURABLE MR. E. CONRAN-SMITH: (a) No. But in practice gazetted officers, including those of the Income-tax Department, are given the same opportunity of tendering their explanations as is provided for in paragraph 6 (1) of the Income-tax Office Manual in the case of subordinate services.

(b) The procedure prescribed in rule 55 of the Civil Services (Classification, Control and Appeal) Rules would be needlessly elaborate in the case of penalties less than dismissal, removal and reduction.

(c) Government propose to take no action, but any appeal or representation submitted by the officer concerned will I am sure receive due consideration.

TELEPHONE OPERATORS.

100. THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS: (a) Is it a fact that except paragraph 158, Chapter XXXIII of the Manual of Appointments and Allowances of Officers of the Indian Posts and Telegraphs Department, there is no other rule in the existing Posts and Telegraphs Manuals for the guidance of the telephone operators in respect of their pay, promotion, appointment, transfer, duty chart and revision of establishment and other relative matters?

(b) If the reply to the above be in the affirmative, do Government propose to publish a Manual for the telephone operators embodying rules on the above subjects?

(c) If the reply to part (a) be in the negative, which of the rules of the Posts and Telegraphs Manual apply to the telephone operators in regard to the above matters?

THE HONOURABLE MR. S. N. ROY : (a) No.

(b) Does not arise.

(c) The rules relating to the recruitment, training, appointment, transfer and prospects of telephone operators are contained in rules published separately and these are being included in the Posts and Telegraphs Manual, Volume IV, now under reprint. Particulars regarding the old scales of pay for telephone operators are given in paragraphs 51 and 52 of the Manual of Appointments and Allowances of Officers of the Indian Posts and Telegraphs Department and particulars of the new scales in Schedule I of the Annexure to Section II, Part II of the same Manual. Rules regarding duty hours, duty charts and overtime are contained in paragraph 158 of the same Manual. There is no prescribed standard for regulating the strength of staff of telephone operators and each case is decided on its merits.

TELEPHONE OPERATORS.

101. THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS : (a) Is it a fact that 17 per cent. and 20 per cent. of the total operative staff are sanctioned as leave reserve in the Postal Department and R. M. S. Department, respectively? Is only 10 per cent. sanctioned in case of telephone operators who have to perform 24 hours' duty?

(b) If answer to the above question be in the affirmative, do Government propose to revise the percentage of leave reserve sanctioned for telephone operators?

THE HONOURABLE MR. S. N. ROY : (a) The facts as to percentage of leave reserve are as stated, but telephone operators are only required to perform 50 hours duty a week.

(b) No, Sir, not at present.

HOUSE RENT ALLOWANCE GRANTED TO LINEMEN AND SUB-INSPECTORS OF THE TELEGRAPH DEPARTMENT.

102. THE HONOURABLE RAI BAHADUR SATYENDRA KUMAR DAS : Is house rent at the flat rate of Rs. 2 per month granted to the linemen and sub-inspectors of the Telegraph Department? If so, do Government propose to reconsider the position and to grant house rent on a sliding scale with due regard to the prevailing rate of the locality?

THE HONOURABLE MR. S. N. ROY : No. When no free quarters are given, both Sub-Inspectors of Telegraphs and Linemen draw varying rates of house rent allowance according to locality subject to a minimum of Rs. 2. The second part does not arise.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways) : Sir, I lay on the table the information promised in reply to question No. 62 asked by the Honourable Rai Bahadur Lala Ram Saran Das on the 26th March, 1940.

DINING CARS ON STATE RAILWAYS.

Concessions in respect of free passes for luggage, stores and staff and allowances for staff on State Railways for (1) Indian style dining cars and (2) European style restaurant cars.

Railway.	Indian style dining cars.	European style restaurant cars.	Remarks.
N.W. Luggage—			
Stores/provisions for bona fide use in cars.	Nil.	Free.	
Staff	* 2nd Class card and cheque passes for contractors. Inter Class card and cheque passes for supervisory staff. Identification cards for servants employed in the cars.	* 1st Class card passes for Managerial control. 2nd Class card passes for supervisory staff. Inter class card passes for supervisory staff. 3rd Class passes and identification cards for servants employed in the cars.	* Orders are under issue to the N. W. Railway that similar class of passes are to be issued to contractors holding similar types of contract.
E.I. Luggage			
Stores/provisions for bona fide use in cars.	Nil.	Free.	
Staff	1st Class pass for Hindu contractor and Managerial control. 2nd Class passes for supervisory staff. 3rd Class passes for servants.	For outward and return trip. Free. † Also aerated waters and ice for replenishment of restaurant cars. Free. 1st Class passes for Managerial control. 2nd and Inter class passes for supervisory staff.	† Orders are now under issue to the E. I. Railway that this concession be allowed to the Indian restaurant car contractors, if required.

G.I.P.—There are no Indian dining cars. Only buffet cars are run for lower class passengers (Inter and 3rd).

E.B.—No Indian dining cars are run.

[2ND DEC. 1940.]

Staff allowances.—(for staff employed on the Dining or Restaurant Cars).

Railway.	Indian style dining cars	European style restaurant cars	Remarks.
N. W.	Nil.	Nil.	The payment, previously made, of Rs. 15 p. m. per car, as wages of Cleaner, has been stopped.
E. L.	Nil.	Nil.	
NOTE.—On the North Western Railway, Indian style dining cars are for the use of all classes of Indian passengers. European style restaurant cars cater for first and second class ticket-holders of all communities. On the East Indian Railway, Indian style restaurant cars are run for Indian passengers holding inter or third class tickets. The European style restaurant cars are for upper class ticket-holders of all communities. NOTE.—There are certain differences in the conditions of contracts and the facilities allowed. These arise from the fact that on the East Indian and North Western Railways, there are separate contracts for the Indian style dining cars and for Indian refreshment rooms, whereas one contract covers both European style restaurant cars and refreshment rooms. Government do not propose to lay copies of the relevant North Western and East Indian Railways contracts on the table, but they can be inspected in the office of the Railway Board.			

STATEMENT LAID ON THE TABLE

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table a copy of the Declaration of Exemption under section 6 of the Registration of Foreigners Act, 1939, as published with the notification of the Government of India in the Home Department, No. 21/38/40-Political (E), dated the 27th November, 1940.

Declaration of Exemption.

No. 21/38/40-Political (E), dated the 27th November, 1940.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to, Miss Evelyn Phyllis Feld, an American national.

H. J. FRAMPTON,

Deputy Secretary to the Government of India.

INDIAN INCOME-TAX (AMENDMENT) BILL.

THE HONOURABLE MR. J. F. SHEEHY (Nominated Official): Sir, I move:

"That the Bill further to amend the Indian Income-tax Act, 1922, and to make certain transitory provisions with respect to the operation of that Act on the coming into force of Part II of the Indian Income-tax (Amendment) Act, 1939, as passed by the Legislative Assembly, be taken into consideration."

Sir, when this Bill was introduced in the other House it was, in spite of the reassuring nature of the Statement of Objects and Reasons, received with a certain amount of suspicion, natural enough in the case of an Income-tax Bill. However, Sir, after Honourable Members and their constituents had had an opportunity to examine the Bill meticulously they realized that we were as good as our word, that the Bill did give extensive concessions and that it contained no trap for the unwary taxpayer. Only one clause in the Bill was amended, clause 10, which deals with recognized provident funds, and the small amendments that were made more effectively carried out our intention in proposing the clause. Otherwise the Bill was passed unaltered.

I do not think it is necessary for me to go through the various clauses of the Bill, but I should like to refer to one or two. Clause 5 gives a very substantial concession to property owners. Clause 6 gives a concession to certain non-residents with small incomes. Clause 7 gives relief to a certain class of super-taxpayer; and clauses 9 and 10 liberalize the provisions with regard to recognized provident funds. In a separate category you have clause 14, which is necessitated by the imminent establishment of the Appeal Tribunal. When that Tribunal is established the Commissioners' functions automatically cease; but at that time there will be some thousands of applications pending before the Commissioners and we have had to make provision for dealing with those applications which will be pending at the time the Tribunal is instituted.

THE HONOURABLE MR. J. H. S. RICHARDSON (Bengal Chamber of Commerce): Sir, I feel it would be ungracious if I did not take this opportunity of gratefully acknowledging the effort made by Government to remedy certain hardships and defects in the existing Income-tax provisions as is mentioned in the Statement of Objects and Reasons attached to this Bill. Such-

[Mr. J. H. S. Richardson.]

consideration on the part of the Finance Department is indeed welcome even though it may be rare and it gladdens the heart of the taxpayer who so often has to adopt the role of a suppliant and almost equally often has to retire not only disappointed, but disillusioned.

I am informed by various Income-tax Experts—and I do not profess to be one myself—that the opinion is held in regard to this Bill that whilst it may remedy certain defects of a minor nature, it does nothing with regard to real hardships and I am wondering whether we may hope that the present Bill is an indication of some softening of the heart on the part of those in whose hands the whip of taxation has been placed and whether this Bill may be but the harbinger of other measures in a real and final endeavour to eliminate those things which have been shown by experience as defective, obscure or anomalous.

THE HONOURABLE THE PRESIDENT: There is nothing to prevent you to bring in an amending Bill.

THE HONOURABLE MR. J. H. S. RICHARDSON: Certainly not. The burdens imposed by the recent increases announced in taxation and the certain knowledge that these are but the forerunners of others, carry with them the responsibility of the Central Board of Revenue more than ever to pay serious consideration to all cases of hardship which may be brought to their notice since the higher the taxation, the more severe the hardship becomes on any defect or anomaly in the various Income-tax Acts.

Sir, we have heard a good deal recently regarding the liberalization of this, that and the other and whilst expressing our sincere gratitude for small mercies on the one hand nevertheless it often seems to me the use of this word liberalization might very well also be recommended for the attention of those whose duty it is to administer the ever increasingly complicated Income-tax Law. In the forthcoming period of heavy taxation I suggest that some of the surplus red tape might perform a more suitable and useful function such as a bookmark in the pages of their dictionaries under the letter "L". This place—in their dictionaries of course—will possibly not only remind them of the tortures frequently suffered by assesses but also of the merciful relief rendered possible by the practical application of this blessed word "liberalization".

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan): Sir, before I proceed with my remarks on the Bill let me confess that I have no personal experience of the provisions of this Bill except as a very slight acquaintance; nor have I studied this measure sufficiently to speak with any sense of confidence—

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official): Then why do you speak?

THE HONOURABLE MR. HOSSAIN IMAM: I will tell you why I speak. The Judge has asked me the question, why do I speak? I am a representative of a certain class of people, and as such have to voice their opinion whether I am interested personally or not—

THE HONOURABLE SIR DAVID DEVADOSS: Convinced!

THE HONOURABLE MR. HOSSAIN IMAM: It is not a question of conviction: it is a question of interest. The Honourable Mr. Richardson gave us a good homily which I hope the Central Board of Revenue will take to heart. I only wanted to draw the attention of the House to a provision by which the non-residents have been given an option to get exemption from the higher rate of tax than those that are applicable to them, whereas the residents have not been given the same concession. Secondly, I freely confess that I was not able to find, but I was told that the fees for making an appeal to the Tribunal are fairly high. If it were possible to reduce that amount, consistent with efficiency, or it might be made *ad valorem*, I would suggest it for the consideration of the Honourable Member of the Central Board of Revenue. Thirdly, I should like to invite the attention of the Member to the fact which I stated at the last Finance Bill that in Bihar the number of appeals to the number of the assesses was higher, and the decisions also of the appellate authorities were more in favour of the assesses than of the Income-tax authorities. I have drawn the attention of the Honourable Member to this aspect and I would ask him to keep in view that the Biharis are not penalized and assessed highly as has been the case in former times.

THE HONOURABLE MR. J. F. SHEEHY (Nominated Official): Sir, I do not know if I have understood the point made by my Honourable friend Mr. Hossain Imam about non-residents. Is he referring to clause 6: If so we have already provided that the Income-tax Officer will give residents a certificate. In section 18 of the Income Tax Act there is provision for giving residents a certificate. As regards the fee for an application to the Tribunal, the Select Committee and the Legislature agreed to the sum of Rs. 100 only a year ago, and as the Tribunal has not even begun to function yet I do not think we should alter the amount of the fee until we see how it works. As regards the question of looking after the administration in Bihar, I may point out that we are doing this and I do not think that Bihar assesses are being ill-treated.

AN HONOURABLE MEMBER: He wants preferential treatment.

THE HONOURABLE MR. HOSSAIN IMAM: I want the same treatment which is being accorded in Madras and Bengal.

THE HONOURABLE MR. J. F. SHEEHY: As regards the remarks of my Honourable friend Mr. Richardson, I have no great difficulty in agreeing generally speaking. He was so vague that my agreement does not commit me to anything. I do not think I can say anything more because he talked so vaguely about liberalization and about grievances; and as he does not mention any specific grievances I really cannot deal with the charge that he has made.

THE HONOURABLE THE PRESIDENT: Motion moved:

"That the Bill further to amend the Indian Income-tax Act, 1922, and to make certain transitory provisions with respect to the operation of that Act on the coming into force of Part II of the Indian Income-tax (Amendment) Act, 1939, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clauses 3, 4, 5, 6, 7, 8 and 9 were added to the Bill.

Clauses 10 to 14 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. F. SHEEHY : Sir, I move :

"That the Bill further to amend the Indian Income-tax Act, 1922, and to make certain transitory provisions with respect to the operation of that Act on the coming into force of Part II of the Indian Income-tax (Amendment) Act, 1939, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

INDIAN SALE OF GOODS (AMENDMENT) BILL.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary) : Sir, I move :

"That the Bill to amend the Indian Sale of Goods Act, 1930, as passed by the Legislative Assembly, be taken into consideration."

This Bill, Sir, does not make any substantive change in the law at all. It merely aims at transferring from the Indian Tariff Act certain provisions which are more appropriately to be included in the Indian Sale of Goods Act. The provision in question is one which, in the absence of a stipulation to the contrary, allows the adjustment of prices quoted in contracts entered into before a change of customs or excise duty to be effective as if there were a corresponding change in the contract. The desirability of transferring this section from the Indian Tariff Act was brought out recently by the fact that a certain High Court in a judgment held that the provision in question, although it refers to duties of customs and excise, did not apply to the sale of goods liable to an excise duty within the country. That was never the intention of the Government and the argument will not be sustainable if the section is removed to an Act which does not, like the Indian Tariff Act, contain a specific reference to customs duty only in its preamble.

Of the merits of the provision in itself I need say nothing because it has been part of the law for close on half a century and, in the course of my connection with the administration of indirect taxes which covers more than half that period, I have never heard it criticized.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR ALAN LLOYD : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

EXCESS PROFITS TAX (AMENDMENT) BILL.

THE HONOURABLE MR. J. F. SHEEHY (Nominated Official) : Sir, I move :

"That the Bill to amend the Excess Profits Tax Act, 1940, as passed by the Legislative Assembly, be taken into consideration."

Sir, during the discussions on the Excess Profits Tax Bill last session, the Finance Member promised to introduce amending legislation as and when necessary. This Bill is in fulfilment of that promise. Our original Excess Profits Tax Act is based on the United Kingdom Finance Act, No. II of 1939, and this has since been amended by the United Kingdom Finance Act of 1940. Well, in this Bill we have practically copied word for word those provisions of the United Kingdom Act of 1940 which we thought suitable to Indian conditions. But we have also included some provisions of our own, for example clauses 6 and 9 (a), both of which give the taxpayer concessions. On the whole, the provisions of the Bill favour the taxpayer and this was recognized by the Select Committee which made no substantial change in the Bill. The changes made by the Select Committee were minor changes such as extending the time for the filing of appeals. I do not think I need go through the various clauses which are explained in the notes attached to the Bill, but I should like to draw attention to clause 6 which gives a substantial concession in respect of profits which are taxed abroad, and also to clause 10 (c), which gives a further substantial concession in respect of assets that are inherently unproductive. Those are probably the two most important clauses in the Bill. I do not think I need refer to any another provision, Sir, but if any Honourable Member wants a point explained I shall do my best to satisfy him.

Sir, I move.

The Motion was adopted.

Clauses 2 to 5 were added to the Bill.

Clauses 6 to 10 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. F. SHEEHY : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

The Council then adjourned *sine die*.

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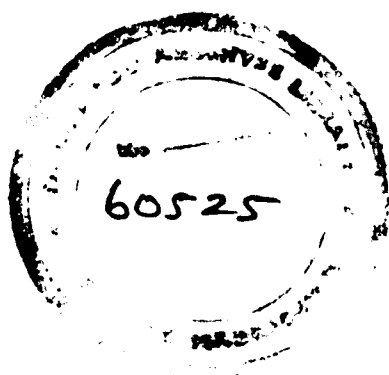
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